

TOWN OF EAST LONGMEADOW, MASSACHUSETTS

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

For the Year Ended June 30, 2016

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Independent Auditor's Report

To the Honorable Town Council
Town of East Longmeadow, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of East Longmeadow, Massachusetts, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of East Longmeadow, Massachusetts, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan and other post employment benefit plan schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The Supplementary Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated February 1, 2017 on our consideration of the Town of East Longmeadow, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of East Longmeadow Massachusetts' internal control over financial reporting and compliance.

Scanlon and Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

February 1, 2017

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, 2016. 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 \$10,309,239 (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 \$10,421,596 or an increase of \$112,357 (1%) 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 \$14,245,060, an increase of \$2,068,188 (17%) in comparison with prior year.
- The General Fund's total fund balance increased \$1,218,067 (16%) to \$8,661,110. The ending fund balance is 15% of revenues and transfers in and 15% of expenditures and transfers out.
- Total long term liabilities of the Town increased by \$1,722,609 (2%) to \$93,524,119 during the fiscal year. This change was mainly the result of net increases in warrants payable of \$992,128, the Other Post Employment Benefits (OPEB) liability of \$2,903,956 and the net pension liability of \$1,421,641 and a net decrease in debt \$3,236,796.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

The Town of East Longmeadow adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Highlights

Statement of Net Position Highlights

	Governmental Activities		
	2016	2015	Change
Assets:			
Current assets	\$ 18,549,072	\$ 16,986,352	\$ 1,562,720
Noncurrent assets (excluding capital assets)	2,447,254	2,997,998	(550,744)
Capital assets	40,721,231	40,819,230	(97,999)
Total assets	61,717,557	60,803,580	913,977
Deferred Outflows of Resources			
Deferred Outflows related to pensions	1,940,783	104,543	1,836,240
Liabilities:			
Current liabilities (excluding debt and leases)	2,472,696	2,013,665	459,031
Current debt including leases	2,258,125	2,931,970	(673,845)
Noncurrent liabilities (excluding debt and leases)	67,252,475	64,640,022	2,612,453
Noncurrent debt including leases	12,658,539	14,403,473	(1,744,934)
Total liabilities	84,641,835	83,989,130	652,705
Deferred Inflows of Resources			
Deferred Inflows related to pensions	1,706,290	716,956	989,334
Net Position:			
Net investment in capital assets	28,802,565	27,013,546	1,789,019
Restricted	5,666,537	5,862,418	(195,881)
Unrestricted	(57,158,887)	(56,673,927)	(484,960)
Total net position	\$ (22,689,785)	\$ (23,797,963)	\$ 1,108,178

	Business-Type Activities		
	2016	2015	Change
Assets:			
Current assets	\$ 3,298,705	\$ 2,738,485	\$ 560,220
Noncurrent assets (excluding capital assets)	125,678	139,309	(13,631)
Capital assets	17,829,761	18,310,953	(481,192)
Total assets	21,254,144	21,188,747	65,397
Deferred Outflows of Resources			
Deferred Outflows related to pensions	71,892	-	71,892
Liabilities:			
Current liabilities (excluding debt)	292,199	166,174	126,025
Current debt	874,077	1,549,017	(674,940)
Noncurrent liabilities (excluding debt)	1,817,605	55,709	1,761,896
Noncurrent debt	5,898,403	6,041,480	(143,077)
Total liabilities	8,882,284	7,812,380	1,069,904
Deferred Inflows of Resources			
Deferred Inflows related to pensions	63,206	-	63,206
Net Position:			
Net investment in capital assets	11,057,281	10,720,456	336,825
Restricted	436,952	540,754	(103,802)
Unrestricted	886,313	2,115,157	(1,228,844)
Total net position	\$ 12,380,546	\$ 13,376,367	\$ (995,821)

Financial Highlights

Statement of Activities Highlights

	Governmental Activities		
	2016	2015	Change
Program Revenues:			
Charges for services	\$ 3,006,077	\$ 3,010,397	\$ (4,320)
Operating grants and contributions	18,631,435	16,905,515	1,725,920
Capital grants and contributions	588,443	1,047,153	(458,710)
General Revenues:			
Property taxes	38,643,867	37,536,700	1,107,167
Motor vehicle excise and other taxes	2,505,004	2,242,776	262,228
Penalties and interest on taxes	280,486	185,482	95,004
Nonrestricted grants	1,460,609	1,446,479	14,130
Unrestricted investment income	228,675	122,193	106,482
Miscellaneous	20,318	65,018	(44,700)
Total revenues	65,364,914	62,561,713	2,803,201
Expenses:			
General Government	2,759,689	2,599,237	160,452
Public Safety	4,434,936	4,517,677	(82,741)
Public Works	5,051,001	5,115,736	(64,735)
Education	32,577,837	32,303,967	273,870
Health and Human Services	745,761	685,849	59,912
Culture and Recreation	1,690,876	1,597,223	93,653
Employee Benefits and Insurance	17,673,912	16,372,271	1,301,641
State Assessments	338,872	246,145	92,727
Interest	620,720	701,706	(80,986)
Total expenses	65,893,604	64,139,811	1,753,793
Net (expenses) revenues	(528,690)	(1,578,098)	1,049,408
Transfers	1,636,868	100,000	1,536,868
Change in net position	1,108,178	(1,478,098)	2,586,276
Net position - beginning of year	(23,797,963)	(22,319,865)	(1,478,098)
Net position - end of year	\$ (22,689,785)	\$ (23,797,963)	\$ 1,108,178

	Business-Type Activities		
	2016	2015	Change
Program Revenues:			
Charges for services	\$ 4,195,389	\$ 3,668,765	\$ 526,624
Operating grants and contributions	66,196	-	66,196
Total revenues	4,261,585	3,668,765	592,820
Expenses:			
Water	1,929,172	2,094,646	(165,474)
Sewer	1,691,366	1,462,672	228,694
Total expenses	3,620,538	3,557,318	63,220
Net (expenses) revenues	641,047	111,447	529,600
Transfers	(1,636,868)	(100,000)	(1,536,868)
Change in net position	(995,821)	11,447	(1,007,268)
Net position - beginning of year	13,376,367	13,364,920	11,447
Net position - end of year	\$ 12,380,546	\$ 13,376,367	\$ (995,821)

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 \$10,309,239 at the close of fiscal year 2016.

Net position of \$39,859,846 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 \$6,103,489 represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$56,272,574).

At the end of the current fiscal year, the Town is able to report positive balances in two categories of net position and a negative balance in the unrestricted category in the governmental activities and for the government as a whole. The unrestricted governmental activities and government as a whole resulted in a negative balance mainly due to the accrual of the OPEB obligation and net pension liabilities that are required under GASB to be recognized in the Town's financial statements. These liabilities are presented on the statement of net position.

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

The governmental activities net position increased by \$1,108,178 (5%) during the current fiscal year, which reflects the general fund's results of operation. The key elements of the increase in net position for fiscal year 2016 is attributed to increases resulting from the issuance of debt and lease of \$1,968,779 and recognizing the change in deferred outflow/(inflow) of resources related to pensions of \$846,906 and a decrease as a result of recognizing this year's OPEB obligation of \$2,455,343.

There was a decrease of \$995,821 (7%) in net position reported in connection with the water and sewer business-type activities. Of this, there was a decrease of \$185,525 attributed to the water department and a decrease of \$810,296 attributed to the sewer 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 \$14,245,060, an increase of \$2,068,188 (17%) in comparison with the prior year.

The breakdown of the governmental funds is as follows:

- Restricted fund balance- \$5,553,888 (39%).
- Committed fund balance - \$284,512 (2%).
- Assigned fund balance - \$1,039,932 (7%).
- Unassigned fund balance - \$7,366,728 (52%).

At the end of the fiscal year, the General Fund reported a total fund balance of \$8,661,110 increasing \$1,218,067 (16%) from the prior year. Of the \$8,661,110, the unassigned amount is \$7,336,728 (85%), the assigned amount is \$1,039,932 (12%) and the restricted amount is \$254,450 (3%). General fund revenues were \$3,471,353 (6%) more than the prior fiscal year and expenditures also increased by \$2,346,135 (4%). Other activities in the General fund were net transfers to other funds of \$901,249.

The main components of the increases in general fund revenues were related to an increase in property taxes of \$1,287,504 (3%) interest on taxes of \$94,615 (51%), investment income of \$106,482 (87%) and intergovernmental on-behalf payments of \$1,583,750 (48%).

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

- Decrease in Public works expenditures of \$291,964 (6%).
- Increase in Education expenditures of \$436,725 (2%).
- Increase in Employee benefits and insurance expenditures of \$2,395,888 (20%).
- Decrease in Debt Service expenditures (principal and interest) of \$344,073 (10%).

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 *Water Fund* is the financing and operations of the Town's water system. The water fund has accumulated a balance of \$6,685,543 and shows a decrease of \$185,525 (3%) in total operations. This change resulted from operating revenues exceeding operating expenditures of \$715,883, interest expense of \$143,797, other revenue (bond premium) of \$66,196 and transfers to the governmental funds of \$823,807. Operating revenues increased by \$364,558 (17%) while operating expenses decreased by \$219,757 (11%) from the prior year.

The *Sewer Fund* is the financing and operations of the Town's sewer system. The sewer fund has accumulated a balance of \$5,695,003 and shows a decrease of \$810,296 (12%) in total operations. This change was mainly attributed to operating revenues exceeding operating costs by \$117,186, interest expense of \$114,421 and transfers to the governmental funds of \$810,296. Operating revenues

increased by \$162,066 (11%) while operating expenses also increased by \$280,013 (22%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2016 was \$54,326,522. This was an increase of \$1,487,757 (3%) over the previous year's budget.

There was an increase between the original budget and the final amended budget. The change is attributed to the Town amending specific budget line items of the original budget at the special town meetings in October 2015 and annual town meeting in May 2016 for various budget operating line items.

General fund expenditures were less than budgeted by \$1,978,302. Of the \$1,978,302 in under budget expenditures, \$1,039,932 has been carried over to fiscal year 2017.

There was a negative variance in state assessments of \$49,669 due to a higher assessment in charter school sending tuitions of \$16,809 and lower assessments in special education of \$8,420 and in the school choice sending tuitions of \$58,058 than actual payments.

Overall the variance with the final budget was a positive \$1,743,974 consisting of a revenue surplus of \$805,604 and an appropriation surplus of \$938,370.

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, 2016 amounts to \$40,721,231 and \$17,829,761, 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 Hall improvements for \$112,186.
- Information technology and server upgrades for \$365,680.
- Police vehicle purchases for \$65,495.
- Highway vehicle and equipment purchases for \$75,079.
- Road infrastructure improvements for \$1,280,675.
- School vehicle and equipment purchases for \$254,144.
- Various schools' improvements for \$322,782.
- Council on Aging generator purchase for \$23,313.

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

- Water infrastructure improvements for \$185,392.

Debt Administration. The Town's outstanding governmental long-term debt, as of June 30, 2016, totaled \$14,841,244, of which \$7,009,000 is for school projects, \$770,000 for the new library, \$450,000 for pool renovations, \$192,244 for the GIS projects, \$565,000 for Town buildings' improvements and \$5,855,000 for various municipal purpose loans.

The Town also has a capital lease for a school department vehicle. The lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of their future minimum lease payments as of the inception date. Town currently owes \$12,576 on the lease consisting of \$12,229 in principal and \$347 in interest. Additionally, the Town entered into a financing agreement with Northeast Efficiency Supply for the Meadowbrook School lighting upgrade consisting of \$63,191 in principal to be repaid monthly over five years (approximately \$12,638 annually) with the electric billing.

The Town's outstanding business-type long-term debt consists of \$2,989,172 in sewer debt and \$3,783,308 in water debt that is fully supported by the rates.

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

Next Year's Annual Town Meeting

The Town of East Longmeadow operates under the "Open Meeting" concept where each voter has an equal vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2016 do not reflect the fiscal year 2017 Town Meeting action. The Annual Town Meeting on May 16, 2016 authorized a fiscal year 2017 operating and capital budget as follows:

From raise and appropriate		\$	54,110,369
From sewer revenues	\$	1,688,868	
From sewer retained earnings		<u>263,879</u>	1,952,747
From water revenues			2,486,573
From Other Available Funds:			
Non-major Governmental Funds:			
Community preservation funds		376,205	
Solid waste revolving		<u>123,570</u>	499,775
			<u>\$ 59,049,464</u>

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.

BASIC FINANCIAL STATEMENTS

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 11,845,297	\$ 2,542,071	\$ 14,387,368
Investments	3,698,519	-	3,698,519
Receivables, net of allowance for uncollectibles:			
Property Taxes	836,178	-	836,178
Tax Liens	824,728	-	824,728
Excise and Other Taxes	273,642	-	273,642
User Charges	-	739,048	739,048
Departmental	80,252	-	80,252
Special Assessments	-	17,586	17,586
Due from Other Governments	990,456	-	990,456
Total current assets	<u>18,549,072</u>	<u>3,298,705</u>	<u>21,847,777</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	-	125,678	125,678
Due from Other Governments	2,447,254	-	2,447,254
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	5,294,651	319,095	5,613,746
Depreciable	<u>35,426,580</u>	<u>17,510,666</u>	<u>52,937,246</u>
Total noncurrent assets	<u>43,168,485</u>	<u>17,955,439</u>	<u>61,123,924</u>
Total Assets	<u>61,717,557</u>	<u>21,254,144</u>	<u>82,971,701</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	<u>1,940,783</u>	<u>71,892</u>	<u>2,012,675</u>
LIABILITIES			
CURRENT:			
Warrants and Accounts Payable	1,133,695	219,841	1,353,536
Accrued Payroll	153,363	9,857	163,220
Employee Withholdings	458,163	-	458,163
Tax Refund Payable	47,200	-	47,200
Other	30,079	-	30,079
Accrued Interest	241,680	36,843	278,523
Compensated Absences	408,516	25,658	434,174
Bonds and Leases Payable	<u>2,258,125</u>	<u>874,077</u>	<u>3,132,202</u>
Total current liabilities	<u>4,730,821</u>	<u>1,166,276</u>	<u>5,897,097</u>
NONCURRENT:			
Compensated Absences	133,425	65,432	198,857
OPEB Obligation Payable	31,928,754	448,613	32,377,367
Net Pension Liability	35,190,296	1,303,560	36,493,856
Bonds and Leases Payable	<u>12,658,539</u>	<u>5,898,403</u>	<u>18,556,942</u>
Total noncurrent liabilities	<u>79,911,014</u>	<u>7,716,008</u>	<u>87,627,022</u>
Total Liabilities	<u>84,641,835</u>	<u>8,882,284</u>	<u>93,524,119</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>1,706,290</u>	<u>63,206</u>	<u>1,769,496</u>
NET POSITION			
Net Investment in Capital Assets	28,802,565	11,057,281	39,859,846
Restricted for:			
Capital Projects	4,782	436,952	441,734
Federal & State Grants	1,018,234	-	1,018,234
Community Preservation	985,518	-	985,518
Permanent Funds	8,278	-	8,278
Other Purposes	3,649,725	-	3,649,725
Unrestricted	<u>(57,158,887)</u>	<u>886,313</u>	<u>(56,272,574)</u>
Total Net Position	<u>\$ (22,689,785)</u>	<u>\$ 12,380,546</u>	<u>\$ (10,309,239)</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, 2016**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
General Government	\$ 2,759,689	\$ 255,545	\$ 289,448	\$ -	\$ (2,214,696)	\$ -	\$ (2,214,696)
Public Safety	4,434,936	677,721	93,682	-	(3,663,533)	-	(3,663,533)
Public Works	5,051,001	185,749	172,256	588,443	(4,104,553)	-	(4,104,553)
Education	32,577,837	1,219,703	12,882,201	-	(18,475,933)	-	(18,475,933)
Health and Human Services	745,761	152,349	115,814	-	(477,598)	-	(477,598)
Culture and Recreation	1,690,876	515,010	48,296	-	(1,127,570)	-	(1,127,570)
Employee Benefits and Insurance	17,673,912	-	4,892,692	-	(12,781,220)	-	(12,781,220)
State Assessments	338,872	-	-	-	(338,872)	-	(338,872)
Interest	620,720	-	137,046	-	(483,674)	-	(483,674)
Total Governmental Activities	65,893,604	3,006,077	18,631,435	588,443	(43,667,649)	-	(43,667,649)
Business-Type Activities:							
Water	1,929,172	2,501,258	66,196	-	-	638,282	638,282
Sewer	1,691,366	1,694,131	-	-	-	2,765	2,765
Total Primary Government	\$ 69,514,142	\$ 7,201,466	\$ 18,697,631	\$ 588,443	(43,667,649)	641,047	(43,026,602)
General Revenues:							
Property Taxes					38,643,867	-	38,643,867
Motor vehicle and other taxes					2,505,004	-	2,505,004
Penalties & Interest on taxes					280,486	-	280,486
Grants & Contributions not restricted to specific programs					1,460,609	-	1,460,609
Unrestricted Investment Income					228,675	-	228,675
Miscellaneous					20,318	-	20,318
Transfers, net					1,636,868	(1,636,868)	-
Total General Revenues					44,775,827	(1,636,868)	43,138,959
Change in Net Position					1,108,178	(995,821)	112,357
Net Position:							
Beginning of year					(23,797,963)	13,376,367	(10,421,596)
End of year					\$ (22,689,785)	\$ 12,380,546	\$ (10,309,239)

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

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 6,661,852	\$ 5,183,445	\$ 11,845,297
Investments	3,366,208	332,311	3,698,519
Receivables, net of allowance for uncollectibles:			
Property Taxes	831,209	4,969	836,178
Tax Liens	821,560	3,168	824,728
Excise Taxes	273,642	-	273,642
Departmental	16,269	63,983	80,252
Due from Other Governments	3,100,351	337,359	3,437,710
Total Assets	\$ 15,071,091	\$ 5,925,235	\$ 20,996,326
Liabilities:			
Warrants and Accounts Payable	\$ 937,798	\$ 195,897	\$ 1,133,695
Accrued Payroll	120,790	32,573	153,363
Employee withholdings	458,163	-	458,163
Tax Refund Payable	47,200	-	47,200
Other	29,913	166	30,079
Total Liabilities	1,593,864	228,636	1,822,500
Deferred Inflows of Resources:			
Unavailable Revenue	4,816,117	112,649	4,928,766
Fund Balance:			
Restricted	254,450	5,299,438	5,553,888
Committed	-	284,512	284,512
Assigned	1,039,932	-	1,039,932
Unassigned	7,366,728	-	7,366,728
Total Fund Balance	8,661,110	5,583,950	14,245,060
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 15,071,091	\$ 5,925,235	\$ 20,996,326

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, 2016**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$ 38,424,995	\$ 251,402	\$ 38,676,397
Intergovernmental	12,462,294	4,129,960	16,592,254
Excise and Other Taxes	2,370,627	-	2,370,627
Charges for Services	-	2,388,121	2,388,121
Licenses, Permits, Fees	701,711	-	701,711
Interest on Taxes	279,234	1,252	280,486
Investment Income	228,675	23,645	252,320
Other	-	258,192	258,192
Intergovernmental - "On-behalf" Payments	4,892,692	-	4,892,692
Total Revenues	59,360,228	7,052,572	66,412,800
Expenditures:			
Current:			
General Government	2,256,660	779,522	3,036,182
Public Safety	3,628,099	534,713	4,162,812
Public Works	4,612,465	1,394,196	6,006,661
Education	27,683,719	4,077,263	31,760,982
Health and Human Services	477,459	209,359	686,818
Culture and Recreation	840,284	621,838	1,462,122
Employee Benefits and Insurance	14,310,525	-	14,310,525
State Assessments	338,872	-	338,872
Debt Service:			
Principal	2,468,097	-	2,468,097
Interest	624,732	-	624,732
Total Expenditures	57,240,912	7,616,891	64,857,803
Excess of Revenues Over (Under) Expenditures	2,119,316	(564,319)	1,554,997
Other Financing Sources (Uses):			
Operating Transfers In	272,823	1,174,072	1,446,895
Operating Transfers Out	(1,174,072)	(272,823)	(1,446,895)
Capital Lease	-	63,191	63,191
Proceeds from Issuance of Bonds	-	450,000	450,000
Total Other Financing Sources (Uses)	(901,249)	1,414,440	513,191
Net Change in Fund Balances	1,218,067	850,121	2,068,188
Fund Balances, Beginning of Year	7,443,043	4,733,829	12,176,872
Fund Balances, End of Year	\$ 8,661,110	\$ 5,583,950	\$ 14,245,060

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, 2016

Total Governmental Fund Balances		\$	14,245,060
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.			40,721,231
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.			4,928,766
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions			234,493
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:			
Bonds and Leases Payable	\$	(14,916,664)	
Other Post Employment Benefits Payable		(31,928,754)	
Net Pension Liability		(35,190,296)	
Compensated Absences		<u>(541,941)</u>	(82,577,655)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due.			<u>(241,680)</u>
Net Position of Governmental Activities		\$	<u><u>(22,689,785)</u></u>

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

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds \$ 2,068,188

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

Capital Outlay Purchases	\$ 2,499,354	
Depreciation	<u>(2,597,353)</u>	(97,999)

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. (1,047,886)

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

Repayment of Debt and Lease Principal	2,481,970	
Proceeds from Issuance of Bonds	(450,000)	
Proceeds from Capital Lease	<u>(63,191)</u>	1,968,779

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

Net Change in Compensated Absences	(60,397)	
Net Change in Other Post Employment Benefits	(2,455,343)	
Net Change in Net Pension Liability	(118,082)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	846,906	
Net Change in Accrued Interest on Long-Term Debt	<u>4,012</u>	<u>(1,782,904)</u>

Change in Net Position of Governmental Activities \$ 1,108,178

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, 2016**

	Budgeted Amounts			Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried		Final Budget			
	Forward from Prior Year	Original Budget				
Revenues:						
Property Taxes	\$ -	\$ 38,062,433	\$ 38,062,433	\$ 38,529,095	\$ -	\$ 466,662
Intergovernmental	-	12,374,046	12,374,046	12,462,294	-	88,248
Excise and Other Taxes	-	2,323,200	2,323,200	2,370,627	-	47,427
Licenses, Permits, Fees	-	512,600	512,600	701,711	-	189,111
Interest on Taxes	-	267,500	267,500	279,234	-	11,734
Investment Income	-	55,000	55,000	57,422	-	2,422
Total Revenues	-	53,594,779	53,594,779	54,400,383	-	805,604
Expenditures:						
Current:						
General Government	75,630	2,510,527	2,552,398	2,256,660	28,536	267,202
Public Safety	7,851	3,694,468	3,714,248	3,628,099	12,036	74,113
Public Works	136,461	4,821,850	5,011,015	4,612,465	228,365	170,185
Education	445,010	28,002,679	28,469,185	27,683,719	719,474	65,992
Health and Human Services	116	522,740	523,548	477,459	10,395	35,694
Culture and Recreation	622	871,789	869,463	840,284	12,953	16,226
Employee Benefits and Insurance	6,850	8,754,939	9,750,024	9,417,833	6,399	325,792
State Assessments	-	289,203	289,203	338,872	-	(49,669)
Debt Service:						
Principal	-	2,494,000	2,494,000	2,468,097	20,199	5,704
Interest	6,212	635,461	653,438	624,732	1,575	27,131
Total Expenditures	678,752	52,597,656	54,326,522	52,348,220	1,039,932	938,370
Excess of Revenues Over (Under) Expenditures	(678,752)	997,123	(731,743)	2,052,163	(1,039,932)	1,743,974
Other Financing Sources (Uses):						
Operating Transfers In	-	223,537	223,537	272,823	-	49,286
Operating Transfers Out	-	(1,274,072)	(1,274,072)	(1,274,072)	-	-
Total Other Financing Sources (Uses)	-	(1,050,535)	(1,050,535)	(1,001,249)	-	49,286
Net Change in Budgetary Fund Balance	(678,752)	(53,412)	(1,782,278)	\$ 1,050,914	\$ (1,039,932)	\$ 1,793,260
Other Budgetary Items:						
Free Cash and Other Reserves	-	325,182	1,375,296			
Prior Year Deficits	-	(271,770)	(271,770)			
Prior Year Encumbrances	678,752	-	678,752			
Total Other Budgetary Items	678,752	53,412	1,782,278			
NET BUDGET	\$ -	\$ -	\$ -			

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

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2016

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 54,400,383	\$ 52,348,220
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	171,253	-
Net Decrease in Revenue from recording Refund Taxes Payable	(16,200)	-
Recognition of intergovernmental Revenue - "on behalf payments"	4,892,692	-
Recognition of Expenditures - "on behalf payments"	-	4,892,692
Net Decrease in Revenue from Recording 60-Day Receipts	(87,900)	-
Reported on a GAAP Basis	\$ 59,360,228	\$ 57,240,912

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 1,164,104	\$ 1,377,967	\$ 2,542,071
Receivables, net of allowance for uncollectibles			
User Charges	414,011	325,037	739,048
Special Assessments	1,440	16,146	17,586
Total current assets	1,579,555	1,719,150	3,298,705
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	2,880	122,798	125,678
Capital Assets, net of accumulated depreciation:			
Nondepreciable	319,095	-	319,095
Depreciable	9,684,752	7,825,914	17,510,666
Total noncurrent assets	10,006,727	7,948,712	17,955,439
Total Assets	11,586,282	9,667,862	21,254,144
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	35,946	35,946	71,892
LIABILITIES			
CURRENT:			
Warrants and Accounts Payable	146,499	73,342	219,841
Accrued Payroll	5,229	4,628	9,857
Accrued Interest	15,994	20,849	36,843
Compensated Absences	16,438	9,220	25,658
Bonds Payable	460,447	413,630	874,077
Total current liabilities	644,607	521,669	1,166,276
NONCURRENT:			
Compensated Absences	58,333	7,099	65,432
OPEB Obligation Payable	227,501	221,112	448,613
Net Pension Liability	651,780	651,780	1,303,560
Bonds Payable	3,322,861	2,575,542	5,898,403
Total noncurrent liabilities	4,260,475	3,455,533	7,716,008
Total Liabilities	4,905,082	3,977,202	8,882,284
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	31,603	31,603	63,206
NET POSITION			
Net Investment in Capital Assets	6,220,539	4,836,742	11,057,281
Restricted for Capital	122,924	314,028	436,952
Unrestricted	342,080	544,233	886,313
Total Net Position	\$ 6,685,543	\$ 5,695,003	\$ 12,380,546

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, 2016**

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for Services	\$ 2,501,258	\$ 1,694,131	\$ 4,195,389
Total Operating Revenues	<u>2,501,258</u>	<u>1,694,131</u>	<u>4,195,389</u>
Operating Expenses:			
Salaries & Wages	372,370	318,274	690,644
Operating Expenses	1,037,155	967,937	2,005,092
Depreciation	375,850	290,734	666,584
Total Operating Expenses	<u>1,785,375</u>	<u>1,576,945</u>	<u>3,362,320</u>
Operating Income (Loss)	<u>715,883</u>	<u>117,186</u>	<u>833,069</u>
Non-Operating Revenues (Expenses):			
Other	66,196	-	66,196
Interest Expense	(143,797)	(114,421)	(258,218)
Total Non-Operating Revenues (Expenses)	<u>(77,601)</u>	<u>(114,421)</u>	<u>(192,022)</u>
Income (Loss) Before Operating Transfers	<u>638,282</u>	<u>2,765</u>	<u>641,047</u>
Operating Transfers:			
Transfers In/(Out)	(823,807)	(813,061)	(1,636,868)
Total Operating Transfers	<u>(823,807)</u>	<u>(813,061)</u>	<u>(1,636,868)</u>
Change in Net Position	<u>(185,525)</u>	<u>(810,296)</u>	<u>(995,821)</u>
Net Position at Beginning of Year	<u>6,871,068</u>	<u>6,505,299</u>	<u>13,376,367</u>
Net Position at End of Year	<u>\$ 6,685,543</u>	<u>\$ 5,695,003</u>	<u>\$ 12,380,546</u>

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, 2016**

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 2,526,332	\$ 1,725,460	\$ 4,251,792
Payments to Vendors	(862,395)	(864,787)	(1,727,182)
Payments to Employees	(367,636)	(358,101)	(725,737)
Net Cash Provided by (Used for) Operating Activities	1,296,301	502,572	1,798,873
Cash Flows from Capital and Related Financing Activities:			
Other	66,196	-	66,196
Acquisition and Construction of Capital Assets	(185,392)	-	(185,392)
Principal Payments on Bonds and Notes	(399,450)	(418,567)	(818,017)
Interest Expense	(143,648)	(115,020)	(258,668)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(662,294)	(533,587)	(1,195,881)
Net Increase (Decrease) in Cash and Cash Equivalents	634,007	(31,015)	602,992
Cash and Cash Equivalents at Beginning of Year	530,097	1,408,982	1,939,079
Cash and Cash Equivalents at End of Year	\$ 1,164,104	\$ 1,377,967	\$ 2,542,071
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Operating Income (Loss)	\$ 715,883	\$ 117,186	\$ 833,069
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	375,850	290,734	666,584
Deferred (Outflows)/Inflows of Resources Related to Pensions	(15,281)	(15,281)	(30,562)
Change in Assets and Liabilities:			
Increase (Decrease) in Warrants Payable	123,629	47,662	171,291
Increase (Decrease) in Accrued Payroll	(7,503)	(34,591)	(42,094)
Increase (Decrease) in Compensated Absences	12,237	(5,236)	7,001
Increase (Decrease) in OPEB Obligation Payable	41,021	45,378	86,399
Increase (Decrease) in Net Pension Liability	25,391	25,391	50,782
Decrease (Increase) in User Charges Receivable	25,074	31,329	56,403
Total Adjustments	580,418	385,386	965,804
Net Cash Provided by (Used for) Operating Activities	\$ 1,296,301	\$ 502,572	\$ 1,798,873

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, 2016

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 41,369	\$ 561,301
Investments	1,137,133	46,452	-
Total Assets	1,137,133	87,821	561,301
LIABILITIES			
Warrants Payable	-	-	691
Due to Others	-	-	29,210
Due to Student Groups	-	-	113,503
Escrows and Deposits	-	-	417,897
Total Liabilities	-	-	561,301
NET POSITION			
Held in Trust for Other Purposes	\$ 1,137,133	\$ 87,821	\$ -

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, 2016**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
Additions:		
Employer Contributions	\$ 1,050,000	\$ -
Private Donations	-	17,535
Investment Income	35,826	3,730
Total Additions	1,085,826	21,265
Deductions:		
Educational Scholarships	-	5,900
General Expenses	-	2,160
Total Deductions	-	8,060
Change in Net Position	1,085,826	13,205
Net Position at Beginning of Year	51,307	74,616
Net Position at End of Year	\$ 1,137,133	\$ 87,821

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, 2016

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 2016, 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*.

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

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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.

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

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expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The Town reports the following major governmental funds:

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

The government reports the following major proprietary funds:

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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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

State and local statutes place certain limitations on the nature of deposits and investments to the Town. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U. S. Government or agencies that have a maturity of less than one year from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

All investments are carried at fair value.

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, 2015 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

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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 2016 on June 26, 2015 and September 30, 2015 that were due on August 3, 2015 and November 2, 2015 and actual bills on December 30, 2015 and March 29, 2016 that were due on February 1, 2016 and May 2, 2016, 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 2016 is as follows:

Legal Levy Limit Under Proposition 2 1/2 for fiscal year 2016	\$ 38,368,359
Add: Debt Exclusion	881,301
	<u>\$ 39,249,660</u>

The total amount to be raised by taxation was \$38,388,985.

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.

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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.

G. Capital Assets

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

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

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

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

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

H. Interfund Transfers

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

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

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

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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 item in this category is *deferred outflows related to pensions*.

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

Fund financial statements

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

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

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

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

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

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

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

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

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

K. Long-term Debt

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

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

L. Compensated Absences

The Town grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Individuals are provided for various provisions depending on the union contract. 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

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of employee contributions, are recognized when due and payable according with the benefit terms. Investments are reported at their fair value.

N. Post Retirement Benefits

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

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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

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

For fiscal year 2016, the Town incurred a final budget deficit of \$1,782,278 for the General Fund.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
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The Town voted from the following sources to fund the deficit budget during the fiscal year:

Unassigned fund balance:		
Free cash votes	\$	1,330,818
Reserved for deficits		(271,770)
Reserved for debt		44,478
Prior year's encumbrances		678,752
		678,752
	\$	1,782,278

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government has a deposit policy for custodial credit risk. Deposits at June 30, 2016 were \$15,827,446. Of these, \$129,709 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.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
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As of June 30, 2016, 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
Debt Securities:				
U. S. government agencies	\$ 409,843	\$ -	\$ -	\$ 409,843
Corporate bonds	540,742	-	128,812	411,930
Municipal bonds	888,799	-	-	888,799
Money market mutual fund	1,403,491	1,403,491	-	-
	<u>3,242,875</u>	<u>\$ 1,403,491</u>	<u>\$ 128,812</u>	<u>\$ 1,710,572</u>
Other Investments:				
Certificates of deposits	691,911			
Equity securities - domestic	803,571			
MMDT	143,747			
	<u>\$ 4,882,104</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 \$4,882,104 in investments, \$2,691,382 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
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Credit Risk

The Town's exposure to credit risk as of June 30, 2016 is follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
<i>U. S. Government Agencies:</i>	
Aaa	\$ 409,843
<i>Corporate Bonds:</i>	
Aaa	46,442
A1	229,537
A2	36,680
A3	52,519
AA3	122,221
Baa1	53,343
<i>Municipal Bonds:</i>	
AA1	259,830
AA2	579,053
Not rated	49,916
<i>Money Market Mutual Funds:</i>	
Not rated	1,403,491
	\$ 3,242,875

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.

B. Receivables

At June 30, 2016, receivables for the individual major governmental funds, non-major governmental funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 848,640	\$ (12,462)	\$ 836,178
Tax liens	824,728	-	824,728
Excise taxes	309,142	(35,500)	273,642
Departmental	80,476	(224)	80,252
Due from other governments	3,437,710	-	3,437,710
	\$ 5,500,696	\$ (48,186)	\$ 5,452,510

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
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At June 30, 2016, receivables for the business-type activities consist of the following:

	Gross Amount	for Uncollectibles	Net Amount
Water Fund:			
User charges	\$ 414,299	\$ (4,602)	\$ 409,697
Tax liens	4,314	-	4,314
Special assessments	4,320	-	4,320
Sewer Fund:			
User charges	295,961	(1,000)	294,961
Tax liens	30,076	-	30,076
Special assessments	138,944	-	138,944
	\$ 887,914	\$ (5,602)	\$ 882,312

The composition of amounts due from other governments as of June 30, 2016 for the governmental funds are as follows:

General Fund:			
<i>Commonwealth of Massachusetts:</i>			
Department of Revenue:			
Urban Redevelopment	\$	15,237	
Veterans, Blind & Surviving Spouse		32,652	
Department of Veterans Services:			
Veterans benefits		54,464	
Massachusetts School Building Authority:			
School Building Assistance - Capital Portion		2,997,998	\$ 3,100,351
Nonmajor Governmental Funds:			
<i>U. S. Department of Agriculture:</i>			
School lunch		16,333	
<i>U. S. Department of Education:</i>			
School title grants		94,916	
<i>Commonwealth of Massachusetts:</i>			
Department of Elementary & Secondary Education:			
School lunch		823	
Massachusetts Department of Transportation:			
Highway Department - Chapter 90 funded projects		225,287	337,359
		\$	3,437,710

C. Deferred Inflows of Resources – Unavailable Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
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At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

General Fund:			
Property taxes	\$	662,109	
Tax liens		825,728	
Excise taxes		273,642	
Departmental		12,101	
Due from other governments		3,042,537	\$ 4,816,117
Nonmajor governmental funds:			
Property taxes		4,969	
Tax liens		3,168	
Due from other governments		104,512	112,649
			\$ 4,928,766

D. Capital Assets

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2016, are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,182,465	\$ -	\$ -	\$ 5,182,465
Construction in progress	6,500	299,186	(193,500)	112,186
Total capital assets not being depreciated	5,188,965	299,186	(193,500)	5,294,651
Capital assets being depreciated:				
Buildings and Renovations	58,586,671	675,020	-	59,261,691
Machinery, equipment and other	7,564,424	418,031	(85,000)	7,897,455
Infrastructure	5,183,399	1,300,617	-	6,484,016
Total capital assets being depreciated	71,334,494	2,393,668	(85,000)	73,643,162
Less accumulated depreciation for:				
Buildings and Renovations	27,875,828	2,013,946	-	29,889,774
Machinery, equipment and other	6,719,740	298,732	(85,000)	6,933,472
Infrastructure	1,108,661	284,675	-	1,393,336
Total accumulated depreciation	35,704,229	2,597,353	(85,000)	38,216,582
Total capital assets being depreciated, net	35,630,265	(203,685)	-	35,426,580
Total governmental activities capital assets, net	\$ 40,819,230	\$ 95,501	\$ (193,500)	\$ 40,721,231

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

Business-type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 133,703	\$ 185,392	\$ -	\$ 319,095
Total capital assets not being depreciated	133,703	185,392	-	319,095
Capital assets being depreciated:				
Buildings and renovations	29,597	-	-	29,597
Machinery, equipment and other	381,064	-	-	381,064
Infrastructure	40,609,486	-	-	40,609,486
Total capital assets being depreciated	41,020,147	-	-	41,020,147
Less accumulated depreciation for:				
Buildings and renovations	29,597	-	-	29,597
Machinery, equipment and other	228,173	53,260	-	281,433
Infrastructure	22,585,127	613,324	-	23,198,451
Total accumulated depreciation	22,842,897	666,584	-	23,509,481
Total capital assets being depreciated, net	18,177,250	(666,584)	-	17,510,666
Total business-type activities capital assets, net	\$ 18,310,953	\$ (481,192)	\$ -	\$ 17,829,761

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

Governmental Activities:

General government	\$ 166,963
Public safety	313,802
Public works	397,930
Education	1,401,475
Health and human services	79,758
Culture and recreation	237,425
Total depreciation expense - governmental activities	<u>\$ 2,597,353</u>

Business-Type Activities:

Sewer fund	\$ 290,734
Water fund	375,850
Total depreciation expense - business-type activities	<u>\$ 666,584</u>

E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2016, are summarized below:

Transfers Out:	Transfers In:		
	General fund	Nonmajor Governmental fund	Total
General fund	\$ -	\$ 1,174,072	\$ 1,174,072
Nonmajor governmental funds	272,823	-	272,823
Total transfers out	<u>\$ 272,823</u>	<u>\$ 1,174,072</u>	<u>\$ 1,446,895</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

F. Leases

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

The assets acquired through the capital leases are as follows:

	Governmental Activities
Asset:	
Machinery, Equipment and Other	\$ 132,298
Less: Accumulated Depreciation	(25,271)
Total	\$ 107,027

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016, are as follows:

Year Ending June 30,	Governmental Activities
2017	\$ 25,214
2018	12,638
2019	12,639
2020	12,638
2021	12,638
Total minimum lease payments	75,767
Less: amount representing interest	(347)
Present value of minimum lease payments	\$ 75,420

G. Short-Term Financing

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

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

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2015	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2016
Governmental Activities						
Bond Anticipation Notes:						
Pine Knoll pool renovation	0.75%	06/30/16	\$ 450,000	\$ -	\$ 450,000	\$ -

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

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, 2015	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2016
Business-Type Activities:						
<i>Water Fund:</i>						
Bond Anticipation Notes:						
Harkness Pump Station	0.75%	06/30/16	\$ 731,082	\$ -	\$ 731,082	\$ -

H. Long Term Debt

General Obligation Bonds

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

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, 2016
Inside Debt:					
Municipal purpose loan of 2003: Library	2.0-5.0%	06/01/03	06/01/23	\$ 2,200,000	\$ 770,000
Municipal purpose loan of 2005: Remodeling projects	3.85%	04/01/05	04/01/22	1,336,200	525,000
Municipal purpose loan of 2005: School projects	4.0-6.0%	12/01/05	12/01/25	972,981	290,000
Municipal purpose loan of 2007: School projects	3.96%	01/15/07	01/15/27	3,729,000	2,035,000
Senior Center improvements	3.96%	01/15/07	01/15/27	410,000	40,000
Municipal purpose loan of 2009	2.91%	01/15/09	01/15/24	4,852,000	1,785,000
Municipal purpose loan of 2010	2.09%	09/15/10	09/15/25	2,730,000	1,300,000
Municipal purpose loan of 2011	2.0-5.0%	10/13/11	08/01/29	4,405,000	2,770,000
Municipal Purpose Loan of 2016: Pine Knoll Pool Renovations	1.46%	06/29/16	06/15/28	450,000	450,000
Massachusetts Clean Water Trust:					
GIS project	N/A	10/26/06	08/01/24	194,098	113,000
GIS project	2.00%	10/26/06	07/15/24	138,448	79,244
Total Inside Debt					<u>10,157,244</u>
Outside Debt:					
Municipal purpose loan of 2011 Birchland Park Middle School Construction	2.0-5.0%	10/13/11	08/01/20	8,739,050	4,684,000
Total Outside Debt					<u>4,684,000</u>
Total governmental type debt					<u>\$ 14,841,244</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2016, are as follows:

Year	Principal	Interest	Total
2017	\$ 2,233,258	\$ 550,216	\$ 2,783,474
2018	2,182,422	471,501	2,653,923
2019	2,178,589	388,487	2,567,076
2020	2,075,351	300,377	2,375,728
2021	1,985,526	210,653	2,196,179
2022-2026	3,531,098	413,823	3,944,921
2027-2030	655,000	38,300	693,300
	<u>\$ 14,841,244</u>	<u>\$ 2,373,357</u>	<u>\$ 17,214,601</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

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, 2016
Inside Debt:					
Sewer Fund:					
Municipal purpose loan of 2003:					
Sewer projects	2.0-5.0%	06/01/03	06/01/23	\$ 4,775,000	\$ 1,680,000
Municipal purpose loan of 2005:					
Discharge Meters	3.85%	04/01/05	04/01/21	156,000	45,000
Pease, Prospect and Old Farm Roads	3.85%	04/01/05	04/01/17	120,000	10,000
Mill Road Sanitary Sewer Construction	4.0-6.0%	12/01/05	12/01/25	250,000	110,000
Municipal purpose loan of 2010:					
Pump Station Upgrades	2.09%	09/15/10	09/15/25	1,104,000	730,000
Municipal purpose loan of 2011:					
Sewer projects	2.0-5.0%	10/13/11	08/01/21	612,780	338,000
Massachusetts Clean					
Water Trust:					
GIS Project	N/A	10/26/06	08/01/24	76,907	44,773
GIS Project	2.00%	10/26/06	07/15/24	54,857	31,399
Water Fund:					
Massachusetts Clean					
Water Trust:					
GIS Project	N/A	10/26/06	08/01/24	95,218	55,434
GIS Project	2.00%	10/26/06	07/15/24	67,918	38,874
Total Inside Debt					<u>3,083,480</u>
Outside Debt:					
Water Fund:					
Municipal purpose loan of 2003:					
Water tank painting	2.0-5.0%	06/01/03	06/01/23	100,000	35,000
Water main projects	2.0-5.0%	06/01/03	06/01/23	4,140,000	1,435,000
Municipal purpose loan of 2005:					
Water main projects	3.85%	04/01/05	04/01/18	130,000	20,000
Water tower	4.0-6.0%	12/01/05	12/01/25	2,500,000	1,250,000
Municipal purpose loan of 2011:					
Water main projects	2.0-5.0%	10/13/11	08/01/21	398,170	218,000
Municipal Purpose Loan of 2016:					
Harkness Pump Station improvements	1.46%	06/29/16	06/15/28	731,000	731,000
Total Outside Debt					<u>3,689,000</u>
Total business-type debt					<u>\$ 6,772,480</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

Future Debt Service

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2016, are as follows:

Year	Principal	Interest	Total
2017	\$ 874,078	\$ 246,871	\$ 1,120,949
2018	854,223	216,099	1,070,322
2019	843,371	184,094	1,027,465
2020	844,934	152,160	997,094
2021	835,089	119,617	954,706
2022-2026	2,400,785	195,945	2,596,730
2027-2028	120,000	3,600	123,600
	<u>\$ 6,772,480</u>	<u>\$ 1,118,386</u>	<u>\$ 7,890,866</u>

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

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due within One Year
Governmental activities:					
Bond Payable:					
General obligation bonds Massachusetts Clean Water Trust bonds	\$ 16,648,000	\$ 450,000	\$ 2,449,000	\$ 14,649,000	\$ 2,214,000
	211,341	-	19,097	192,244	19,258
Capital lease	26,102	63,191	13,873	75,420	24,867
Compensated absences	481,544	73,343	12,946	541,941	408,516
OPEB Obligation payable	29,473,411	2,455,343	-	31,928,754	-
Net Pension liability	35,072,214	118,082	-	35,190,296	-
Governmental activity Long-term liabilities	<u>\$ 81,912,612</u>	<u>\$ 3,159,959</u>	<u>\$ 2,494,916</u>	<u>\$ 82,577,655</u>	<u>\$ 2,666,641</u>
Business type activities:					
Bond Payable:					
General obligation bonds Massachusetts Clean Water Trust bonds	\$ 6,672,000	\$ 731,000	\$ 801,000	\$ 6,602,000	\$ 857,000
	187,415	-	16,935	170,480	17,077
Compensated absences	84,089	17,195	10,194	91,090	25,658
OPEB Obligation payable	-	448,613	-	448,613	-
Net Pension liability	-	1,303,560	-	1,303,560	-
Business-type activity Long-term liabilities	<u>\$ 6,943,504</u>	<u>\$ 2,500,368</u>	<u>\$ 828,129</u>	<u>\$ 8,615,743</u>	<u>\$ 899,735</u>

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, 2016 for principal and interest combined for the loan is \$419,640. The net repayments, including interest, are scheduled to be \$388,354.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

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 2016 interest subsidies totaled \$5,021.

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, 2016 totaled \$13,240,724.

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, 2016:

Equalized Valuation-Real Estate and Personal Property (2014)		\$ 1,829,457,200
Debt Limit: 5 % of Equalized value		<u>91,472,860</u>
Total Debt Outstanding	\$ 21,613,724	
Less: Debt Outside Debt Limit	<u>(8,373,000)</u>	<u>13,240,724</u>
Inside Debt Excess Borrowing Capacity at June 30, 2016		<u>\$ 78,232,136</u>

Loans Authorized and Unissued - Memorandum Only

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

Loan authorizations that have not been issued as of June 30, 2016 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
05/19/08	Health department - landfill Somers & Allen Street	\$ 138,000
05/21/12	Harkness Pump Station improvements (Water)	500
10/21/13	Lease or purchase a Building	1,200,000
05/16/16	Water Main Replacement	<u>554,250</u>
		<u>\$ 1,892,750</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

I. Fund Balances

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2016:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:			
Federal, state and local grants	\$ -	\$ 913,722	\$ 913,722
Community preservation funds	-	977,381	977,381
School revolving funds	-	1,156,122	1,156,122
Town revolving funds	-	839,202	839,202
Donations and gifts	-	26,597	26,597
Payment of Debt	254,450	911,235	1,165,685
Capital projects	-	4,781	4,781
Permanent funds	-	8,278	8,278
Other	-	462,120	462,120
	<u>254,450</u>	<u>5,299,438</u>	<u>5,553,888</u>
Committed:			
Capital projects	-	284,512	284,512
Assigned:			
General government	28,536	-	28,536
Public safety	12,036	-	12,036
Public works	228,365	-	228,365
Education	719,474	-	719,474
Health and human services	10,395	-	10,395
Culture and recreation	12,953	-	12,953
Employee benefits and insurance	6,399	-	6,399
Debt service	21,774	-	21,774
	<u>1,039,932</u>	<u>-</u>	<u>1,039,932</u>
Unassigned:			
General Fund	<u>7,366,728</u>	<u>-</u>	<u>7,366,728</u>
Total Governmental fund balances	<u>\$ 8,661,110</u>	<u>\$ 5,583,950</u>	<u>\$ 14,245,060</u>

J. Special Trust Funds

Stabilization Fund

Under Section 5B of Chapter 40 of the Massachusetts General Laws, the Town may for the purpose of creating a stabilization fund appropriate in any year an amount not exceeding ten percent of the amount raised in the preceding year by taxation of real estate and tangible personal property or such larger amount as may be approved by the Emergency Finance Board. The aggregate amount in the fund at any time shall not exceed ten percent of the equalized valuation of the Town and any interest shall be added to and become a part of the fund. The stabilization fund may be appropriated in a Town at a Town meeting for any lawful purpose.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
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At June 30, 2016, the balance in the stabilization fund is \$2,231,337 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, 2016, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2016.

Federal Financial Assistance

The Town receives significant financial assistance from numerous federal and state agencies in the form of grants and entitlements. Expenditures of funds under these programs require compliance with the grant agreements and are subject to audit procedures prescribed under the Single Audit Act Amendments of 1996. Any disallowed expenditures resulting from such audits become a liability of the Town.

The outcome of lawsuits and any findings with respect to disallowed expenditures is not expected to materially affect the financial condition of the Town.

C. 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.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

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, 2015. The Town's portion of the collective pension expense contributed by the Commonwealth of \$4,892,692 on-behalf payments for the fiscal year ending June 30, 2016 is reported as intergovernmental revenues and employee benefits and insurance expenditures in the General Fund as of the measurement date.

Benefits Provided

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

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

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

Contributions

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

The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2015 was \$2,662,850, representing 21.90% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

The pension portion of any retirement benefit is paid from the Pension Fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current-year pension assessment. In the past years, retirement systems were paying only the actual retirement benefits that were due each year. Systems had no statutory authorization to put aside money for the future benefits or employees who are currently employed. Large unfunded liabilities resulted from operating under this pay-as-you-go basis. In 1983, additional legislation was passed requiring the transfer of investment

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
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earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. Additionally, Chapter 32 of the M.G.L. requires Massachusetts retirement systems to adopt funding schedules designed to reduce the unfunded actuarial liability of the system to zero by no later than June 30, 2040. The System's current funding schedule is designed to reduce the unfunded actuarial liability to zero by 2035.

Pension Liability

As of June 30, 2016, the Town reported a liability of \$36,493,856 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. 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, 2015, the Town's proportional percentage was 11.682%, which was a slight decrease from the last measurement.

Pension Expense

For the year ended June 30, 2016, the Town recognized a pension expense of \$3,228,900; reported deferred outflows of resources related to pensions of \$2,012,675 and deferred inflows of resources related to pensions of \$1,769,496, from the net difference between projected and actual investment earnings on pension plan investments. Since the System performs an actuarial valuation bi-annually, there are no reported differences between the expected and actual experience or changes of assumptions as of December 31, 2015.

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

For years ended June 30,	
2016	\$ 60,795
2017	60,795
2018	60,795
2019	60,794
	<u>\$ 243,179</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2015:

Valuation date	January 1, 2014
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level dollar for the 2002 and 2003 ERI and funding holiday liabilities and Increasing 4.0% per year for the remaining unfunded liability. Increase in total appropriation is limited to 8.0%.
Remaining amortization period	As of July 1, 2014, 5 years remaining on the 2002 ERI, 6 years remaining on the 2003 ERI and funding holiday, and 22 years for the remaining unfunded liability.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

Asset valuation method	The difference between the expected return and the actual investment return on a market value basis is recognized over a 5 year period. Asset value is adjusted, if necessary to be within 10% of the market value.
Inflation rate	4.00%
Investment rate of return	7.875%
Projected salary increase	Varies by length of service with ultimate rates 4.25% for Group 1 and 4.50% for Group 2 and 4.75% for Group 4.
Cost of living adjustments	3.00% of the first \$18,000 of retirement income.
Mortality rates	Pre-retirement: the RP-2000 Employee Mortality Table projected generally with a Scale AA from 2010. Healthy retiree: the RP-2000 Healthy Annuitant Mortality Table projected generally with a Scale AA from 2010. For disabled retirees, the Healthy Annuitant Mortality Table is set forward 3 years for males only projected generally with Scale AA from 2010.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of January 1, 2015, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Asset Allocation
Large Cap Equities	7.50%	14.50%
Small/mid Cap Equities	7.75%	3.50%
International Equities (Unhedged)	8.00%	16.00%
Emerging International Equities	9.25%	6.00%
High-yield Bonds	5.75%	1.50%
Bank Loans	6.00%	1.50%
EMD (External)	6.00%	1.00%
EMD (Local Currency)	6.75%	2.00%
TIPS	4.00%	3.00%
Core Bonds	3.98%	3.00%
Long Treasuries	4.00%	7.00%
Private Equity	9.50%	10.00%
Private Debt	8.00%	4.00%
Real Estate (Core)	6.50%	10.00%
Hedge Funds	6.75%	9.00%
Timber/Natural Resources	6.75%	4.00%
Portfolio Completion Strategies	N/A	4.00%
Total		<u>100.00%</u>

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
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Year Ended June 30, 2016

Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 0.69%. The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

Discount Rate

The discount rate used to measure the total pension liability was 7.875%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made based at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments or current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.875%. 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 (6.875%) or 1-percentage-point higher (8.875%) than the current rate (amounts expressed in thousands):

	1% Decrease	Current	Discount Rate	1% Increase
	6.875%	7.875%	7.875%	8.875%
Town's net pension liability	\$ 44,288,628	\$ 36,493,856	\$	29,850,447

D. Other Post Employment Benefits Payable

GASB Statement No. 45

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 adopted the requirements of GASB Statement No. 45 during the year ended June 30, 2008, and thus 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 769 active and retired employees, beneficiaries and dependents that meet the eligibility requirements. The plan does not issue a separate financial report.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

Funding Policy

The contribution requirements of plan members and the Town are established pursuant to applicable collective bargaining and employment contracts. The required contribution is based on the projected pay-as-you-go financing requirements. For the 2016 fiscal year, the Town provided required contributions of \$2,471,655 towards the annual OPEB cost, comprised of benefit payments made on behalf of retirees (net of reinsurance), administrative expenses and reinsurance payments, and net of retiree contributions.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years.

The following table shows the components of the Town's annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation to the plan:

Annual required contribution (ARC)	\$ 5,709,299
Interest on net OPEB obligation	1,178,936
Adjustment to annual required contribution	<u>(1,512,624)</u>
Annual OPEB cost (expense)	5,375,611
Contributions made during the fiscal year	<u>(2,471,655)</u>
Increase in net OPEB obligation	2,903,956
Net OPEB Obligation - beginning of year	29,473,411
Net OPEB Obligation - end of year	<u><u>\$ 32,377,367</u></u>

The Town's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2016 fiscal year and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2016	\$ 5,375,611	25.5%	\$ 32,377,367
6/30/2015	\$ 5,171,944	23.7%	\$ 29,473,411
6/30/2014	\$ 4,937,120	21.3%	\$ 25,528,218

Funded Status and Funding Process

As of July 1, 2015, the most recent valuation date, the plan was 0.0% funded. The actuarial liability for benefits was \$60,309,864, and the actuarial value of assets was \$0.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$60,309,864. As indicated in the actuarial valuation the covered payroll (annual payroll of active employees covered by the plan) was \$22,207,310 and the ratio of the UAAL to the covered payroll was 271.6%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
Notes to the Basic Financial Statements
Year Ended June 30, 2016

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the Actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Town OPEB actuarial valuation as of July 1, 2015, used the projected unit credit cost method. The OPEB liability is currently unfunded. The actuarial assumptions include an investment rate of return of 4.0%, a payroll increase rate of 2.50% per annum and medical cost trend rate at 7.25% decreasing to an ultimate level of 5.00% per year.

The unfunded actuarial accrued liability is being amortized over 30 years on a projected unit credit actuarial cost basis. The remaining amortization period at June 30, 2016 is 21 years.

Trust Fund

The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. As of June 30, 2016 the trust balance is \$1,137,133.

E. Implementation Of New GASB Pronouncements

The GASB issued Statement No. 72, *Fair Value Measurement and Application*, for implementation in 2016.

The GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, for implementation in 2016.

F. 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. 77, *Tax Abatement Disclosures*, for implementation in fiscal year 2017.

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, 2016

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:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Town's proportion of the net pension liability (asset)	11.682%	12.220%
Town's proportionate share of the net pension liability (asset)	\$ 36,493,856	\$ 35,072,214
Town's covered employee payroll	\$ 12,159,006	\$ 12,229,866
Net pension liability percentage of covered-employee payroll	300.14%	286.78%
Plan fiduciary net position as a percentage of the total pension liability	49.22%	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, 2016

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:

	<u>12/31/2015</u>	<u>12/31/2014</u>
Actuarially determined contribution	\$ 2,662,850	\$ 2,611,961
Less: Contributions in relation to the actuarially determined contribution	<u>(2,662,850)</u>	<u>(2,611,961)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered employee payroll	\$ 12,159,006	\$ 12,229,866
Contributions percentage of covered-employee payroll	21.90%	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
Schedule of Funding Progress and Employer Contributions
Other Post Employment Benefit Plan Schedule
Year Ended June 30, 2016

SCHEDULE OF FUNDING PROGRESS

Other Post Employment Benefits							
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) Entry Aid (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)	
7/1/2015	\$ -	\$ 60,309,864	\$ 60,309,864	0%	\$ 22,207,310	271.6%	
7/1/2013	\$ -	\$ 50,129,040	\$ 50,129,040	0%	\$ 23,530,428	213.0%	
7/1/2011	\$ -	\$ 44,362,650	\$ 44,362,650	0%	N/A	N/A	

SCHEDULE OF CONTRIBUTION FUNDING

Other Post Employment Benefits			
Fiscal Year Ended June 30	Annual OPEB Cost	Actual Contributions Made	Percentage Contributed
2016	\$ 5,375,611	\$ 1,371,655	25.5%
2015	\$ 5,171,944	\$ 1,226,751	23.7%
2014	\$ 4,937,120	\$ 1,050,735	21.3%

The information presented in the above Required Supplementary Schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the Notes to Basic Financial Statements.

Actuarial Methods:

Valuation date	July 1, 2015
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	30-year amortization payments

Actuarial Assumptions:

Investment rate of return	4.0%
Medical/drug cost trend rate	7.25% decreasing to the ultimate level of 5% per year
Annual salary increase	2.5%

Plan Membership:

Current active members	388
Current retirees, beneficiaries and dependents	381
Total	<u>769</u>

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, 2016

	Fund Balances July 1, 2015	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2016
Special Revenue:					
Federal and State Grants:					
School Grants	\$ 55,036	\$ 1,469,719	\$ 1,515,515	\$ (311)	\$ 8,929
Arts Lottery Council Grants	6,620	5,212	3,660	-	8,172
Board of Health Grants	24,483	56	2,456	-	22,083
Council on Aging Grants	2,263	61,733	63,460	-	536
Highway Grants	-	1,208,707	1,208,707	-	-
Library Grants	54,799	31,049	36,608	-	49,240
Public Safety Grants	(24,338)	76,493	36,667	1,554	17,042
Schools:					
School Lunch Program	348,949	900,005	841,056	-	407,898
School Lunch Commodities	-	80,799	80,799	-	-
School Transportation	80,155	198,276	113,506	-	164,925
School Gifts and Donations	15,544	27,537	14,036	-	29,045
School Revolving Accounts	591,636	400,425	437,807	-	554,254
State Special Education Reimbursement Fund	497,173	846,266	535,719	-	807,720
Other:					
Cable Access Revolving	400,452	58,105	169,297	(39,588)	249,672
Center Hill Park Revolving	1,263	-	1,263	-	-
Community Preservation Fund	802,886	323,889	78,714	(70,680)	977,381
Council on Aging Revolving	27,372	141,688	102,558	-	66,502
E-Rate Fund	-	120,452	-	-	120,452
Gaming Commission Grants	35,000	-	-	-	35,000
Gifts and Donations	5,974	31,439	24,994	14,178	26,597
Insurance Reimbursements	-	13,192	13,192	-	-
Library Revolving Funds	5,663	18,546	16,542	-	7,667
Police Off Duty Details	3,599	413,325	416,924	-	-
Recreation Revolving	374,842	496,466	552,077	-	319,231
Reserve for Payment of Debt - MSBA	992,967	-	-	(81,732)	911,235
Trash Revolving	143,299	98,065	26,181	(70,000)	145,183
Wetlands Protection Act	50,618	330	-	-	50,948
Special Revenue Page 62	\$ 4,496,255	\$ 7,021,774	\$ 6,291,738	\$ (246,579)	\$ 4,979,712

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Fund Balances July 1, 2015	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2016
Continued from Page 62	\$ 4,496,255	\$ 7,021,774	\$ 6,291,738	\$ (246,579)	\$ 4,979,712
Special Revenue (continued):					
Other (continued):					
Ambulance Fund	55	4	-	-	59
Conservation Funds	43,255	3,603	-	-	46,858
Council on Aging Funds	51,154	9,973	1,897	-	59,230
Friends of Heritage Park	352	29	-	-	381
Historical Commission	9,652	2,292	1,171	-	10,773
Pension Reserve Fund	129,623	10,795	-	-	140,418
Police Gymnasium Fund	68	6	-	-	74
Recreation Fund	14,347	1,195	-	-	15,542
Shaker Road Relief Fund	3,863	-	-	-	3,863
Town Beautification Fund	392	33	-	-	425
Traffic Signal Fund	26,728	2,226	-	-	28,954
Unemployment Compensation Fund	83	7	-	-	90
Total Special Revenue Funds	4,775,827	7,051,937	6,294,806	(246,579)	5,286,379
Capital Projects:					
Department of Public Works Costruction	111,313	-	84,204	161,278	188,387
Department of Public Works Equipment	10,570	-	75,104	81,867	17,333
Local Access Cable Project	-	-	37,639	39,588	1,949
Information Technology Project	-	-	365,683	365,683	-
Police Vehicles	-	-	69,456	76,022	6,566
Council on Aging Equipment	-	-	38,989	45,000	6,011
Pine Knoll Pool Renovation	(450,000)	-	-	450,000	-
Recreation Projects	2,833	-	-	-	2,833
School Improvement Projects	261,465	-	538,824	301,759	24,400
Town Hall Improvements	-	-	112,186	154,000	41,814
Capital Projects	\$ (63,819)	\$ -	\$ 1,322,085	\$ 1,675,197	\$ 289,293

TOWN OF EAST LONGMEADOW, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Fund Balances July 1, 2015	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2016
Permanent Funds:					
Cemetery Funds	\$ 3,315	\$ 276	\$ -	\$ -	\$ 3,591
Library Funds	18,506	359	-	(14,178)	4,687
Total Permanent Funds	<u>21,821</u>	<u>635</u>	<u>-</u>	<u>(14,178)</u>	<u>8,278</u>
 Total - Non-Major Governmental Funds	 <u>\$ 4,733,829</u>	 <u>\$ 7,052,572</u>	 <u>\$ 7,616,891</u>	 <u>\$ 1,414,440</u>	 <u>\$ 5,583,950</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES
AND COMMUNITY PRESERVATION SURCHARGE
JULY 1, 2015 TO JUNE 30, 2016**

	Uncollected Taxes July 1, 2015	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2016	Uncollected Taxes Per Detail June 30, 2016
Real Estate Taxes:						
Levy of 2016	\$ -	\$ 37,330,541	\$ 116,411	\$ 36,611,970	\$ 602,160	\$ 600,160
Levy of 2015	735,847	-	155,996	411,759	168,092	170,381
Levy of 2014	261,694	-	65,555	168,757	27,382	27,382
Levy of 2013	82,491	-	24,252	45,886	12,353	12,353
Levy of 2012	2,700	-	(2,029)	3,282	1,447	1,447
Prior Years	8,560	-	-	2,598	5,962	5,962
	<u>1,091,292</u>	<u>37,330,541</u>	<u>360,185</u>	<u>37,244,252</u>	<u>817,396</u>	<u>817,685</u>
Personal Property Taxes:						
Levy of 2016	-	1,105,518	333	1,100,726	4,459	4,847
Levy of 2015	8,677	-	5	921	7,751	7,340
Levy of 2014	5,122	-	-	993	4,129	4,129
Levy of 2013	1,934	-	-	(504)	2,438	2,438
Levy of 2012	990	-	-	(678)	1,668	1,668
Prior Years	6,731	-	992	(91)	5,830	5,853
	<u>23,454</u>	<u>1,105,518</u>	<u>1,330</u>	<u>1,101,367</u>	<u>26,275</u>	<u>26,275</u>
Total Real Estate and Personal Property Taxes	<u>\$ 1,114,746</u>	<u>\$ 38,436,059</u>	<u>\$ 361,515</u>	<u>\$ 38,345,619</u>	<u>\$ 843,671</u>	<u>\$ 843,960</u>
Non-Major Governmental Funds: Community Preservation Surcharge:						
Levy of 2016	\$ -	\$ 248,508	\$ 1,235	\$ 243,595	\$ 3,678	\$ 3,668
Levy of 2015	5,197	-	856	3,266	1,075	1,091
Levy of 2014	1,838	-	402	1,293	143	143
Levy of 2013	249	-	97	92	60	60
Levy of 2012	11	-	(11)	17	5	5
Prior Years	11	-	3	-	8	8
	<u>\$ 7,306</u>	<u>\$ 248,508</u>	<u>\$ 2,582</u>	<u>\$ 248,263</u>	<u>\$ 4,969</u>	<u>\$ 4,975</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE AND BOAT EXCISE TAXES
JULY 1, 2015 TO JUNE 30, 2016**

	Uncollected Taxes July 1, 2015	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2016	Uncollected Taxes Per Detail June 30, 2016
Motor Vehicle Excise Taxes:						
Levy of 2016	\$ -	\$ 2,045,847	\$ 37,820	\$ 1,769,678	\$ 238,349	\$ 238,393
Levy of 2015	114,495	231,958	26,757	293,644	26,052	26,060
Levy of 2014	20,854	87	1,640	11,724	7,577	7,577
Levy of 2013	8,077	-	1,125	1,542	5,410	5,410
Levy of 2012	4,690	-	-	875	3,815	3,815
Prior Years	28,133	-	61	1,122	26,950	26,962
	<u>176,249</u>	<u>2,277,892</u>	<u>67,403</u>	<u>2,078,585</u>	<u>308,153</u>	<u>308,217</u>
Boat Excise Taxes:						
Levy of 2016	-	2,097	104	1,988	5	83
Levy of 2015	75	-	(1)	36	40	40
Levy of 2014	73	-	1	7	65	65
Levy of 2013	(65)	-	-	(80)	15	15
Levy of 2012	40	-	-	-	40	40
Prior Years	1,394	-	570	-	824	746
	<u>1,517</u>	<u>2,097</u>	<u>674</u>	<u>1,951</u>	<u>989</u>	<u>989</u>
Total Motor Vehicle and Boat Excise Taxes	<u>\$ 177,766</u>	<u>\$ 2,279,989</u>	<u>\$ 68,077</u>	<u>\$ 2,080,536</u>	<u>\$ 309,142</u>	<u>\$ 309,206</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2015 TO JUNE 30, 2016**

	Uncollected Accounts July 1, 2015	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2016	Uncollected Accounts Per Detail June 30, 2016
Tax Liens	\$ 669,287	\$ 308,134	\$ 817	\$ 155,044	\$ 821,560	\$ 821,560
Non-Major Governmental Funds:						
Community Preservation Surcharge:						
Tax Liens	\$ 2,460	\$ 1,277	\$ -	\$ 569	\$ 3,168	\$ 3,168