

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**

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

**For the Year Ended June 30, 2014**

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## **Independent Auditor's Report**

To the Honorable Board of Selectmen  
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, 2014, 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, 2014, 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 on pages 6 to 13 and the *Schedule of Funding Progress and Employer Contributions* on pages 55 and 56 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 June 25, 2015 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

June 25, 2015

## **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, 2014. 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 assets exceeded its liabilities by \$26,217,241 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$28,181,703 or a decrease of \$1,964,462 (7%) 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 \$11,811,909, a decrease of \$436,979 (4%) in comparison with prior year.
- The General Fund's total fund balance decreased \$626,430 (9%) to \$6,317,504. The ending fund balance is 11% of revenues, transfers in and proceeds from a capital lease and 11% of expenditures and transfers out.
- Total long term liabilities of the Town increased by \$1,830,693 (3%) to \$56,246,847 during the fiscal year. This change was mainly the result of net increases in Other Post Employment Benefits (OPEB) liability of \$3,886,385 and notes payable of \$1,181,082, and a net liability decrease in bonds and leases payable of \$3,653,089.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$1,438,276. The key factors that attributed to the free cash amount for fiscal year 2014 are, approximately, as follows:
  - Unexpended/unencumbered appropriations \$428,300.
  - Prior year free cash not appropriated \$538,100.

### 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 and liabilities, with the difference between the two 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		
	2014	2013	Change
<b>Assets:</b>			
Current assets	\$ 16,412,505	\$ 15,595,706	\$ 816,799
Noncurrent assets (excluding capital assets)	3,529,758	4,042,196	(512,438)
Capital assets	40,609,235	40,653,247	(44,012)
<b>Total assets</b>	<b>60,551,498</b>	<b>60,291,149</b>	<b>260,349</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt and leases)	1,927,986	1,357,691	570,295
Current debt including leases	3,164,673	2,859,586	305,087
Noncurrent liabilities (excluding debt and leases)	25,721,075	21,810,219	3,910,856
Noncurrent debt including leases	16,885,443	19,560,967	(2,675,524)
<b>Total liabilities</b>	<b>47,699,177</b>	<b>45,588,463</b>	<b>2,110,714</b>
<b>Net Position:</b>			
Net investment in capital assets	24,601,314	22,767,597	1,833,717
Restricted	6,160,950	6,436,401	(275,451)
Unrestricted	(17,909,943)	(14,501,312)	(3,408,631)
<b>Total net position</b>	<b>\$ 12,852,321</b>	<b>\$ 14,702,686</b>	<b>\$ (1,850,365)</b>

	Business-Type Activities		
	2014	2013	Change
<b>Assets:</b>			
Current assets	\$ 2,953,565	\$ 3,255,075	\$ (301,510)
Noncurrent assets (excluding capital assets)	152,941	173,333	(20,392)
Capital assets	18,806,084	18,878,300	(72,216)
<b>Total assets</b>	<b>21,912,590</b>	<b>22,306,708</b>	<b>(394,118)</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	96,658	276,819	(180,161)
Current debt	1,557,713	832,652	725,061
Noncurrent liabilities (excluding debt)	33,884	32,174	1,710
Noncurrent debt	6,859,415	7,686,046	(826,631)
<b>Total liabilities</b>	<b>8,547,670</b>	<b>8,827,691</b>	<b>(280,021)</b>
<b>Net Position:</b>			
Net investment in capital assets	10,388,956	10,359,602	29,354
Restricted	731,804	900,326	(168,522)
Unrestricted	2,244,160	2,219,089	25,071
<b>Total net position</b>	<b>\$ 13,364,920</b>	<b>\$ 13,479,017</b>	<b>\$ (114,097)</b>

## Financial Highlights

### Statement of Activities Highlights

	Governmental Activities		
	2014	2013	Change
<b>Program Revenues:</b>			
Charges for services	\$ 2,994,397	\$ 3,213,299	\$ (218,902)
Operating grants and contributions	18,905,868	18,582,972	322,896
Capital grants and contributions	584,445	907,612	(323,167)
<b>General Revenues:</b>			
Property taxes	36,577,546	33,186,246	3,391,300
Motor vehicle excise and other taxes	2,076,783	2,040,717	36,066
Penalties and interest on taxes	220,015	274,495	(54,480)
Nonrestricted grants	1,407,126	1,369,453	37,673
Unrestricted investment income	150,359	126,742	23,617
Miscellaneous	1,170	5,044	(3,874)
<b>Total revenues</b>	<b>62,917,709</b>	<b>59,706,580</b>	<b>3,211,129</b>
<b>Expenses:</b>			
General Government	2,508,242	2,228,280	279,962
Public Safety	4,163,724	4,014,296	149,428
Public Works	5,360,861	5,150,772	210,089
Education	32,137,430	31,652,850	484,580
Health and Human Services	645,794	652,448	(6,654)
Culture and Recreation	1,519,480	1,453,945	65,535
Employee Benefits and Insurance	17,576,771	16,759,825	816,946
State Assessments	210,334	202,827	7,507
Interest	645,438	813,976	(168,538)
<b>Total expenses</b>	<b>64,768,074</b>	<b>62,929,219</b>	<b>1,838,855</b>
<b>Net (expenses) revenues</b>	<b>(1,850,365)</b>	<b>(3,222,639)</b>	<b>1,372,274</b>
<b>Change in net position</b>	<b>(1,850,365)</b>	<b>(3,222,639)</b>	<b>1,372,274</b>
<b>Net position - beginning of year</b>	<b>14,702,686</b>	<b>17,925,325</b>	<b>(3,222,639)</b>
<b>Net position - end of year</b>	<b>\$ 12,852,321</b>	<b>\$ 14,702,686</b>	<b>\$ (1,850,365)</b>

	Business-Type Activities		
	2014	2013	Change
<b>Program Revenues:</b>			
Charges for services	\$ 3,421,347	\$ 3,543,761	\$ (122,414)
Operating grants and contributions	16,500	2,700	13,800
<b>Total revenues</b>	<b>3,437,847</b>	<b>3,546,461</b>	<b>(108,614)</b>
<b>Expenses:</b>			
Water	2,001,536	1,909,376	92,160
Sewer	1,550,408	1,534,644	15,764
<b>Total expenses</b>	<b>3,551,944</b>	<b>3,444,020</b>	<b>107,924</b>
<b>Change in net position</b>	<b>(114,097)</b>	<b>102,441</b>	<b>(216,538)</b>
<b>Net position - beginning of year</b>	<b>13,479,017</b>	<b>13,376,576</b>	<b>102,441</b>
<b>Net position - end of year</b>	<b>\$ 13,364,920</b>	<b>\$ 13,479,017</b>	<b>\$ (114,097)</b>

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$26,217,241 at the close of fiscal year 2014.

Net position of \$34,990,270 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 \$6,892,754 represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$15,665,783) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in two of the three categories of net position, both for the government as a whole, as well as for its separate governmental activities. The unrestricted in the governmental activities is a negative balance mainly as a result of recognizing the OPEB liability obligation. The liability for OPEB as presented on the statement of net position for the governmental activities is \$25,528,218.

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

The governmental activities net position decreased by \$1,850,365 (13%) 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 2014 was attributed to the net repayment of debt and lease of \$2,820,437 and a decrease as a result of recognizing this year's OPEB obligation of \$3,886,385.

There was a decrease of \$114,097 (1%) in net position reported in connection with the water and sewer business-type activities. Of this, there was an increase of \$12,652 attributed to the water department and a decrease of \$126,749 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 \$11,811,909 a decrease of \$436,979 (4%) in comparison with the prior year.

The breakdown of the governmental funds is as follows:

- Restricted fund balance- \$5,323,357 (45%).
- Committed fund balance - \$920,350 (8%).
- Assigned fund balance - \$1,050,118 (9%).
- Unassigned fund balance - \$4,518,084 (38%).

At the end of the fiscal year, the General Fund reported a total fund balance of \$6,317,504 decreasing \$626,430 (9%) from the prior year. Of the \$6,317,504, the unassigned amount is \$4,923,980 (78%), the assigned amount is \$1,050,118 (17%) and the restricted amount is \$343,406 (5%). General fund revenues were \$3,385,068 (6%) more than the prior fiscal year and expenditures also increased by \$2,260,777 (4%). Other activities in the General fund were net transfers from other funds of \$1,099,481 and capital lease proceeds of \$41,458.

The main components of the increases in general fund revenues were related to increases in property taxes of \$3,254,927, excise and other taxes of \$224,086 (12%) and intergovernmental on-behalf payments of \$246,120 (5%) and decreases in intergovernmental receipts of \$180,412 (2%) and licenses, permits and fees of \$128,713 (18%) from the prior year.

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

- Increase in General government expenditures of \$133,796 (7%).
- Increase in Public works expenditures of \$323,697 (7%).
- Increase in Education expenditures of \$1,048,373 (4%).
- Increase in Employee benefits and insurance expenditures of \$798,440 (6%).
- Decrease in Principal and Interest on debt service expenditures of \$215,316 (6%).

**Proprietary Funds.** The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

### Major Proprietary Funds

The *Water Fund* is the financing and operations of the Town's water system. The water fund has accumulated a balance of \$6,879,014 and shows an increase of \$12,652 (1%) in total operations. This change resulted from operating revenues exceeding operating expenditures of \$127,224, intergovernmental income of \$16,500, interest expense of \$229,772 and transfers from the sewer fund of \$98,700. Operating revenues decreased by \$125,995 (6%) while operating expenses increased by \$28,392 (2%) 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 \$6,485,906 and shows a decrease of \$126,749 (2%) in total operations. This change was mainly attributed to operating revenues exceeding operating costs by \$146,956, interest expense of \$175,005 and transfers to the water fund of \$98,700. Operating revenues increased by \$3,581 (1%) while operating expenses also increased by \$35,448 (3%) from the prior year.

### General Fund Budgetary Highlights

The final general fund budget for fiscal year 2014 was \$52,256,869. This was an increase of \$2,137,080 (4%) over the previous year's budget.

There was an increase of \$161,000 between the original budget and the final amended budget. The change is attributed to monies voted from available funds at the special town meetings in October 2013 and annual town meeting in May 2014 for various budget operating line items.

General fund expenditures were less than budgeted by \$1,121,793. Of the \$1,121,793 in under budget expenditures, \$693,489 has been carried over to fiscal year 2015.

There are negative variances in licenses, permits and fees of \$91,614 as expectations (budget) was higher than the receipts and in interest on taxes of \$316,349 a result of more timely collections.

There was a negative variance in state assessments of \$14,103 due to a higher assessment in the school choice sending tuitions of \$11,905 than payments, and lower assessments in the Registry of Motor Vehicles non-renewal surcharge of \$320, special education of \$5,717 and charter school sending tuition of \$19,971 than actual payments.

Overall the variance with the final budget was a positive \$555,355 consisting of a revenue surplus of \$127,051 and an appropriation surplus of \$428,304.

## **Capital Asset and Debt Administration**

### **Capital Assets.**

The Town's investment in capital assets as of June 30, 2014 amounts to \$59,415,319, consisting of \$40,609,235 in governmental activities and \$18,806,084 in business-type activities.

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:

- Land foreclosures for \$356.
- Information technology and server upgrades for 103,195.
- Commons handicapped access for \$1,198.
- Cable TV studio improvements for \$80,307.
- Police vehicles for \$69,895.
- Public safety radio system for \$139,645.
- Fire department vehicle and equipment for \$84,047.
- Highway vehicles and equipment for \$285,822.
- Road infrastructure improvements for \$373,435.
- School vehicles for \$87,902.
- Various schools' improvements for \$104,291.
- Meadow Brook School asphalt playground for 33,000.
- Cemetery fencing for \$15,330.
- Birchland Park building roof for \$31,730.
- Pine Knoll Park pool improvements for \$729,670.

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

- Water vehicle for \$74,957.
- Water infrastructure improvements for \$347,175.
- Sewer vehicle and equipment for \$107,544.
- Sewer system infrastructure improvements for \$4,462.

**Debt Administration.** The Town's outstanding governmental long-term debt, as of June 30, 2014, totaled \$19,560,967, of which \$9,630,200 is for school projects, \$990,000 for the new library, \$228,967 for the GIS projects, \$816,600 for Town buildings' improvements, \$13,200 for departmental equipment and \$7,882,000 for various municipal purpose loans.

The governmental activities currently have an outstanding bond anticipation note for \$450,000.

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 \$42,758 on the lease consisting of \$39,149 in principal and \$3,609 in interest.

The Town's outstanding business-type long-term debt consists of \$3,858,323 in water debt and \$3,827,723 in sewer debt that is fully supported by the rates.

The business-type activities currently have \$731,082 in a bond anticipation note outstanding.

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

***Town Meeting – Fiscal Year 2015***

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, 2014 do not reflect the fiscal year 2014 Town Meeting action with the exception of the free cash amount used to fund the 2015 budget. The Annual Town Meeting on May 19, 2014 authorized a fiscal year 2015 operating and capital budget as follows:

From raise and appropriate		\$	54,723,016
From water retained earnings			929,973
From sewer retained earnings			686,023
From Other Available Funds:			
<b>General Fund:</b>			
Unassigned fund balance:			
Free cash			356,629
<b>Non-major Governmental Funds:</b>			
Animal control	\$	50,000	
Community preservation funds		301,130	
Insurance revolving		63,000	
Kindergarten revolving		100,000	
Solid waste revolving		105,000	619,130
			<u>619,130</u>
		\$	<u>57,314,771</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, 2014**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
CURRENT:			
Cash and Cash Equivalents	\$ 9,306,161	\$ 2,290,973	\$ 11,597,134
Investments	3,358,937	-	3,358,937
Receivables, net of allowance for uncollectibles:			
Property Taxes	963,439	-	963,439
Tax Liens	593,220	-	593,220
Excise and Other Taxes	132,991	-	132,991
User Charges	-	624,557	624,557
Departmental	85,428	-	85,428
Special Assessments	-	38,035	38,035
Due from Other Governments	1,972,329	-	1,972,329
Total current assets	<u>16,412,505</u>	<u>2,953,565</u>	<u>19,366,070</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	-	152,941	152,941
Due from Other Governments	3,529,758	-	3,529,758
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	8,144,447	1,104,155	9,248,602
Depreciable	<u>32,464,788</u>	<u>17,701,929</u>	<u>50,166,717</u>
Total noncurrent assets	<u>44,138,993</u>	<u>18,959,025</u>	<u>63,098,018</u>
<b>Total Assets</b>	<u><u>60,551,498</u></u>	<u><u>21,912,590</u></u>	<u><u>82,464,088</u></u>
<b>LIABILITIES</b>			
CURRENT:			
Warrants and Accounts Payable	547,821	22,236	570,057
Accrued Payroll	298,570	16,518	315,088
Employee Withholdings	330,689	-	330,689
Tax Refund Payable	31,000	-	31,000
Other	73,401	-	73,401
Accrued Interest	279,262	39,429	318,691
Compensated Absences	367,243	18,475	385,718
Bond Anticipation Notes Payable	450,000	731,082	1,181,082
Bonds and Leases Payable	<u>2,714,673</u>	<u>826,631</u>	<u>3,541,304</u>
Total current liabilities	<u>5,092,659</u>	<u>1,654,371</u>	<u>6,747,030</u>
NONCURRENT:			
Compensated Absences	192,857	33,884	226,741
OPEB Obligation Payable	25,528,218	-	25,528,218
Bonds and Leases Payable	<u>16,885,443</u>	<u>6,859,415</u>	<u>23,744,858</u>
Total noncurrent liabilities	<u>42,606,518</u>	<u>6,893,299</u>	<u>49,499,817</u>
<b>Total Liabilities</b>	<u><u>47,699,177</u></u>	<u><u>8,547,670</u></u>	<u><u>56,246,847</u></u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	24,601,314	10,388,956	34,990,270
Restricted for:			
Capital Projects	392,821	731,804	1,124,625
Federal & State Grants	1,327,024	-	1,327,024
Community Preservation	726,993	-	726,993
Permanent Funds	23,076	-	23,076
Other Purposes	3,691,036	-	3,691,036
Unrestricted	<u>(17,909,943)</u>	<u>2,244,160</u>	<u>(15,665,783)</u>
<b>Total Net Position</b>	<u><u>\$ 12,852,321</u></u>	<u><u>\$ 13,364,920</u></u>	<u><u>\$ 26,217,241</u></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, 2014**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>							
General Government	\$ 2,508,242	\$ 265,894	\$ 353,608	\$ -	\$ (1,888,740)	\$ -	\$ (1,888,740)
Public Safety	4,163,724	594,114	131,193	-	(3,438,417)	-	(3,438,417)
Public Works	5,360,861	187,884	73,639	584,445	(4,514,893)	-	(4,514,893)
Education	32,137,430	1,410,311	12,787,609	-	(17,939,510)	-	(17,939,510)
Health and Human Services	645,794	81,899	130,963	-	(432,932)	-	(432,932)
Culture and Recreation	1,519,480	454,295	71,896	-	(993,289)	-	(993,289)
Employee Benefits and Insurance	17,576,771	-	5,180,861	-	(12,395,910)	-	(12,395,910)
State Assessments	210,334	-	-	-	(210,334)	-	(210,334)
Interest	645,438	-	176,099	-	(469,339)	-	(469,339)
<b>Total Governmental Activities</b>	<b>64,768,074</b>	<b>2,994,397</b>	<b>18,905,868</b>	<b>584,445</b>	<b>(42,283,364)</b>	<b>-</b>	<b>(42,283,364)</b>
<b>Business-Type Activities:</b>							
Water	2,001,536	1,898,988	16,500	-	-	(86,048)	(86,048)
Sewer	1,550,408	1,522,359	-	-	-	(28,049)	(28,049)
<b>Total Primary Government</b>	<b>\$ 68,320,018</b>	<b>\$ 6,415,744</b>	<b>\$ 18,922,368</b>	<b>\$ 584,445</b>	<b>(42,283,364)</b>	<b>(114,097)</b>	<b>(42,397,461)</b>
<b>General Revenues:</b>							
Property Taxes					36,577,546	-	36,577,546
Motor vehicle and other taxes					2,076,783	-	2,076,783
Penalties & Interest on taxes					220,015	-	220,015
Grants & Contributions not restricted to specific programs					1,407,126	-	1,407,126
Unrestricted Investment Income					150,359	-	150,359
Miscellaneous					1,170	-	1,170
<b>Total General Revenues</b>					<b>40,432,999</b>	<b>-</b>	<b>40,432,999</b>
<b>Change in Net Position</b>					<b>(1,850,365)</b>	<b>(114,097)</b>	<b>(1,964,462)</b>
<b>Net Position:</b>							
Beginning of year					14,702,686	13,479,017	28,181,703
End of year					<b>\$ 12,852,321</b>	<b>\$ 13,364,920</b>	<b>\$ 26,217,241</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 3,925,302	\$ 5,380,859	\$ 9,306,161
Investments	3,059,771	299,166	3,358,937
Receivables, net of allowance for uncollectibles:			
Property Taxes	957,079	6,360	963,439
Tax Liens	591,151	2,069	593,220
Excise Taxes	132,991	-	132,991
Departmental	30,015	55,413	85,428
Due from Other Governments	4,102,694	1,399,393	5,502,087
<b>Total Assets</b>	<b>\$ 12,799,003</b>	<b>\$ 7,143,260</b>	<b>\$ 19,942,263</b>
<b>Liabilities:</b>			
Warrants and Accounts Payable	\$ 142,850	\$ 404,971	\$ 547,821
Accrued Payroll	298,570	-	298,570
Employee withholdings	330,689	-	330,689
Tax Refund Payable	31,000	-	31,000
Other	73,006	395	73,401
Bond Anticipation Notes Payable	-	450,000	450,000
<b>Total Liabilities</b>	<b>876,115</b>	<b>855,366</b>	<b>1,731,481</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Revenue	5,605,384	793,489	6,398,873
<b>Fund Balance:</b>			
Restricted	343,406	4,979,951	5,323,357
Committed	-	920,350	920,350
Assigned	1,050,118	-	1,050,118
Unassigned	4,923,980	(405,896)	4,518,084
<b>Total Fund Balance</b>	<b>6,317,504</b>	<b>5,494,405</b>	<b>11,811,909</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 12,799,003</b>	<b>\$ 7,143,260</b>	<b>\$ 19,942,263</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Property Taxes	\$ 36,280,700	\$ 231,800	\$ 36,512,500
Intergovernmental	12,228,071	3,553,881	15,781,952
Excise and Other Taxes	2,157,446	-	2,157,446
Charges for Services	-	2,406,853	2,406,853
Licenses, Permits, Fees	572,661	-	572,661
Interest on Taxes	218,890	1,125	220,015
Investment Income	150,359	11,343	161,702
Other	-	303,668	303,668
Intergovernmental - "On-behalf" Payments	5,180,861	-	5,180,861
<b>Total Revenues</b>	<b>56,788,988</b>	<b>6,508,670</b>	<b>63,297,658</b>
<b>Expenditures:</b>			
Current:			
General Government	2,127,162	562,646	2,689,808
Public Safety	3,620,669	652,526	4,273,195
Public Works	4,918,865	815,556	5,734,421
Education	26,978,687	3,966,585	30,945,272
Health and Human Services	421,064	149,529	570,593
Culture and Recreation	855,591	1,271,858	2,127,449
Employee Benefits and Insurance	13,690,386	-	13,690,386
State Assessments	210,334	-	210,334
Debt Service:			
Principal	2,859,586	-	2,859,586
Interest	675,051	-	675,051
<b>Total Expenditures</b>	<b>56,357,395</b>	<b>7,418,700</b>	<b>63,776,095</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>431,593</b>	<b>(910,030)</b>	<b>(478,437)</b>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	281,737	1,866,218	2,147,955
Operating Transfers Out	(1,381,218)	(766,737)	(2,147,955)
Capital Lease	41,458	-	41,458
<b>Total Other Financing Sources (Uses)</b>	<b>(1,058,023)</b>	<b>1,099,481</b>	<b>41,458</b>
<b>Net Change in Fund Balances</b>	<b>(626,430)</b>	<b>189,451</b>	<b>(436,979)</b>
<b>Fund Balances, Beginning of Year</b>	<b>6,943,934</b>	<b>5,304,954</b>	<b>12,248,888</b>
<b>Fund Balances, End of Year</b>	<b>\$ 6,317,504</b>	<b>\$ 5,494,405</b>	<b>\$ 11,811,909</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**Total Fund Balances to the Statement of Net Position**  
**For the Year Ended June 30, 2014**

<b>Total Governmental Fund Balances</b>	\$	11,811,909
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		40,609,235
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		6,398,873
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Bonds and Leases Payable	\$ (19,600,116)	
Other Post Employment Benefits Payable	(25,528,218)	
Compensated Absences	<u>(560,100)</u>	(45,688,434)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due.		<u>(279,262)</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>12,852,321</u></b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2014**

**Net Change in Fund Balances - Total Governmental Funds** \$ (436,979)

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	\$ 2,139,823	
Depreciation	<u>(2,183,835)</u>	(44,012)

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. (379,949)

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	2,861,895	
Proceeds from Capital Lease	<u>(41,458)</u>	2,820,437

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	46,910	
Net Change in Other Post Employment Benefits	(3,886,385)	
Net Change in Accrued Interest on Long-Term Debt	<u>29,613</u>	<u>(3,809,862)</u>

**Change in Net Position of Governmental Activities** \$ (1,850,365)

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, 2014**

	Budgeted Amounts		Actual	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Budgetary Basis		
<b>Revenues:</b>					
Property Taxes	\$ 35,995,153	\$ 35,995,153	\$ 36,179,600	\$ -	\$ 184,447
Intergovernmental	12,144,002	12,144,002	12,228,071	-	84,069
Excise and Other Taxes	1,933,360	1,933,360	2,157,446	-	224,086
Licenses, Permits, Fees	664,275	664,275	572,661	-	(91,614)
Interest on Taxes	458,398	458,398	142,049	-	(316,349)
Investment Income	107,947	107,947	150,359	-	42,412
<b>Total Revenues</b>	<b>51,303,135</b>	<b>51,303,135</b>	<b>51,430,186</b>	<b>-</b>	<b>127,051</b>
<b>Expenditures:</b>					
Current:					
General Government	2,627,903	2,289,134	2,127,162	65,135	96,837
Public Safety	3,627,022	3,685,192	3,620,669	18,308	46,215
Public Works	4,836,409	5,243,210	4,918,865	139,460	184,885
Education	27,452,864	27,453,262	26,937,229	450,785	65,248
Health and Human Services	459,920	443,692	421,064	530	22,098
Culture and Recreation	844,357	859,946	855,591	1,863	2,492
Employee Benefits and Insurance	8,425,237	8,541,996	8,509,525	7,840	24,631
State Assessments	196,231	196,231	210,334	-	(14,103)
Debt Service:					
Principal	2,908,358	2,859,586	2,859,586	-	-
Interest	717,568	684,620	675,051	9,568	1
<b>Total Expenditures</b>	<b>52,095,869</b>	<b>52,256,869</b>	<b>51,135,076</b>	<b>693,489</b>	<b>428,304</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(792,734)</b>	<b>(953,734)</b>	<b>295,110</b>	<b>(693,489)</b>	<b>555,355</b>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In (Out)	(774,481)	(1,099,481)	(1,099,481)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(774,481)</b>	<b>(1,099,481)</b>	<b>(1,099,481)</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>(1,567,215)</b>	<b>(2,053,215)</b>	<b>(804,371)</b>	<b>(693,489)</b>	<b>555,355</b>
<b>Budgetary Fund Balance - Beginning of Year</b>	<b>5,111,607</b>	<b>5,111,607</b>	<b>5,111,607</b>	<b>-</b>	<b>-</b>
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 3,544,392</b>	<b>\$ 3,058,392</b>	<b>\$ 4,307,236</b>	<b>\$ (693,489)</b>	<b>\$ 555,355</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Reconciliation of Revenues and Expenditures**  
**from Budgetary Basis to GAAP Basis**  
**For the Year Ended June 30, 2014**

	<b>Revenues</b>	<b>Expenditures</b>
<b>Reported on a Budgetary Basis</b>	<b>\$ 51,430,186</b>	<b>\$ 51,135,076</b>
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	76,841	-
Net Increase in Revenue from recording Refund Taxes Payable	24,100	-
Recognition of intergovernmental Revenue - "on behalf payments"	5,180,861	-
Recognition of Expenditures - "on behalf payments"	-	5,180,861
Capital Lease	-	41,458
Net Increase in Revenue from Recording 60-Day Receipts	77,000	-
<b>Reported on a GAAP Basis</b>	<b>\$ 56,788,988</b>	<b>\$ 56,357,395</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2014**

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and Cash Equivalents	\$ 814,214	\$ 1,476,759	\$ 2,290,973
Receivables, net of allowance for uncollectibles			
User Charges	319,994	304,563	624,557
Special Assessments	3,762	34,273	38,035
Total current assets	<u>1,137,970</u>	<u>1,815,595</u>	<u>2,953,565</u>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Special Assessments	5,760	147,181	152,941
Capital Assets, net of accumulated depreciation:			
Nondepreciable	1,104,155	-	1,104,155
Depreciable	9,294,548	8,407,381	17,701,929
Total noncurrent assets	<u>10,404,463</u>	<u>8,554,562</u>	<u>18,959,025</u>
<b>Total Assets</b>	<u><u>11,542,433</u></u>	<u><u>10,370,157</u></u>	<u><u>21,912,590</u></u>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants and Accounts Payable	9,534	12,702	22,236
Accrued Payroll	8,892	7,626	16,518
Accrued Interest	17,682	21,747	39,429
Compensated Absences	9,566	8,909	18,475
Bond Anticipation Notes Payable	731,082	-	731,082
Bonds Payable	406,647	419,984	826,631
Total current liabilities	<u>1,183,403</u>	<u>470,968</u>	<u>1,654,371</u>
<b>NONCURRENT:</b>			
Compensated Absences	28,340	5,544	33,884
Bonds Payable	3,451,676	3,407,739	6,859,415
Total noncurrent liabilities	<u>3,480,016</u>	<u>3,413,283</u>	<u>6,893,299</u>
<b>Total Liabilities</b>	<u><u>4,663,419</u></u>	<u><u>3,884,251</u></u>	<u><u>8,547,670</u></u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,809,298	4,579,658	10,388,956
Restricted for Capital	67,519	664,285	731,804
Unrestricted	1,002,197	1,241,963	2,244,160
<b>Total Net Position</b>	<u><u>\$ 6,879,014</u></u>	<u><u>\$ 6,485,906</u></u>	<u><u>\$ 13,364,920</u></u>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 1,898,988	\$ 1,522,359	\$ 3,421,347
<b>Total Operating Revenues</b>	<b>1,898,988</b>	<b>1,522,359</b>	<b>3,421,347</b>
<b>Operating Expenses:</b>			
Salaries & Wages	389,640	316,416	706,056
Operating Expenses	1,044,567	790,191	1,834,758
Depreciation	337,557	268,796	606,353
<b>Total Operating Expenses</b>	<b>1,771,764</b>	<b>1,375,403</b>	<b>3,147,167</b>
<b>Operating Income (Loss)</b>	<b>127,224</b>	<b>146,956</b>	<b>274,180</b>
<b>Non-Operating Revenues (Expenses):</b>			
Other	16,500	-	16,500
Interest Expense	(229,772)	(175,005)	(404,777)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(213,272)</b>	<b>(175,005)</b>	<b>(388,277)</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>(86,048)</b>	<b>(28,049)</b>	<b>(114,097)</b>
<b>Operating Transfers:</b>			
Transfers In/(Out)	98,700	(98,700)	-
<b>Total Operating Transfers</b>	<b>98,700</b>	<b>(98,700)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>12,652</b>	<b>(126,749)</b>	<b>(114,097)</b>
<b>Net Position at Beginning of Year</b>	<b>6,866,362</b>	<b>6,612,655</b>	<b>13,479,017</b>
<b>Net Position at End of Year</b>	<b>\$ 6,879,014</b>	<b>\$ 6,485,906</b>	<b>\$ 13,364,920</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers and Users	\$ 1,992,038	\$ 1,606,928	\$ 3,598,966
Payments to Vendors	(1,042,840)	(792,598)	(1,835,438)
Payments to Employees	(392,920)	(312,008)	(704,928)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>556,278</b>	<b>502,322</b>	<b>1,058,600</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Other	16,500	-	16,500
Proceeds from Bonds and Notes	731,082	-	731,082
Acquisition and Construction of Capital Assets	(596,209)	(112,005)	(708,214)
Principal Payments on Bonds and Notes	(406,382)	(426,270)	(832,652)
Interest Expense	(230,485)	(179,114)	(409,599)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(485,494)</b>	<b>(717,389)</b>	<b>(1,202,883)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>169,484</b>	<b>(313,767)</b>	<b>(144,283)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>644,730</b>	<b>1,790,526</b>	<b>2,435,256</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 814,214</b>	<b>\$ 1,476,759</b>	<b>\$ 2,290,973</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:</b>			
<b>Operating Income (Loss)</b>	<b>\$ 127,224</b>	<b>\$ 146,956</b>	<b>\$ 274,180</b>
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>			
Depreciation	337,557	268,796	606,353
Change in Assets and Liabilities:			
Increase (Decrease) in Warrants Payable	1,727	(2,407)	(680)
Increase (Decrease) in Accrued Payroll	1,079	2,349	3,428
Increase (Decrease) in Compensated Absences	(4,359)	2,059	(2,300)
Decrease (Increase) in User Charges Receivable	93,050	84,569	177,619
<b>Total Adjustments</b>	<b>429,054</b>	<b>355,366</b>	<b>784,420</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 556,278</b>	<b>\$ 502,322</b>	<b>\$ 1,058,600</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2014**

	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 18,950	\$ 704,432
Investments	46,178	-
<b>Total Assets</b>	<b>65,128</b>	<b>704,432</b>
<b>LIABILITIES</b>		
Due to Others	-	36,567
Due to Student Groups	-	88,913
Escrows and Deposits	-	578,952
<b>Total Liabilities</b>	<b>-</b>	<b>704,432</b>
<b>NET POSITION</b>		
Held in Trust for Other Purposes	<b>\$ 65,128</b>	<b>\$ -</b>

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, 2014**

	<b>Private Purpose Trust Funds</b>
<b>Additions:</b>	
Private Donations	\$ 5,085
Investment Income	1,992
<b>Total Additions</b>	<b>7,077</b>
<b>Deductions:</b>	
Educational Scholarships	2,650
General Expenses	2,189
<b>Total Deductions</b>	<b>4,839</b>
<b>Change in Net Position</b>	<b>2,238</b>
<b>Net Position at Beginning of Year</b>	<b>62,890</b>
<b>Net Position at End of Year</b>	<b>\$ 65,128</b>

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

**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 an elected three member Board of Selectmen.

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 2014, 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 governmental funds and major individual enterprise funds are reported as separate columns in

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

the fund financial statements. Non-major funds are aggregated and displayed in a single column. Fiduciary funds are reported by fund type.

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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

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, 2013, 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 first tax payment is due November 1st, or thirty days after the date tax bills were mailed, whichever is later and must be at least one-half of the tax and any betterment. The balance of the tax is owed by May 1st of the following year. If payments are not made by the due dates, interest at the rate of 14% will be charged on the amount of the payment that is unpaid and overdue. 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 2014 on June 24, 2013 that were due on August 1, 2013 and November 1, 2013 and actual bills on December 31, 2013 that were due on February 3, 2014 and May 1, 2014, 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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

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 2014 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2014	\$ 35,235,798
Less: Debt Exclusion	<u>1,013,954</u>
	<u><u>\$ 36,249,752</u></u>

The total amount to be raised by taxation was \$36,247,815.

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, sewer charges and liens are recorded as receivables in the fiscal year of the levy.

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

**Departmental**

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

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

**Special Assessments**

Special assessments consist of the water and sewer betterments.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

**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:

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

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

**H. Interfund Transfers**

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

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

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

**I. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and 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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

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, 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 total liabilities represents net position. Net position displays three components – net investment in capital assets, restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

"Federal and state grants" represents amounts restricted by the federal and state government for various programs.

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

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

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

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

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

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

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

*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)

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

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. 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.

**N. 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.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

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

- Estimates are submitted by departments.
- The budget is legally enacted by vote at the annual Town meeting.
- Supplemental appropriations may be made from available funds after the setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.

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 2014, the Town incurred a final budget deficit of \$2,053,215 for the General Fund.

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

Unassigned fund balance:	
Free cash votes	\$ 1,727,671
Reserved for deficits	(212,219)
Reserved for debt	44,478
Prior year's encumbrances	493,285
	\$ 2,053,215
	\$ 2,053,215

**B. Deficit Fund Balances**

The following funds had deficits at June 30, 2014 as measured by the fund balances of the individual projects.

- The Pine Knoll park pool renovation capital project fund has a deficit of \$405,896. The Town has a debt authorization for \$450,000. The deficit will be eliminated upon the issuance of permanent debt.

**3. DETAILED NOTES**

**A. Deposits and Investments**

**Custodial Credit Risks – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government has a deposit policy for custodial credit risk. Deposits at June 30, 2014 were \$13,528,459. Of these, \$820,200 were exposed to custodial credit risk as uninsured and uncollateralized.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

**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.

As of June 30, 2014, the Town had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	6 to 10	More than 10
<b>Debt Securities:</b>				
U. S. government agencies	\$ 611,232	\$ -	\$ 611,232	\$ -
Corporate bonds	245,859	-	245,859	-
Municipal bonds	809,304	-	246,669	562,635
Money market mutual fund	955,479	955,479	-	-
	<u>2,621,874</u>	<u>\$ 955,479</u>	<u>\$ 1,103,760</u>	<u>\$ 562,635</u>
<b>Other Investments:</b>				
Equity securities - domestic	551,201			
MMDT	232,039			
	<u>\$ 3,405,114</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 \$3,405,114 in investments, \$2,673,075 are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Town's name. The Town has no policy on custodial credit risk.

**Interest Rate Risk**

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

**Credit Risk**

The Town's exposure to credit risk as of June 30, 2014 is follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
<b><i>U. S. Government Agencies:</i></b>	
Aaa	\$ 611,232
<b><i>Corporate Bonds:</i></b>	
A1	65,150
A2	64,621
AA3	116,088
<b><i>Municipal Bonds:</i></b>	
AA1	252,958
AA2	338,096
AA3	171,375
Not rated	46,875
<b><i>Money Market Mutual Funds:</i></b>	
Not rated	955,479
	\$ 2,621,874

**Concentration of Credit Risk**

The Town places no limit on the amount the Town may invest in one issuer. More than 5 percent of the Town's investments are Federal Home Loan Bank, Federal Home Loan Mortgage Association and Massachusetts State Port Authority Rev amounting to 11.85%, 6.10% and 5.03%, respectively, of the Town's total investments.

**B. Receivables**

At June 30, 2014, receivables for the individual major governmental funds, non-major governmental funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<b>Major and nonmajor governmental funds:</b>			
Property taxes	\$ 980,439	\$ (17,000)	\$ 963,439
Tax liens	593,220	-	593,220
Excise taxes	163,991	(31,000)	132,991
Departmental	86,203	(775)	85,428
Due from other governments	5,502,087	-	5,502,087
	\$ 7,325,940	\$ (48,775)	\$ 7,277,165

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

At June 30, 2014, receivables for the business-type activities consist of the following:

	<b>Gross Amount</b>	<b>for Uncollectibles</b>	<b>Net Amount</b>
<b>Water Fund:</b>			
User charges	\$ 321,831	\$ (4,603)	\$ 317,228
Tax liens	2,766	-	2,766
Special assessments	9,522	-	9,522
<b>Sewer Fund:</b>			
User charges	288,938	(1,218)	287,720
Tax liens	16,843	-	16,843
Special assessments	181,454	-	181,454
	\$ 821,354	\$ (5,821)	\$ 815,533

The composition of amounts due from other governments as of June 30, 2014 for the governmental funds are as follows:

**General Fund:**

***Commonwealth of Massachusetts:***

Department of Veterans Services:

Veterans benefits \$ 60,499

Massachusetts School Building Authority:

School Building Assistance - Capital Portion 4,042,195 \$ 4,102,694

**Nonmajor Governmental Funds:**

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

School title grants 142,533

***Commonwealth of Massachusetts:***

Department of Elementary & Secondary Education:

Special education reimbursement fund 263,618

Massachusetts Department of Transportation:

Highway Department - Chapter 90 funded projects 993,242 1,399,393

\$ 5,502,087

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

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

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

<b>General Fund:</b>			
Property taxes	\$	765,079	
Tax liens		593,220	
Excise taxes		132,991	
Departmental		24,376	
Due from other governments		<u>4,089,718</u>	\$ 5,605,384
<b>Nonmajor governmental funds:</b>			
Property taxes		6,360	
Tax liens		2,069	
Due from other governments		<u>785,060</u>	<u>793,489</u>
			<u>\$ 6,398,873</u>

**D. Capital Assets**

Capital asset activity for the governmental and business-type activities for the year ended June 30, 2014, are as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 5,182,109	\$ 356	\$ -	\$ 5,182,465
Construction in progress	<u>2,723,786</u>	<u>1,158,306</u>	<u>(920,110)</u>	<u>2,961,982</u>
Total capital assets not being depreciated	7,905,895	1,158,662	(920,110)	8,144,447
Capital assets being depreciated:				
Buildings and Renovations	53,573,361	967,170	-	54,540,531
Machinery, equipment and other	7,186,156	527,666	(102,775)	7,611,047
Infrastructure	<u>3,370,314</u>	<u>406,435</u>	<u>-</u>	<u>3,776,749</u>
Total capital assets being depreciated	64,129,831	1,901,271	(102,775)	65,928,327
Less accumulated depreciation for:				
Buildings and Renovations	24,461,312	1,596,639	-	26,057,951
Machinery, equipment and other	6,201,167	415,529	(102,775)	6,513,921
Infrastructure	<u>720,000</u>	<u>171,667</u>	<u>-</u>	<u>891,667</u>
Total accumulated depreciation	31,382,479	2,183,835	(102,775)	33,463,539
Total capital assets being depreciated, net	<u>32,747,352</u>	<u>(282,564)</u>	<u>-</u>	<u>32,464,788</u>
Total governmental activities capital assets, net	<u>\$ 40,653,247</u>	<u>\$ 876,098</u>	<u>\$ (920,110)</u>	<u>\$ 40,609,235</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Construction in progress	\$ 1,745,508	\$ 253,307	\$ (894,660)	\$ 1,104,155
Total capital assets not being depreciated	1,745,508	253,307	(894,660)	1,104,155
Capital assets being depreciated:				
Buildings and renovations	29,597	-	-	29,597
Machinery, equipment and other	198,563	182,501	-	381,064
Infrastructure	38,485,806	992,990	-	39,478,796
Total capital assets being depreciated	38,713,966	1,175,491	-	39,889,457
Less accumulated depreciation for:				
Buildings and renovations	29,597	-	-	29,597
Machinery, equipment and other	139,903	35,010	-	174,913
Infrastructure	21,411,674	571,344	-	21,983,018
Total accumulated depreciation	21,581,174	606,354	-	22,187,528
Total capital assets being depreciated, net	17,132,792	569,137	-	17,701,929
Total business-type activities capital assets, net	\$ 18,878,300	\$ 822,444	\$ (894,660)	\$ 18,806,084

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

**Governmental Activities:**

General government	\$ 23,475
Public safety	179,299
Public works	304,423
Education	1,438,307
Health and human services	76,660
Culture and recreation	161,671
Total depreciation expense - governmental activities	<u>\$ 2,183,835</u>

**Business-Type Activities:**

Sewer fund	\$ 268,797
Water fund	337,557
Total depreciation expense - business-type activities	<u>\$ 606,354</u>

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

Interfund transfers for the fiscal year ended June 30, 2014, are summarized as follows:

Transfers Out:	Transfers In:		
	General fund	Nonmajor Governmental fund	Total
General fund	\$ -	\$ 1,381,218	\$ 1,381,218
Nonmajor governmental funds	281,737	485,000	766,737
Total transfers out	<u>\$ 281,737</u>	<u>\$ 1,866,218</u>	<u>\$ 2,147,955</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

**F. Leases**

The Town has entered into lease agreements 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.

The assets acquired through the capital leases are as follows:

	<b>Governmental Activities</b>
<b>Asset:</b>	
Machinery, Equipment and Other	\$ 41,458
Less: Accumulated Depreciation	(4,146)
Total	\$ 37,312

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014, are as follows:

	<b>Governmental Activities</b>
<b>Year Ending June 30,</b>	
2015	\$ 15,091
2016	15,091
2017	12,576
Total minimum lease payments	42,758
Less: amount representing interest	(3,609)
Present value of minimum lease payments	\$ 39,149

**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:

<b>Purpose</b>	<b>Interest Rate</b>	<b>Final Maturity Date</b>	<b>Balance July 1, 2013</b>	<b>Renewed/ Issued</b>	<b>Retired/ Redeemed</b>	<b>Outstanding June 30, 2014</b>
<b>Governmental Activities</b>						
<b>Bond Anticipation Notes:</b>						
Pine Knoll pool renovation	1.00%	6/30/2015	\$ -	\$ 450,000	\$ -	\$ 450,000

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

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, 2013	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2014
<b>Business-Type Activities:</b>						
<b>Sewer Fund:</b>						
<b>Bond Anticipation Notes:</b>						
Harkness Pump Station	1.00%	6/30/2015	\$ -	\$ 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	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2014
<b>Inside Debt:</b>					
Municipal purpose loan of 2003:					
Library	2.0-5.0%	6/1/2003	6/1/2023	\$ 2,200,000	\$ 990,000
Municipal purpose loan of 2005:					
Remodeling projects	3.85%	4/1/2005	4/1/2022	1,336,200	669,000
Telecommunication systems	3.85%	4/1/2005	4/1/2015	100,000	8,000
Modular classrooms	3.85%	4/1/2005	4/1/2015	1,400,000	140,000
Departmental equipment	4.0-6.0%	12/1/2005	12/1/2025	66,650	13,200
Town Building improvements	4.0-6.0%	12/1/2005	12/1/2025	98,369	19,600
School projects	4.0-6.0%	12/1/2005	12/1/2025	972,981	419,200
Municipal purpose loan of 2007:					
School projects	3.96%	1/15/2007	1/15/2027	3,729,000	2,405,000
Senior Center improvements	3.96%	1/15/2007	1/15/2027	410,000	120,000
Municipal purpose loan of 2009	2.91%	1/15/2009	1/15/2024	4,852,000	2,475,000
Municipal purpose loan of 2010	2.09%	9/15/2010	9/15/2025	2,730,000	1,872,000
Municipal purpose loan of 2011	2.0-5.0%	10/13/2011	8/1/2029	4,405,000	3,535,000
<b>Massachusetts Water Pollution Abatement Trust:</b>					
GIS project	N/A	10/26/2006	8/1/2024	194,098	133,968
GIS project	2.00%	10/26/2006	7/15/2024	138,448	94,999
Total Inside Debt					<u>12,894,967</u>
<b>Outside Debt:</b>					
Municipal purpose loan of 2011					
Birchland Park Middle School Construction	2.0-5.0%	10/13/2011	8/1/2020	8,739,050	6,666,000
Total Outside Debt					<u>6,666,000</u>
Total governmental type debt					<u>\$ 19,560,967</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

**Future Debt Service**

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2014, are as follows:

Year	Principal	Interest	Total
2015	\$ 2,701,626	\$ 696,288	\$ 3,397,914
2016	2,468,097	611,525	3,079,622
2017	2,193,258	535,607	2,728,865
2018	2,142,422	457,901	2,600,323
2019	2,138,589	376,487	2,515,076
2020-2024	6,430,125	801,976	7,232,101
2025-2029	1,386,850	116,177	1,503,027
2030-2034	100,000	1,800	101,800
	<u>\$ 19,560,967</u>	<u>\$ 3,597,761</u>	<u>\$ 23,158,728</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

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

	Interest	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2014
<b>Inside Debt:</b>					
<b>Sewer Fund:</b>					
Municipal purpose loan of 2003:					
Sewer projects	2.0-5.0%	6/1/2003	6/1/2023	\$ 4,775,000	\$ 2,160,000
Municipal purpose loan of 2005:					
Discharge Meters	3.85%	4/1/2005	4/1/2021	156,000	65,000
Pease, Prospect and Old Farm Roads	3.85%	4/1/2005	4/1/2017	120,000	30,000
Mill Road Sanitary Sewer Construction	4.0-6.0%	12/1/2005	12/1/2025	250,000	138,000
Municipal purpose loan of 2010:					
Pump Station Upgrades	2.09%	9/15/2010	9/15/2025	1,104,000	878,000
Municipal purpose loan of 2011:					
Sewer projects	2.0-5.0%	10/13/2011	8/1/2021	612,780	466,000
<b>Massachusetts Water Pollution Abatement Trust:</b>					
GIS Project	N/A	10/26/2006	8/1/2024	76,907	53,082
GIS Project	2.00%	10/26/2006	7/15/2024	54,857	37,641
<b>Water Fund:</b>					
<b>Massachusetts Water Pollution Abatement Trust:</b>					
GIS Project	N/A	10/26/2006	8/1/2024	95,218	65,720
GIS Project	2.00%	10/26/2006	7/15/2024	67,918	46,603
Total Inside Debt					<u>3,940,046</u>
<b>Outside Debt:</b>					
<b>Water Fund:</b>					
Municipal purpose loan of 2003:					
Water tank painting	2.0-5.0%	6/1/2003	6/1/2023	100,000	45,000
Water main projects	2.0-5.0%	6/1/2003	6/1/2023	4,140,000	1,845,000
Municipal purpose loan of 2005:					
Water main projects	3.85%	4/1/2005	4/1/2018	130,000	40,000
Water meters	3.85%	4/1/2005	4/1/2015	80,000	8,000
Water tower	4.0-6.0%	12/1/2005	12/1/2025	2,500,000	1,500,000
Municipal purpose loan of 2011:					
Water main projects	2.0-5.0%	10/13/2011	8/1/2021	398,170	308,000
Total Outside Debt					<u>3,746,000</u>
Total business-type debt					<u><u>\$ 7,686,046</u></u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

**Future Debt Service**

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2014, are as follows:

Year	Principal	Interest	Total
2015	\$ 826,631	\$ 279,655	\$ 1,106,286
2016	817,935	251,754	1,069,689
2017	813,078	223,382	1,036,460
2018	794,223	194,099	988,322
2019	783,371	164,494	947,865
2020-2024	3,217,658	381,625	3,599,283
2025-2029	433,150	15,897	449,047
	<u>\$ 7,686,046</u>	<u>\$ 1,510,906</u>	<u>\$ 9,196,952</u>

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

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due within One Year
<b>Governmental activities:</b>					
<b>Bond Payable:</b>					
General obligation bonds	\$ 22,174,500	\$ -	\$ 2,842,500	\$ 19,332,000	\$ 2,684,000
Massachusetts Water Pollution Abatement Trust bonds	246,053	-	17,086	228,967	17,626
<b>Capital lease</b>	-	41,458	2,309	39,149	13,047
<b>Compensated absences</b>	607,010	14,892	61,802	560,100	367,243
<b>OPEB Obligation payable</b>	21,641,833	3,886,385	-	25,528,218	-
Governmental activity					
Long-term liabilities	<u>\$ 44,669,396</u>	<u>\$ 3,942,735</u>	<u>\$ 2,923,697</u>	<u>\$ 45,688,434</u>	<u>\$ 3,081,916</u>
<b>Business type activities:</b>					
<b>Bond Payable:</b>					
General obligation bonds	\$ 8,300,500	\$ -	\$ 817,500	\$ 7,483,000	\$ 811,000
Massachusetts Water Pollution Abatement Trust bonds	218,198	-	15,152	203,046	15,631
<b>Compensated absences</b>	54,659	2,059	4,359	52,359	18,475
Business-type activity					
Long-term liabilities	<u>\$ 8,573,357</u>	<u>\$ 2,059</u>	<u>\$ 837,011</u>	<u>\$ 7,738,405</u>	<u>\$ 845,106</u>

**Massachusetts Water Pollution Abatement Trust (MWPAT)**

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) 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 MWPAT. The gross amount outstanding at June 30, 2014 for principal and interest combined for the loan is \$518,074. The net repayments, including interest, are scheduled to be \$476,487. 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 2014 interest subsidies totaled \$5,517.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

**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, 2014 totaled \$16,835,013.

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, 2014:

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	\$ 27,247,013		
Less: Debt Outside Debt Limit	<u>(10,412,000)</u>	<u>16,835,013</u>	
Inside Debt Excess Borrowing Capacity at June 30, 2014		<u>\$ 74,637,847</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, 2014 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
5/2/2005	Mountain View - new classroom exhaust	\$ 302
5/1/2006	School remodeling	92
5/1/2006	Departmental equipment	426
5/1/2006	School remodeling - elementary classrooms	25
5/10/2007	Meadowbrook school - replace motor and coils	221
5/19/2008	Health department - landfill Somers & Allen Street	138,000
5/17/2010	Police cruisers	1,005
5/16/2011	Public safety radio update	154
5/21/2012	Harkness Pump Station improvements (Water)	500
10/21/2013	Lease or purchase a Building	<u>1,200,000</u>
		<u>\$ 1,340,725</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

**I. Fund Balances**

The following is a summary of the Town's Governmental fund balances at the year ended June 30, 2014:

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Restricted:</b>			
Federal, state and local grants	\$ -	\$ 541,965	\$ 541,965
Community preservation funds	-	718,564	718,564
Revolving funds	-	1,960,428	1,960,428
Donations and gifts	-	38,515	38,515
Payment of Debt	343,406	1,074,699	1,418,105
Capital projects	-	348,717	348,717
Permanent funds	-	23,076	23,076
Other	-	273,987	273,987
	<u>343,406</u>	<u>4,979,951</u>	<u>5,323,357</u>
<b>Committed:</b>			
Capital projects	-	920,350	920,350
<b>Assigned:</b>			
General government	65,135	-	65,135
Public safety	18,308	-	18,308
Public works	139,460	-	139,460
Education	450,785	-	450,785
Health and human services	530	-	530
Culture and recreation	1,863	-	1,863
Employee benefits and insurance	7,840	-	7,840
Debt service: interest	9,568	-	9,568
Subsequent year's budget	356,629	-	356,629
	<u>1,050,118</u>	<u>-</u>	<u>1,050,118</u>
<b>Unassigned:</b>			
General Fund	4,923,980	-	4,923,980
Capital project deficit:			
Pine Knoll pool renovation	-	(405,896)	(405,896)
	<u>4,923,980</u>	<u>(405,896)</u>	<u>4,518,084</u>
<b>Total Governmental fund balances</b>	<u>\$ 6,317,504</u>	<u>\$ 5,494,405</u>	<u>\$ 11,811,909</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

**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.

At June 30, 2014, the balance in the stabilization fund is \$1,849,268 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, 2014, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2014.

**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. 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

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

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 702 active and retired employees, beneficiaries and dependents that meet the eligibility requirements. The plan does not issue a separate financial report.

**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 2014 fiscal year, the Town provided required contributions of \$1,050,735 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)	\$	5,148,006
Interest on net OPEB obligation		865,673
Adjustment to annual required contribution		<u>(1,076,559)</u>
Annual OPEB cost (expense)		4,937,120
Contributions made during the fiscal year		<u>(1,050,735)</u>
Increase in net OPEB obligation		3,886,385
Net OPEB Obligation - beginning of year		<u>21,641,833</u>
Net OPEB Obligation - end of year	\$	<u><u>25,528,218</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 2014 fiscal year and the two preceding years were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2014	\$ 4,937,120	21.3%	\$ 25,528,218
6/30/2013	\$ 4,888,818	20.9%	\$ 21,641,833
6/30/2012	\$ 4,654,891	19.8%	\$ 17,773,954

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

**Funded Status and Funding Process**

As of July 1, 2013, the most recent valuation date, the plan was 0.0% funded. The actuarial liability for benefits was \$50,129,040, and the actuarial value of assets was 0.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$50,129,040. As indicated in the actuarial valuation the covered payroll (annual payroll of active employees covered by the plan) was \$23,530,428 and the ratio of the UAAL to the covered payroll was 213.0%.

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. 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, 2013, 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 8.25% 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, 2014 is 23 years.

**D. Pension Plan**

**Plan Description**

The Town, as a member of the Hampden County Regional Retirement System (the System), participates in a cost-sharing multiple-employer defined benefit pension plan administered by the Hampden County Regional Retirement Board. Each participating employers' share of the total annual contribution is determined on the basis of active payroll. Substantially, all employees are members of the System, except for public school teachers and administrators who are members of Commonwealth of Massachusetts Teachers' Retirement System to which the Town does not contribute. Pension benefits and administrative expenses are paid by the Teachers' Retirement Board and are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$5,180,861 for the fiscal year ending June 30, 2014, and, accordingly, are reported in the General Fund as intergovernmental revenues and employee benefit expenditures.

The System provides retirement, disability, and death benefits to plan members and beneficiaries. Chapter 32 of the Massachusetts General Laws assigns authority to establish and amend benefit provisions of the plan. Cost of living adjustments granted between 1981 and 1987 and any increases in other benefits imposed by the Commonwealth's state law during those years are borne by the

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1987 must be approved by the Hampden County Regional Retirement Board and are borne by the System. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System located at 67 Hunt Street, Agawam, Massachusetts.

**Funding Policy**

Plan members are required to contribute to the System at rates ranging from 5% to 11% of 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. Chapter 32B of the Massachusetts general laws governs the contributions of plan members and the Town.

The Town's contribution to the System for the fiscal years ended June 30, 2014, 2013, and 2012 is shown below, which equaled its required contribution for each fiscal year.

<b>Fiscal Year Ended June 30</b>	<b>Contribution</b>
2014	\$ 2,481,717
2013	\$ 2,298,244
2012	\$ 1,892,492

The last actuarial valuation was prepared by The Segal Group, Inc., as of January 1, 2014. The actuarial cost method of the plan has been determined in accordance with the individual entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.875% compounded annually, (b) projected salary, including longevity, increases vary by length of service with ultimate rates of 4.25% for Group 1, 4.50% for Group 2 and 4.75% for Group 4.

The total unfunded actuarial liability applicable to the entire System's employees at January 1, 2014 is as follows:

Actuarial Accrued Liability	\$ 565,522,818
Less: Assets	266,930,021
Unfunded Actuarial Liability	<u>\$ 298,592,797</u>

The Town's portion of such liability is approximately 12.54% or \$37,443,537.

The System's funding policy is governed by Section 22 (D) of Chapter 32. The members of the System are required to fund each year the actuarially determined normal cost plus an amount to amortize the unfunded liability. The system accepted the provisions of Chapter 32, Section 22D to become a funding unit on January 1, 1991.

**Reporting Policies**

The funds of the Hampden County Regional Retirement System are accounted for under the accrual basis. Under the accrual basis of accounting, all revenues and expenditures are accrued and investments are amortized to value. The books are maintained on a calendar year basis from January 1st to December 31st in accordance with the standards and procedures outlined by the Commissioner of the Public Employees Retirement Administration.

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2014**

Investments are reported in accordance with PERAC requirements.

**E. Implementation Of New GASB Pronouncements**

During fiscal year 2014, the GASB implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement introduced the concept of deferred outflows and deferred inflows to the financial statements. As such, certain items that were previously reported as assets and liabilities were reclassified to deferred outflows and deferred inflows.

**F. Future GASB Pronouncements**

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in fiscal year 2015. Management's current assessment is that this pronouncement will have a significant impact on the Town's basic financial statements by recognizing as an asset/(liability) and revenue/(expense), the Town's portion of the Hampden County Regional Retirement System actuarial accrued liability.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Required Supplementary Information**  
**Schedule of Funding Progress and Employer Contributions**  
**Other Post-Employment Benefit Plan**  
**Year Ended June 30, 2014**

**SCHEDULE OF FUNDING PROGRESS**

<b>Other Post Employment Benefits</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Accrued Liability (AAL) Entry Aid (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a Percentage of Covered Payroll ((B-A)/C)</b>
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
12/31/2009	\$ -	\$ 93,937,482	\$ 93,937,482	0%	N/A	N/A

**SCHEDULE OF CONTRIBUTION FUNDING**

<b>Other Post Employment Benefits</b>			
<b>Fiscal Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Actual Contributions Made</b>	<b>Percentage Contributed</b>
2014	\$ 4,937,120	\$ 1,050,735	21.3%
2013	\$ 4,888,818	\$ 1,020,939	20.9%
2012	\$ 4,654,891	\$ 922,693	19.8%

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, 2013
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	8.25% decreasing to the ultimate level of 5% per year
Annual salary increase	2.5%

**Plan Membership:**

Current active members	411
Current retirees, beneficiaries and dependents	291
Total	<u>702</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**Required Supplementary Information**  
**Schedule of Funding Progress and Employer Contributions**  
**Hampden County Regional Retirement System**  
**Year Ended June 30, 2014**

**SCHEDULE OF FUNDING PROGRESS**

<b>Pension System</b>						
<b>Hampden County Regional Retirement System</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (A)</b>	<b>Actuarial Liability (AAL) (B)</b>	<b>Unfunded AAL (UAAL) (B-A)</b>	<b>Funded Ratio (A/B)</b>	<b>Covered Payroll (C)</b>	<b>UAAL as a Percentage of Covered Payroll ((B-A)/C)</b>
1/1/2014	\$ 266,930,021	\$ 565,522,818	\$ 298,592,797	47.2%	\$ 100,077,260	298.4%
1/1/2012	\$ 244,053,652	\$ 499,009,329	\$ 254,955,677	48.9%	\$ 94,037,543	271.1%
1/1/2010	\$ 220,585,830	\$ 422,756,972	\$ 202,171,142	52.2%	\$ 91,149,295	221.8%

**SCHEDULE OF CONTRIBUTION FUNDING**

<b>Pension System</b>						
<b>Hampden County Regional Retirement System</b>				<b>Town</b>		
<b>Fiscal Year Ended</b>	<b>Annual Required Contributions</b>	<b>Actual Contributions (A)</b>	<b>Percentage Contributed</b>	<b>Actual Contributions (B)</b>	<b>Percentage of System-Wide Actual Contributions (B/A)</b>	
6/30/2014	\$ 19,790,493	\$ 19,790,493	100.00%	\$ 2,481,717	12.54%	
6/30/2013	\$ 18,324,531	\$ 18,324,531	100.00%	\$ 2,298,244	12.54%	
6/30/2012	\$ 16,967,568	\$ 16,967,568	100.00%	\$ 1,892,492	11.15%	

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	January 1, 2014
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level dollar, increasing to 4.0% per year for the remaining unfunded liability. Increase in total appropriation is limited to 8.0%.
Asset valuation method	The difference between the expected return and the actual investment return on a market value basis is recognized over a five-year period. Asset value is adjusted, if necessary to be within 10% of the market value.

**Actuarial Assumptions:**

Investment rate of return	7.875%
Projected salary increase	Varies by length of service with ultimate rates of 4.25% Group 1, 4.50% for Group 2 and 4.75% Group 4
Cost of living adjustments	3.00% for the first \$18,000 of retirement income

**Plan Membership:**

Retired participants and beneficiaries receiving benefits	1,581
Inactive participants	413
Active participants	2,553
Total	<u>4,547</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, 2014**

	Fund Balances July 1, 2013	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2014
<b>Special Revenue:</b>					
<b>Federal and State Grants:</b>					
School Grants	\$ 20,072	\$ 1,413,732	\$ 1,396,435	\$ -	\$ 37,369
Arts Lottery Council Grants	9,964	4,593	5,689	-	8,868
Board of Health Grants	28,884	3,584	1,483	-	30,985
Council on Aging Grants	5,995	56,208	52,203	-	10,000
Highway Grants	-	452,884	452,884	-	-
Library Grants	77,696	26,936	46,843	-	57,789
October 2011 Storm	(19,547)	-	-	19,547	-
Other Grants and Programs	22,989	12,749	6,090	-	29,648
Public Safety Grants	(37,203)	58,649	35,943	-	(14,497)
<b>Schools:</b>					
School Lunch Program	260,234	823,032	772,198	-	311,068
School Lunch Commodities	-	61,885	61,885	-	-
School Busing	56,282	189,620	171,097	-	74,805
School Gifts and Donations	21,651	28,070	26,572	-	23,149
School Revolving Accounts	430,724	651,073	430,818	(50,000)	600,979
State Special Education Reimbursement Fund	216,124	1,054,472	888,794	-	381,802
<b>Other:</b>					
Cable Access Revolving	318,508	203,236	123,522	(135,000)	263,222
Center Hill Park Revolving	1,263	-	-	-	1,263
Community Preservation Fund	898,008	344,232	115,836	(407,840)	718,564
Council on Aging Revolving	28,463	103,815	91,980	-	40,298
Dog Fund Revolving	57,613	21,978	908	(42,165)	36,518
Flu Shots Revolving	5,049	915	1,063	-	4,901
Gaming Commission Grants	-	15,000	15,000	-	-
Gifts and Donations	8,734	30,298	517	-	38,515
Insurance Reimbursements	64,207	-	-	-	64,207
Library Revolving Funds	4,275	17,479	15,602	-	6,152
Reserve for Payment of Debt - MSBA	1,156,431	-	-	(81,732)	1,074,699
Parking Tickets Revolving	18,109	95	-	-	18,204
Police Off Duty Details	-	313,719	309,867	-	3,852
Recreation Revolving	346,857	436,816	465,056	-	318,617
<b>Special Revenue Page 58</b>	<b>\$ 4,001,382</b>	<b>\$ 6,325,070</b>	<b>\$ 5,488,285</b>	<b>\$ (697,190)</b>	<b>\$ 4,140,977</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Fund Balances July 1, 2013	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2014
<b>Continued from Page 58</b>	\$ 4,001,382	\$ 6,325,070	\$ 5,488,285	\$ (697,190)	\$ 4,140,977
<b>Special Revenue (continued):</b>					
<b>Other (continued):</b>					
Trash Revolving	117,531	127,789	47,293	(50,000)	148,027
Wetlands Protection Act	46,270	2,748	-	-	49,018
Ambulance Fund	51	2	-	-	53
Conservation Funds	40,154	1,740	-	-	41,894
Council on Aging Funds	45,303	6,503	2,800	-	49,006
Friends of Heritage Park	326	27	13	-	340
Historical Commission	8,024	1,057	-	-	9,081
Pension Reserve Fund	120,329	5,217	-	-	125,546
Police Gymnasium Fund	64	2	-	-	66
Recreation Fund	13,311	584	-	-	13,895
Shaker Road Relief Fund	3,863	-	-	-	3,863
Town Beautification Fund	364	16	-	-	380
Traffic Signal Fund	891	25,039	-	-	25,930
Unemployment Compensation Fund	77	4	-	-	81
<b>Total Special Revenue Funds</b>	<b>4,397,940</b>	<b>6,495,798</b>	<b>5,538,391</b>	<b>(747,190)</b>	<b>4,608,157</b>
<b>Capital Projects:</b>					
Department of Public Works Equipment	8,413	-	207,160	202,994	4,247
Cable TV Facility Improvement	47,164	4,058	80,307	135,000	105,915
Fire Department Projects	682	-	96,270	101,954	6,366
GIS Project	(555)	-	-	-	(555)
Information Technology Connectivity	294,901	-	361,017	203,052	136,936
Police Projects	24,185	-	69,895	54,711	9,001
Pine Knoll Pool Renovation	(26,227)	-	729,669	350,000	(405,896)
Recreation Projects	2,872	-	-	(39)	2,833
School Improvement Projects	462,972	-	218,785	598,066	842,253
Sidewalk Costruction	69,293	-	108,221	201,000	162,072
Town and School Improvements	67	-	-	(67)	-
<b>Capital Projects</b>	<b>\$ 883,767</b>	<b>\$ 4,058</b>	<b>\$ 1,871,324</b>	<b>\$ 1,846,671</b>	<b>\$ 863,172</b>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Fund Balances July 1, 2013	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2014
<b>Permanent Funds:</b>					
Cemetery Funds	\$ 3,077	\$ 133	\$ -	\$ -	\$ 3,210
Library Funds	20,170	8,681	8,985	-	19,866
<b>Total Permanent Funds</b>	<u>23,247</u>	<u>8,814</u>	<u>8,985</u>	<u>-</u>	<u>23,076</u>
 <b>Total - Non-Major Governmental Funds</b>	 <u>\$ 5,304,954</u>	 <u>\$ 6,508,670</u>	 <u>\$ 7,418,700</u>	 <u>\$ 1,099,481</u>	 <u>\$ 5,494,405</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES  
AND COMMUNITY PRESERVATION SURCHARGE  
JULY 1, 2013 TO JUNE 30, 2014**

	Uncollected Taxes July 1, 2013	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2014	Uncollected Taxes Per Detail June 30, 2014
<b>Real Estate Taxes:</b>						
Levy of 2014	\$ -	\$ 35,513,757	\$ 128,070	\$ 34,693,050	\$ 692,637	\$ 691,851
Levy of 2013	577,917	-	93,106	323,897	160,914	159,089
Levy of 2012	233,488	-	30,771	122,164	80,553	83,164
Levy of 2011	105,223	-	27,419	72,956	4,848	4,848
Levy of 2010	7,549	-	4,716	2,833	-	-
Prior Years	6,017	-	55	-	5,962	5,962
	<u>930,194</u>	<u>35,513,757</u>	<u>284,137</u>	<u>35,214,900</u>	<u>944,914</u>	<u>944,914</u>
<b>Personal Property Taxes:</b>						
Levy of 2014	-	877,902	19	870,946	6,937	6,937
Levy of 2013	5,262	-	13	3,881	1,368	1,368
Levy of 2012	4,497	-	(2)	3,531	968	968
Levy of 2011	3,584	-	1	3,150	433	433
Levy of 2010	1,589	-	-	329	1,260	1,260
Prior Years	18,336	-	-	137	18,199	18,199
	<u>33,268</u>	<u>877,902</u>	<u>31</u>	<u>881,974</u>	<u>29,165</u>	<u>29,165</u>
<b>Total Real Estate and Personal Property Taxes</b>	<u>\$ 963,462</u>	<u>\$ 36,391,659</u>	<u>\$ 284,168</u>	<u>\$ 36,096,874</u>	<u>\$ 974,079</u>	<u>\$ 974,079</u>
<b>Non-Major Governmental Funds: Community Preservation Surcharge:</b>						
Levy of 2014	\$ -	\$ 235,221	\$ 1,354	\$ 228,493	\$ 5,374	\$ 5,368
Levy of 2013	1,876	-	401	914	561	550
Levy of 2012	1,283	-	150	732	401	418
Levy of 2011	658	-	132	513	13	13
Levy of 2010	41	-	36	-	5	-
Prior Years	6	-	-	-	6	8
	<u>\$ 3,864</u>	<u>\$ 235,221</u>	<u>\$ 2,073</u>	<u>\$ 230,652</u>	<u>\$ 6,360</u>	<u>\$ 6,357</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF MOTOR VEHICLE AND BOAT EXCISE TAXES  
JULY 1, 2013 TO JUNE 30, 2014**

	<b>Uncollected Taxes July 1, 2013</b>	<b>Commitments</b>	<b>Abatements and Adjustments</b>	<b>Collections Net of Refunds and Overpayments</b>	<b>Uncollected Taxes June 30, 2014</b>	<b>Uncollected Taxes Per Detail June 30, 2014</b>
<b>Motor Vehicle Excise Taxes:</b>						
Levy of 2014	\$ -	\$ 1,854,068	\$ 38,916	\$ 1,713,655	\$ 101,497	\$ 101,497
Levy of 2013	180,345	162,793	17,664	304,311	21,163	21,163
Levy of 2012	17,752	-	1,154	9,521	7,077	7,077
Levy of 2011	6,782	-	203	1,314	5,265	5,265
Levy of 2010	7,110	-	5	829	6,276	6,276
Prior Years	28,079	-	6,229	735	21,115	21,115
	<u>240,068</u>	<u>2,016,861</u>	<u>64,171</u>	<u>2,030,365</u>	<u>162,393</u>	<u>162,393</u>
<b>Boat Excise Taxes:</b>						
Levy of 2014	-	2,931	192	2,613	126	126
Levy of 2013	(12)	-	-	-	(12)	(12)
Levy of 2012	40	-	-	-	40	40
Levy of 2011	31	-	-	-	31	31
Levy of 2010	-	-	-	-	-	-
Prior Years	1,827	-	317	97	1,413	1,413
	<u>1,886</u>	<u>2,931</u>	<u>509</u>	<u>2,710</u>	<u>1,598</u>	<u>1,598</u>
<b>Total Motor Vehicle and Boat Excise Taxes</b>	<u>\$ 241,954</u>	<u>\$ 2,019,792</u>	<u>\$ 64,680</u>	<u>\$ 2,033,075</u>	<u>\$ 163,991</u>	<u>\$ 163,991</u>

**TOWN OF EAST LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF TAX LIENS  
JULY 1, 2013 TO JUNE 30, 2014**

	<b>Uncollected Accounts July 1, 2013</b>	<b>Commitments</b>	<b>Abatements and Adjustments</b>	<b>Collections Net of Refunds and Overpayments</b>	<b>Uncollected Accounts June 30, 2014</b>	<b>Uncollected Accounts Per Detail June 30, 2014</b>
<b>Tax Liens</b>	\$ 462,918	\$ 179,103	\$ (31,802)	\$ 82,672	\$ 591,151	\$ 591,151
<b>Non-Major Governmental Funds:</b>						
<b>Community Preservation Surcharge:</b>						
<b>Tax Liens</b>	\$ 1,869	\$ 669	\$ -	\$ 469	\$ 2,069	\$ 2,069