

**TOWN OF LONGMEADOW, MASSACHUSETTS**

**REPORT ON THE EXAMINATION  
OF BASIC FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2008**

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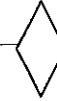
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**Independent Auditors' Report**

To the Honorable Selectboard  
Town of Longmeadow, Massachusetts

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 Longmeadow, Massachusetts, as of and for the fiscal year ended June 30, 2008 which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Longmeadow, Massachusetts' management. 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 *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 of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Longmeadow, Massachusetts, as of June 30, 2008 and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2009, on our consideration of the Town of Longmeadow, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Longmeadow, Massachusetts, basic financial statements.

The supplementary supporting statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Town of Longmeadow, Massachusetts. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management's discussion and analysis, located on the following pages, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



THOMAS J. SCANLON,  
Certified Public Accountant

South Deerfield, Massachusetts  
January 16, 2009

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

## Management's Discussion and Analysis

As management of the Town of Longmeadow, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2008.

### Financial Highlights

- The Town's assets exceeded its liabilities by \$48,407,366 (net assets) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$46,387,416 or an increase of \$2,019,950.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of \$33,155,316 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net assets of \$6,675,751 are restricted by constraints imposed from outside the Town such as grantors, laws or regulations.
  - (3) Unrestricted net assets of \$8,576,299 represent a portion available to maintain the Town's continuing obligations to citizens and creditors.
- The Town's governmental funds reported total ending fund balance of \$12,080,106 this year. This compares to the prior year ending fund balance of \$11,971,951 showing an increase of \$108,155 during the current year.
- At the end of the current fiscal year, unreserved/undesignated fund balance for the General Fund was \$2,238,327, or 4.17% of total General Fund expenditures including transfers and 4.23% of total General Fund revenues including transfers.
- Total liabilities of the Town decreased by \$1,243,087 to \$18,114,580 during the fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of 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 assets* presents information on all assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 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 two proprietary funds.

*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 Assets Highlights

	Governmental Activities		
	2008	2007	Change
<b>Assets:</b>			
Current assets	\$ 15,111,737	\$ 14,990,261	\$ 121,476
Capital assets	43,198,110	42,114,530	1,083,580
<b>Total assets</b>	<b>58,309,847</b>	<b>57,104,791</b>	<b>1,205,056</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	2,195,638	1,467,209	728,429
Noncurrent liabilities (excluding debt)	401,975	408,458	(6,483)
Current debt	1,191,292	1,523,467	(332,175)
Noncurrent debt	9,254,182	10,445,474	(1,191,292)
<b>Total liabilities</b>	<b>13,043,087</b>	<b>13,844,608</b>	<b>(801,521)</b>
<b>Net Assets:</b>			
Capital assets net of related debt	32,768,110	30,529,530	2,238,580
Restricted	5,590,292	5,834,027	(243,735)
Unrestricted	6,908,358	6,896,626	11,732
<b>Total net assets</b>	<b>45,266,760</b>	<b>43,260,183</b>	<b>2,006,577</b>

	Business-Type Activities		
	2008	2007	Change
<b>Assets:</b>			
Current assets	\$ 3,020,369	\$ 6,211,928	\$ (3,191,559)
Capital assets	5,191,730	2,428,364	2,763,366
<b>Total assets</b>	<b>8,212,099</b>	<b>8,640,292</b>	<b>(428,193)</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	250,336	84,068	166,268
Noncurrent liabilities (excluding debt)	16,633	15,991	642
Current debt	304,505	1,648,476	(1,343,971)
Noncurrent debt	4,500,019	3,764,524	735,495
<b>Total liabilities</b>	<b>5,071,493</b>	<b>5,513,059</b>	<b>(441,566)</b>
<b>Net Assets:</b>			
Capital assets net of related debt	387,206	581,459	(194,253)
Restricted	1,085,459	901,492	183,967
Unrestricted	1,667,941	1,644,282	23,659
<b>Total net assets</b>	<b>3,140,606</b>	<b>3,127,233</b>	<b>13,373</b>

## Statement of Activities Highlights

	Governmental Activities		
	2008	2007	Change
<b>Program Revenues:</b>			
Charges for services	\$ 4,658,527	\$ 4,485,486	\$ 173,041
Operating grants and contributions	13,841,885	13,185,049	656,836
Capital grants and contributions	505,234	561,950	(56,716)
<b>General Revenues:</b>			
Property taxes	36,170,589	32,844,056	3,326,533
Motor vehicle excise and other taxes	2,167,766	2,091,232	76,534
Penalties and interest on taxes	163,060	121,865	41,195
Nonrestricted grants	1,777,493	2,302,239	(524,746)
Unrestricted investment income	662,942	747,109	(84,167)
Miscellaneous	3,201	14,792	(11,591)
<b>Total revenues</b>	<b>59,950,697</b>	<b>56,353,778</b>	<b>3,596,919</b>
<b>Expenses:</b>			
General government	1,618,481	1,694,059	(75,578)
Public safety	4,436,197	4,283,704	152,493
Public works	3,305,814	3,296,135	9,679
Education	32,963,938	30,065,387	2,898,551
Health and human services	376,676	345,331	31,345
Culture and recreation	2,571,396	2,516,159	55,237
Employee benefits and insurance	12,144,582	11,328,297	816,285
State assessments	149,529	109,806	39,723
Interest	445,777	500,933	(55,156)
<b>Total expenses</b>	<b>58,012,390</b>	<b>54,139,811</b>	<b>3,872,579</b>
<b>Transfers</b>	<b>68,270</b>	<b>58,944</b>	<b>9,326</b>
<b>Change in net assets</b>	<b>2,006,577</b>	<b>2,272,911</b>	<b>(266,334)</b>
<b>Net assets - beginning of year</b>	<b>43,260,183</b>	<b>40,987,272</b>	<b>2,272,911</b>
<b>Net assets - end of year</b>	<b>\$ 45,266,760</b>	<b>\$ 43,260,183</b>	<b>\$ 2,006,577</b>

	Business-Type Activities		
	2008	2007	Change
<b>Program Revenues:</b>			
Charges for services - water	\$ 1,780,083	\$ 1,159,837	\$ 620,246
Charges for services - sewer	1,413,878	1,168,543	245,335
<b>Total revenues</b>	<b>3,193,961</b>	<b>2,328,380</b>	<b>865,581</b>
<b>Expenses:</b>			
Water	1,517,901	1,060,484	457,417
Sewer	1,594,417	977,452	616,965
<b>Total expenses</b>	<b>3,112,318</b>	<b>2,037,936</b>	<b>1,074,382</b>
<b>Transfers</b>	<b>(68,270)</b>	<b>(58,944)</b>	<b>(9,326)</b>
<b>Change in net assets</b>	<b>13,373</b>	<b>231,500</b>	<b>(218,127)</b>
<b>Net assets - beginning of year</b>	<b>3,127,233</b>	<b>2,895,733</b>	<b>231,500</b>
<b>Net assets - end of year</b>	<b>\$ 3,140,606</b>	<b>\$ 3,127,233</b>	<b>\$ 13,373</b>

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$48,407,366 at the close of FY 2008.

Net assets of \$33,155,316 (68%) 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 assets \$6,675,751 (14%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$8,576,299 (18%) 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 all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The governmental activities net assets increased by \$2,006,577 during the current fiscal year, which reflects the general fund's results of operation. This was mainly attributed to revenues exceeding expenditures by \$1,938,307 and transfers from the business-type funds for \$68,270.

There was an increase of \$13,373 in net assets reported in connection with the sewer and water business-type activities. Of this, there was an increase of \$221,912 attributed to the water department and a decrease of \$208,539 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, *unreserved 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 \$12,080,106. Of this year-end total, \$2,238,327 is the undesignated general fund balance, indicating availability for continuing Town service requirements. Reserved and designated fund balances include \$1,281,980 committed to liquidate encumbrances and carried forward articles remaining from the prior year; \$2,611,437 in funds reserved for the payment of debt; \$938,320 in funds designated for fiscal year 2009, \$4,931,392 in special revenue funds; \$(2,034) in capital projects funds; and \$80,684 in permanent funds.

The total ending fund balances of the governmental funds shows an increase of \$108,155 in comparison with the prior year. This increase was mainly due to revenues exceeding expenditures by \$39,885 and transfers in of \$68,270 from the business-type activities.

### ***Major Governmental Funds***

The *General Fund* is the Town's primary operating fund and the largest source of day-to-day operations. At the end of the current fiscal year, unreserved/undesignated fund balance of the general fund was \$2,238,327, while total fund balance reached \$7,070,064. As a measure of the general fund's liquidity, it may be useful to compare both unreserved/undesignated fund balance and total fund balance to total fund expenditures and revenues and transfers. Unreserved/undesignated fund balance represents 4.17% of total general fund expenditures including transfers and total fund balance represents 13.16% of that same amount. Unreserved/undesignated fund balance represents 4.23% of total general fund revenues including transfers and total fund balance represents 13.36% of that same amount.

The fund balance of the general fund decreased by \$806,900. Of this amount \$975,094 was attributed to the expenditures over revenues, \$351,404 of net transfers to the stabilization fund, \$451,328 from nonmajor governmental funds and \$68,270 from the business-type funds.

The *Stabilization Fund* has accumulated a fund balance of \$2,200,307, or 4.09% of total general fund expenditures including transfers and 4.15% of total general fund revenues including transfers. These funds can be used for general or capital purposes upon Town meeting approval.

The fund balance of the stabilization fund increased by \$591,026. Of this amount \$109,297 was attributed to interest income, \$130,325 from FEMA receipts and net

transfers from the general fund of \$351,404. Please refer to Note 3G for additional information.

**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 shows an increase of \$221,912 attributed to operational revenues exceeding current operational costs by \$291,882, interest expense of \$29,700 and transfers out to the general fund for \$40,270.

The *Sewer Fund* is the financing and operations of the Town's sewer system. The sewer fund shows a decrease of \$208,539 attributed to operational expenditures exceeding operational revenues by \$82,990, interest expense of \$97,549 and transfers out to the general fund for \$28,000.

### **General Fund Budgetary Highlights**

The final general fund budget for fiscal year 2008 was \$49,423,482. This was an increase of \$2,987,522 over the previous year's budget.

There was an increase of \$2,690,314 between the original budget and the final amended budget. The increase is attributed to numerous votes from the Town amending specific expenditure line items of the final budget. Major amendments included comprehensive site assessment for \$100,000; complete repairs to infrastructure for \$40,000; emergency repairs to the roof at the high school for \$110,000; repairs to the fire engine for \$34,000; school collective bargaining agreement for \$1,167,000; wage increases for the school for \$507,000; school department expenses for \$13,353; special education costs for \$398,236; snow and ice removal costs for \$54,018; revaluation of property for \$12,000; carpet and tile replacement for Williams Middle School for \$31,880; radio communications system for \$51,500; and the finance committee reserve fund for \$35,000.

Of the \$2,155,942 in under budget expenditures \$1,281,980 has been carried over to fiscal year 2009.

There is a negative variance in interest on investments for \$78,355 as a result of declining interest rates.

A negative variance of \$41,551 exists in state assessments. This was attributed to expenditures exceeding the amount estimated for the charter school assessment of \$16,089, the RMV non-renewal surcharge assessment of \$480, the regional transit authority assessment for \$25,116, and an over assessment in the school choice assessment of \$134.

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

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2008 amounts to \$43,198,110 and \$5,191,730, respectively.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year in the governmental type funds included the following:

- The purchase of four police vehicles for \$85,220.
- Foreclosure property for \$36,702.
- Fire engine repairs and mini-rescue for \$175,203.
- Four Department of Public Works vehicles for \$213,566.
- Road/street/sidewalk repairs for \$540,645.
- Various school improvements for \$531,623.
- Park improvement for \$80,100.
- Library carpeting for \$12,250.
- Greenwood Park pool for \$28,000.

The major capital events during the current fiscal year in the water business-type activity fund included the following:

- Construction in progress of water mains for \$890,065.

The major capital events during the current fiscal year in the sewer business-type activity fund included the following:

- A body for a dump truck for \$54,650.
- Construction in progress of the Wheelmeadow Brook interceptor for \$1,939,825.

**Debt Administration.** The Town's outstanding governmental debt as of June 30, 2008 totaled \$10,445,474 consisting of \$10,430,000 in school related debt and \$15,474 for debt related to the Town's septic system repair program.

The Town's outstanding business-type debt as of June 30, 2008 totaled \$4,804,524 consisting of water debt for \$763,000 and sewer debt for \$4,041,524.

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

***Requests for Information***

This financial report is designed to provide a general overview of the Town of 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 Finance Director, Longmeadow Street, Longmeadow, Massachusetts.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and Cash Equivalents	\$ 8,913,400	\$ 2,153,066	\$ 11,066,466
Investments	4,178,281	-	4,178,281
Receivables, net of allowance for uncollectibles:			
Property Taxes	412,861	-	412,861
Deferred Property Taxes	10,110	-	10,110
Tax Liens	115,177	-	115,177
Excise Taxes	96,733	-	96,733
Departmental	119,659	-	119,659
User Charges	-	390,633	390,633
Special Assessments	40,414	-	40,414
Due from Other Governments	1,171,745	476,670	1,648,415
Prepaid Expenses	53,357	-	53,357
<b>Total current assets</b>	<b>15,111,737</b>	<b>3,020,369</b>	<b>18,132,106</b>
<b>NONCURRENT:</b>			
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	10,586,982	4,746,876	15,333,858
Depreciable	32,611,128	444,854	33,055,982
<b>Total noncurrent assets</b>	<b>43,198,110</b>	<b>5,191,730</b>	<b>48,389,840</b>
<b>Total Assets</b>	<b>58,309,847</b>	<b>8,212,099</b>	<b>66,521,946</b>
<b>LIABILITIES</b>			
Warrants and Accounts Payable	1,366,284	178,800	1,545,084
Accrued Payroll	680,936	32,240	713,176
Tax Refund Payable	29,100	-	29,100
Accrued Interest	18,824	35,137	53,961
Compensated Absences	100,494	4,159	104,653
Bonds Payable	1,191,292	304,505	1,495,797
<b>Total current liabilities</b>	<b>3,386,930</b>	<b>554,841</b>	<b>3,941,771</b>
<b>NONCURRENT:</b>			
Compensated Absences	401,975	16,633	418,608
Bonds Payable	9,254,182	4,500,019	13,754,201
<b>Total noncurrent liabilities</b>	<b>9,656,157</b>	<b>4,516,652</b>	<b>14,172,809</b>
<b>Total Liabilities</b>	<b>13,043,087</b>	<b>5,071,493</b>	<b>18,114,580</b>
<b>NET ASSETS:</b>			
Invested in Capital Assets, net of related debt	32,768,110	387,206	33,155,316
Restricted for:			
Debt	2,993,548	-	2,993,548
Capital Projects	-	1,085,459	1,085,459
Federal & State Grants	658,715	-	658,715
Permanent Funds:			
Expendable	80,684	-	80,684
Other Purposes	1,857,345	-	1,857,345
Unrestricted	6,908,358	1,667,941	8,576,299
<b>Total Net Assets</b>	<b>\$ 45,266,760</b>	<b>\$ 3,140,606</b>	<b>\$ 48,407,366</b>

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

**TOWN OF LONGMEADOW, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General Government	\$ 1,618,481	\$ 222,448	\$ 263,545	\$ -	\$ (1,132,488)	\$ -	\$ (1,132,488)
Public Safety	4,436,197	889,295	182,290	-	(3,364,612)	-	(3,364,612)
Public Works	3,305,814	354,230	215,484	505,234	(2,230,866)	-	(2,230,866)
Education	32,963,938	1,531,339	7,194,263	-	(24,238,336)	-	(24,238,336)
Health and Human Services	376,676	52,490	89,256	-	(234,930)	-	(234,930)
Culture and Recreation	2,571,396	1,608,725	58,629	-	(904,042)	-	(904,042)
Employee Benefits and Insurance	12,144,582	-	5,838,418	-	(6,306,164)	-	(6,306,164)
State Assessments	149,529	-	-	-	(149,529)	-	(149,529)
Interest	445,777	-	-	-	(445,777)	-	(445,777)
<b>Total Governmental Activities</b>	<b>58,012,390</b>	<b>4,658,527</b>	<b>13,841,885</b>	<b>505,234</b>	<b>(39,006,744)</b>	<b>-</b>	<b>(39,006,744)</b>
<b>Business-Type Activities:</b>							
Water	1,517,901	1,780,083	-	-	-	262,182	262,182
Sewer	1,594,417	1,413,878	-	-	-	(180,539)	(180,539)
<b>Total Primary Government</b>	<b>\$ 61,124,708</b>	<b>\$ 7,852,488</b>	<b>\$ 13,841,885</b>	<b>\$ 505,234</b>	<b>(39,006,744)</b>	<b>81,643</b>	<b>(38,925,101)</b>
<b>General Revenues:</b>							
Property taxes					36,170,589	-	36,170,589
Motor vehicle excise and other taxes					2,167,766	-	2,167,766
Penalties and interest on taxes					163,060	-	163,060
Grants and contributions not restricted to specific programs					1,777,493	-	1,777,493
Unrestricted investment income					662,942	-	662,942
Miscellaneous					3,201	-	3,201
<b>Transfers, net</b>					<b>68,270</b>	<b>(68,270)</b>	<b>-</b>
<b>Total General Revenues</b>					<b>41,013,321</b>	<b>(68,270)</b>	<b>40,945,051</b>
<b>Change in Net Assets</b>					<b>2,006,577</b>	<b>13,373</b>	<b>2,019,950</b>
<b>Net Assets:</b>							
Beginning of year					43,260,183	3,127,233	46,387,416
End of year					\$ 45,266,760	\$ 3,140,606	\$ 48,407,366

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

**TOWN OF LONGMEADOW, MASSACHUSETTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2008**

	General Fund	Stabilization Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 7,260,965	\$ 82,520	\$ 1,569,915	\$ 8,913,400
Investments	1,218,048	2,117,787	842,446	4,178,281
Receivables, net of allowance for uncollectibles:				
Property Taxes	410,807	-	2,054	412,861
Deferred Property Taxes	10,110	-	-	10,110
Tax Liens	114,769	-	408	115,177
Excise Taxes	96,733	-	-	96,733
Departmental	10,599	-	109,060	119,659
Special Assessments	26,477	-	13,937	40,414
Due from Other Governments	4,976	-	1,166,769	1,171,745
Prepaid Expenses	53,357	-	-	53,357
<b>Total Assets</b>	<b>\$ 9,206,841</b>	<b>\$ 2,200,307</b>	<b>\$ 3,704,589</b>	<b>\$ 15,111,737</b>

**LIABILITIES AND FUND BALANCES:**

<b>Liabilities:</b>				
Warrants Payable	\$ 1,008,838	\$ -	\$ 357,446	\$ 1,366,284
Accrued Payroll	589,061	-	91,875	680,936
Tax Refund Payable	29,100	-	-	29,100
Deferred Revenue:				
Property Taxes	251,090	-	2,054	253,144
Other	258,688	-	443,479	702,167
<b>Total Liabilities</b>	<b>2,136,777</b>	<b>-</b>	<b>894,854</b>	<b>3,031,631</b>

**Fund Balance:**

Reserved For:				
Encumbrances and continuing appropriations	1,281,980	-	-	1,281,980
Payment of Debt	2,611,437	-	-	2,611,437
Unreserved:				
Designated for Subsequent Year's Expenditures	938,320	-	-	938,320
Undesignated, reported in:				
General Fund	2,238,327	2,200,307	-	2,238,327
Special Revenue	-	-	2,731,085	4,931,392
Capital Projects	-	-	(2,034)	(2,034)
Permanent Funds	-	-	80,684	80,684
<b>Total Fund Balance</b>	<b>7,070,064</b>	<b>2,200,307</b>	<b>2,809,735</b>	<b>12,080,106</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 9,206,841</b>	<b>\$ 2,200,307</b>	<b>\$ 3,704,589</b>	<b>\$ 15,111,737</b>

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

**TOWN OF LONGMEADOW, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	General Fund	Stabilization Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 35,979,974	\$ -	\$ 260,620	\$ 36,240,594
State Receipts	6,145,508	-	-	6,145,508
Excise and Other Taxes	2,173,350	-	-	2,173,350
Licenses, Permits, Fees	1,307,379	-	-	1,307,379
Interest on Taxes	163,060	-	-	163,060
Interest on Investments	553,645	109,297	56,403	719,345
Intergovernmental	5,800,907	-	-	5,800,907
Grants and Fees	-	130,325	13,668,581	13,798,906
<b>Total Revenues</b>	<b>52,123,823</b>	<b>239,622</b>	<b>13,985,604</b>	<b>66,349,049</b>
<b>Expenditures:</b>				
Current:				
General Government	1,631,382	-	9,519	1,640,901
Public Safety	4,277,388	-	199,432	4,476,820
Public Works	4,090,158	-	817,995	4,908,153
Education	27,872,829	-	4,486,714	32,359,543
Health and Human Services	230,557	-	142,049	372,606
Culture and Recreation	1,306,693	-	1,299,469	2,606,162
Employee Benefits and Insurance	11,937,294	-	6,252,906	18,190,200
State Assessments	149,529	-	-	149,529
Debt Service:				
Principal	1,155,000	-	1,292	1,156,292
Interest	448,087	-	871	448,958
<b>Total Expenditures</b>	<b>53,098,917</b>	<b>-</b>	<b>13,210,247</b>	<b>66,309,164</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(975,094)</b>	<b>239,622</b>	<b>775,357</b>	<b>39,885</b>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	799,130	627,034	43,902	1,470,066
Operating Transfers Out	(630,936)	(275,630)	(495,230)	(1,401,796)
<b>Total Other Financing Sources (Uses)</b>	<b>168,194</b>	<b>351,404</b>	<b>(451,328)</b>	<b>68,270</b>
<b>Net Change in Fund Balances</b>	<b>(806,900)</b>	<b>591,026</b>	<b>324,029</b>	<b>108,155</b>
<b>Fund Balances, Beginning of Year</b>	<b>7,876,964</b>	<b>1,609,281</b>	<b>2,485,706</b>	<b>11,971,951</b>
<b>Fund Balances, End of Year</b>	<b>\$ 7,070,064</b>	<b>\$ 2,200,307</b>	<b>\$ 2,809,735</b>	<b>\$ 12,080,106</b>

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

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**Total Fund Balances to the Statement of Net Assets**  
**For the Year Ended June 30, 2008**

<b>Total Governmental Fund Balances</b>	\$	12,080,106
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds		43,198,110
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis		955,311
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Bonds and Notes Payable	\$ (10,445,474)	
Compensated Absences	<u>(502,469)</u>	(10,947,943)
In statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due		<u>(18,824)</u>
<b>Net Assets of Governmental Activities</b>	<b>\$</b>	<b><u>45,266,760</u></b>

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

**TOWN OF 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, 2008**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	108,155
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>		
Capital Outlay Purchases	\$ 2,864,501	
Depreciation	<u>(1,780,921)</u>	1,083,580
<p>Revenue in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue</p>		
		(352,734)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets:</p>		
Repayment of Debt Principal		1,156,292
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Net Change in Compensated Absences	8,103	
Net Change in Accrued Interest on Long-Term Debt	<u>3,181</u>	<u>11,284</u>
<b>Change in Net Assets of Governmental Activities</b>	<b>\$</b>	<b><u>2,006,577</u></b>

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

**TOWN OF LONGMEADOW, MASSACHUSETTS  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGETARY BASIS - (NON-GAAP) -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Budgetary Basis		
<b>Revenues:</b>					
Taxes	\$ 34,032,931	\$ 35,845,714	\$ 35,879,275	\$ -	\$ 33,561
State Receipts	6,142,920	6,142,920	6,145,508	-	2,588
Excise and Other Taxes	2,084,000	2,084,000	2,173,350	-	89,350
Licenses, Permits, Fees	1,220,600	1,220,600	1,307,379	-	86,779
Interest on Taxes	120,000	120,000	163,060	-	43,060
Interest on Investments	632,000	632,000	553,645	-	(78,355)
<b>Total Revenues</b>	<b>44,232,451</b>	<b>46,045,234</b>	<b>46,222,217</b>	<b>-</b>	<b>176,983</b>
<b>Expenditures:</b>					
Current:					
General Government	1,905,052	2,021,541	1,631,382	318,166	71,993
Public Safety	4,254,110	4,378,592	4,277,388	84,863	16,341
Public Works	4,516,558	4,855,636	4,090,158	533,057	232,421
Education	26,432,539	28,522,678	27,872,829	316,797	333,052
Health and Human Services	232,980	232,980	230,557	512	1,911
Culture and Recreation	1,275,935	1,340,061	1,306,693	24,938	8,430
Employee Benefits and Insurance	6,407,751	6,360,929	6,136,387	3,647	220,895
State Assessments	107,978	107,978	149,529	-	(41,551)
Debt Service:					
Principal	1,155,000	1,155,000	1,155,000	-	-
Interest	445,265	448,087	448,087	-	-
<b>Total Expenditures</b>	<b>46,733,168</b>	<b>49,423,482</b>	<b>47,298,010</b>	<b>1,281,980</b>	<b>843,492</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,500,717)</b>	<b>(3,378,248)</b>	<b>(1,075,793)</b>	<b>(1,281,980)</b>	<b>1,020,475</b>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In (Out)	294,032	198,924	168,194	-	(30,730)
<b>Total Other Financing Sources (Uses)</b>	<b>294,032</b>	<b>198,924</b>	<b>168,194</b>	<b>-</b>	<b>(30,730)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>(2,206,685)</b>	<b>(3,179,324)</b>	<b>(907,599)</b>	<b>(1,281,980)</b>	<b>989,745</b>
<b>Budgetary Fund Balance - Beginning of Year</b>	<b>7,847,049</b>	<b>7,847,049</b>	<b>7,847,049</b>	<b>-</b>	<b>-</b>
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 5,640,364</b>	<b>\$ 4,667,725</b>	<b>\$ 6,939,450</b>	<b>\$ (1,281,980)</b>	<b>\$ 989,745</b>

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

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**Reconciliation of Revenues and Expenditures**  
**from Budgetary Basis to GAAP Basis**  
**For the Year Ended June 30, 2008**

	<b>Revenues</b>	<b>Expenditures</b>
<b>Reported on a Budgetary Basis</b>	<b>\$ 46,222,217</b>	<b>\$ 47,298,010</b>
Net Increase in Revenue from Recording		
Refund Taxes Payable	70,106	-
Recognition of intergovernmental Revenue -		
"on behalf payments"	5,800,907	-
Recognition of Expenditures -		
"on behalf payments"	-	5,800,907
Net Increase in Revenue from Recording		
60-Day Receipts	30,593	-
	<u>52,123,823</u>	<u>53,098,917</u>
<b>Reported on a GAAP Basis</b>	<b>\$ 52,123,823</b>	<b>\$ 53,098,917</b>

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

**TOWN OF LONGMEADOW, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2008**

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and Cash Equivalents	\$ 1,102,054	\$ 1,051,012	\$ 2,153,066
User Charges, net of Allowance for Uncollectibles	193,924	196,709	390,633
Due from Other Governments	145,194	331,476	476,670
<b>Total current assets</b>	<b>1,441,172</b>	<b>1,579,197</b>	<b>3,020,369</b>
<b>NONCURRENT:</b>			
Capital Assets, net of Accumulated Depreciation			
Nondepreciable	967,246	3,779,630	4,746,876
Depreciable	138,005	306,849	444,854
<b>Total noncurrent assets</b>	<b>1,105,251</b>	<b>4,086,479</b>	<b>5,191,730</b>
<b>Total Assets</b>	<b>2,546,423</b>	<b>5,665,676</b>	<b>8,212,099</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants Payable	19,676	17,473	37,149
Accounts Payable	-	141,651	141,651
Accrued Payroll	18,012	14,228	32,240
Accrued Interest	281	34,856	35,137
Compensated Absences	2,214	1,945	4,159
Bonds Payable	100,000	204,505	304,505
<b>Total current liabilities</b>	<b>140,183</b>	<b>414,658</b>	<b>554,841</b>
<b>NONCURRENT:</b>			
Compensated Absences	8,855	7,778	16,633
Bonds Payable	663,000	3,837,019	4,500,019
<b>Total noncurrent liabilities</b>	<b>671,855</b>	<b>3,844,797</b>	<b>4,516,652</b>
<b>Total Liabilities</b>	<b>812,038</b>	<b>4,259,455</b>	<b>5,071,493</b>
<b>NET ASSETS:</b>			
Invested in Capital Assets, net of related debt	342,251	44,955	387,206
Reserved for Capital Projects	552,218	533,241	1,085,459
Unrestricted	839,916	828,025	1,667,941
<b>Total Net Assets</b>	<b>\$ 1,734,385</b>	<b>\$ 1,406,221</b>	<b>\$ 3,140,606</b>

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

**TOWN OF LONGMEADOW, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2008**

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 1,780,083	\$ 1,413,878	\$ 3,193,961
<b>Total Operating Revenues</b>	1,780,083	1,413,878	3,193,961
<b>Operating Expenses:</b>			
Salaries and Wages	476,534	334,278	810,812
Operating Expenses	940,690	1,112,393	2,053,083
Depreciation	70,977	50,197	121,174
<b>Total Operating Expenses</b>	1,488,201	1,496,868	2,985,069
Operating Income (Loss)	291,882	(82,990)	208,892
<b>Non-Operating Revenues (Expenses):</b>			
Interest Expense	(29,700)	(97,549)	(127,249)
<b>Total Operating Expenses</b>	(29,700)	(97,549)	(127,249)
<b>Income (Loss) Before Operating Transfers</b>	262,182	(180,539)	81,643
<b>Operating Transfers:</b>			
Transfers (Out)	(40,270)	(28,000)	(68,270)
<b>Total Operating Transfers</b>	(40,270)	(28,000)	(68,270)
<b>Change in Net Assets</b>	221,912	(208,539)	13,373
<b>Net Assets at Beginning of Year</b>	1,512,473	1,614,760	3,127,233
<b>Net Assets at End of Year</b>	\$ 1,734,385	\$ 1,406,221	\$ 3,140,606

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

**TOWN OF LONGMEADOW, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2008**

	Business-Type Activities Enterprise Fund		
	Water Fund	Sewer Fund	Total
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers and Users	\$ 1,558,641	\$ 1,344,032	\$ 2,902,673
Payments to Vendors	(926,439)	(955,898)	(1,882,337)
Payments to Employees	(473,649)	(331,386)	(805,035)
<b>Net Cash Provided by (Used for) Operating Activities</b>	158,553	56,748	215,301
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers from (to) Other Funds	(40,270)	(28,000)	(68,270)
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	(40,270)	(28,000)	(68,270)
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and Construction of Capital Assets	(890,065)	(1,994,475)	(2,884,540)
Proceeds from the Issuance of Bonds and Notes	863,000	277,000	1,140,000
Intergovernmental Revenues	-	1,817,524	1,817,524
Principal Payments on Bonds and Notes	(963,000)	(785,476)	(1,748,476)
Interest expense	(30,943)	(105,919)	(136,862)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	(1,021,008)	(791,346)	(1,812,354)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(902,725)	(762,598)	(1,665,323)
<b>Cash and Cash Equivalents at Beginning of Year</b>	2,004,779	1,813,610	3,818,389
<b>Cash and Cash Equivalents at End of Year</b>	\$ 1,102,054	\$ 1,051,012	\$ 2,153,066

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

<b>Operating Income (Loss)</b>	\$ 291,882	\$ (82,990)	\$ 208,892
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>			
Depreciation	70,977	50,197	121,174
<b>Change in Assets and Liabilities:</b>			
Increase (Decrease) in Warrants Payable	14,251	14,844	29,095
Increase (Decrease) in Accounts Payable	-	141,651	141,651
Increase (Decrease) in Accrued Payroll	2,231	2,743	4,974
Increase (Decrease) in Compensated Absences	654	149	803
Decrease (Increase) in User Charges Receivable	(76,248)	(69,846)	(146,094)
Decrease (Increase) in Due From Other Governments	(145,194)	-	(145,194)
<b>Total Adjustments</b>	(133,329)	139,738	6,409
<b>Net Cash Provided by (Used for) Operating Activities</b>	\$ 158,553	\$ 56,748	\$ 215,301

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

**TOWN OF LONGMEADOW, MASSACHUSETTS  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2008**

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ -	\$ 201,830
Cash In Custody of Trustees	42,056	-
Investments	17,849	-
<b>Total Assets</b>	<b>59,905</b>	<b>201,830</b>
<b>LIABILITIES</b>		
Warrants Payable	800	-
Due to Student Groups	-	201,830
<b>Total Liabilities</b>	<b>800</b>	<b>201,830</b>
<b>NET ASSETS</b>		
Held in Trust for Other Purposes	<b>\$ 59,105</b>	<b>\$ -</b>

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

**TOWN OF LONGMEADOW, MASSACHUSETTS  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Private Purpose Trust Funds</b>
<b>Additions</b>	
Contributions:	
Private Donations	\$ 150
Total Contributions	150
Investment Income:	
Interest	1,844
<b>Total Additions</b>	<b>1,994</b>
<b>Deductions:</b>	
Educational Scholarships	4,720
<b>Total Deductions</b>	<b>4,720</b>
<b>Change in Net Assets</b>	<b>(2,726)</b>
<b>Net Assets at Beginning of Year</b>	<b>61,831</b>
<b>Net Assets at End of Year</b>	<b>\$ 59,105</b>

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

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2008

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Longmeadow, Massachusetts (the Town) was incorporated in 1783 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected five member Selectboard.

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 2008, it was determined that no entities met the required GASB-14 criteria for component units.

The Town is responsible for electing the governing board and/or committee members of the 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:

**Longmeadow Housing Authority** - A public housing agency that provides housing assistance to eligible and qualified low and moderate income elderly, handicap and families. 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.

The accompanying basic financial statements of the Town of 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 Town accounting policies are described herein.

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

The government-wide financial statements (e.g., statement of net assets 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,

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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*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and displayed in a single column.

Fiduciary funds are reported by fund type.

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

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 recorded 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The government reports the following major governmental funds:

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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 *stabilization fund* is a special revenue fund used to account for the accumulation of resources to provide general and/or capital reserves, and planning and development's ongoing and future operations.

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.

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 *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 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 funds types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent funds 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.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and

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enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Cash and Cash Equivalents**

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash.

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

Excluding the permanent funds, investment income derived from major and non-major governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

Investment income from proprietary funds is maintained in those funds.

**E. Investments**

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

All investments are carried at fair value.

**F. Receivables**

The recognition of revenues related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

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***Property Taxes, Deferred Property Taxes and Tax Liens***

Property taxes are based on assessments as of January 1, 2007 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed preliminary tax bills for the fiscal year 2008 on June 29, 2007, that were due on August 1, 2007 and November 1, 2007 and actual bills on December 27, 2007 that were due on February 1, 2008 and May 1, 2008.

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2008 is \$35,970,713 consisting of a base of \$34,779,773 and a debt exclusion of \$1,190,940. The total amount raised by taxation was \$35,956,387.

***Excise Taxes***

Excise taxes consist of motor vehicle excise. Excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles.

The tax calculation is the fair value of the vehicle multiplied by the \$25 per \$1,000 of value.

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The allowance for uncollectibles 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 included as a lien on the property owner's tax bill. Water and 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 ambulance, health claims, and off-duty details.

The allowance for uncollectibles relate to ambulance bills and are based upon historical trends. The other departmental receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

***Special Assessments***

Special assessments in the governmental funds consists of the street, sidewalk, sewer and septic repair program betterments.

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

***Due from Other Governments***

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

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

**G. Capital Assets**

Capital assets, which include land, construction in progress, buildings and renovations, machinery, equipment and other, and infrastructure assets (e.g. roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government wide financial statements. Capital assets are recorded at

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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 \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

<u>Capital Asset Type</u>	<u>Years</u>
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 Revenue**

Deferred revenue at the fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting. Deferred revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

**J. Net Assets and Fund Equity**

Net assets are reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net assets have been "restricted for" the following:

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“Payment of debt” represents school building assistance funds that were received to be reserved for future years’ debt service on the schools.

“Capital projects” represents amounts restricted for capital purposes.

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

“Permanent funds – expendable” 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.

Fund balances are reserved for amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Designations of fund balances represent tentative management plans that are subject to change. Fund balances have been “reserved for” the following:

“Encumbrances and continuing appropriations” represents amounts obligated under purchase orders, contracts and other commitments for expenditures that are being carried over to the ensuing fiscal year.

“Payment of debt” represents school building assistance funds that were received to be reserved for future years’ debt service on the schools.

“Designated for subsequent years’ expenditures” represents the amount of fund balance appropriated to be used for expenditures in the subsequent year’s budget. The Town includes the following in the reserve:

<b>Major Fund:</b>	
<b>General Fund -</b>	
Undesignated fund balance (free cash)	\$ 556,209
Payment of debt	382,111
	<u>938,320</u>

**K. Long-term Debt**

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

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

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provided for a maximum of 100 days or 800 hours depending on the union contract and a maximum dollar amount of \$1,000 through \$3,000 based upon their weekly salary. 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 50% share of insurance premiums in the general fund in the fiscal year paid. For the fiscal year ending June 30, 2008, the expense/expenditure totaled approximately \$1,043,421. There were approximately 396 participants eligible to received benefits at June 30, 2008.

**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.

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

- Within a time fixed by by-law before the start of the fiscal year, the town manager shall submit to the select board a total town proposed budget for the next fiscal year with an accompanying budget message and supporting documents.
- Upon the adoption of the proposed budget by the selectboard, the town manager shall forward the proposed budget to the finance committee.
- The town manager shall simultaneously submit a general summary of the

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- proposed budget to a local newspaper of general circulation in Longmeadow and other media forms of communications including the town web site.
- The finance committee shall consider in public meetings the detailed expenditures for each town agency as proposed by the town manager and selectboard and may confer with representatives of any agency in connection with such considerations.
  - After the public hearings on the proposed budget, the finance committee shall file a report of its recommendations with the selectboard and the town clerk in sufficient time to be included in the warrant.
  - The budget is legally enacted by vote at the annual Town meeting.

Massachusetts law requires cities and towns to provide for 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 2008, the Town incurred a final budget deficit of \$3,179,324 for the General Fund.

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

Unreserved fund balance:	
Free cash votes	\$ 972,638
Reserved for debt	408,325
Reserved for deficits	(7,583)
Prior year's encumbrances	1,805,944
	<u>\$ 3,179,324</u>

**B. Deficit Fund Equity**

The following funds had deficits at June 30, 2008 as measured by the balances of unreserved fund balance.

- The police off duty account has a deficit of \$21,395. The deficit will be eliminated upon the future receipts of funds.
- The Center School refinancing fund has a deficit of \$2,084. The deficit will be eliminated upon the allocation of additional funds.

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**3. DETAILED NOTES**

**A. Cash, Investments and Cash in Custody of Others**

State and local statutes place certain limitations on the nature of deposits and investments to the Town. Deposits, including demand deposits, money market and certificates of deposits in any one financial institution, may not exceed certain levels unless collateralized by the financial institution involved. Generally, the treasurer of the Town is authorized to invest in the following investments: national banks, savings banks or banking companies, obligations issued or unconditionally guaranteed by the United States government or agency thereof and having a maturity from date of purchase of one year or less, with certain other limitations, or units in the Commonwealth Treasurer's Investment Pool. The pool is administered by the Massachusetts Municipal Depository Trust, (MMDT), which was established by the Treasurer of the Commonwealth who serves as trustee. The fair value of the position in the pool is the same as the value of the pool shares. The Town policy is to follow the state statutes.

**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 to it. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2008 were \$11,538,453. Of these, \$3,625,703 was exposed to custodial credit risk as uninsured and uncollateralized.

**Investment Policies**

Investments of funds, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and notes proceeds in term deposits and certificates of deposits 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, 2008, the Town had the following investments and maturities:

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Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	6 to 10
<b>Debt Securities:</b>				
U. S. government agencies	\$ 2,078,792	\$ -	\$ 1,853,145	\$ 225,647
Corporate bonds	397,342	-	397,342	-
Money market mutual fund	112,277	112,277	-	-
	<u>2,588,411</u>	<u>112,277</u>	<u>2,250,487</u>	<u>225,647</u>
<b>Other Investments:</b>				
Equity securities - domestic	24,020			
MMDT	1,297,731			
Certificates of deposit	285,968			
	<u>\$ 4,196,130</u>			

**Custodial Credit Risks**

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Town's \$4,196,130 in investments none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Town's name. The Town has no policy on custodial credit risk.

**Interest Rate Risk**

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

**Credit Risk**

The Town's exposure to credit risk as of June 30, 2008 is as follows:

Related Debt Instruments	Fair Value	Moody's Quality Ratings		Not Rated
		Aaa	A3	
<b>Debt Securities:</b>				
U. S. government agencies	\$ 2,078,792	\$ 2,078,792	\$ -	\$ -
Corporate bonds	397,342	195,934	201,408	-
Money market mutual fund	112,277	-	-	112,277
	<u>\$ 2,588,411</u>	<u>\$ 2,274,726</u>	<u>\$ 201,408</u>	<u>\$ 112,277</u>

**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 Mortgage Company,

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Government National Mortgage Association and Federal Home Loan Bank amounting to 10.91%, 20.41% and 18.22%, respectively, of the Town's total investments.

**Cash in Custody of Trustees**

Cash in custody of trustees consists of bank accounts that are currently held by trustees and are not currently in the custody of the Town Treasurer. The accounts consist of the following:

<b>William Goldthwait Trustees:</b>		
William Goldthwait Fund	\$	<u>42,056</u>

**B. Receivables**

At June 30, 2008, 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:

	<b>Gross Amount</b>	<b>Allowance for Uncollectibles</b>	<b>Net Amount</b>
<b>Major and nonmajor governmental funds:</b>			
Property taxes	\$ 412,861	\$ -	\$ 412,861
Deferred property taxes	10,110	-	10,110
Tax liens	115,177	-	115,177
Excise taxes	111,733	(15,000)	96,733
Departmental	226,155	(106,496)	119,659
Special assessments	40,414	-	40,414
Due from other governments	1,171,745	-	1,171,745
	\$ 2,088,195	\$ (121,496)	\$ 1,966,699

At June 30, 2008, receivables for the business-type activities consist of the following:

	<b>Gross Amount</b>	<b>Allowance for Uncollectibles</b>	<b>Net Amount</b>
Water	\$ 196,424	\$ (2,500)	\$ 193,924
Sewer	199,209	(2,500)	196,709
	\$ 395,633	\$ (5,000)	\$ 390,633

The composition of amounts due from other governments as of June 30, 2008 for governmental funds is as follows:

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**Governmental Funds:**

**Major Fund:**

**General Fund:**

***Commonwealth of Massachusetts:***

Executive Office of Public Safety and Homeland Security:

Quinn bill \$ 4,976

**Nonmajor Governmental Funds:**

***U. S. Department of Agriculture***

School Lunch \$ 7,811

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

School Title Grants 12,115

***Commonwealth of Massachusetts:***

Massachusetts Department of Elementary and  
Secondary Education:

School Lunch 966

Special Education Reimbursement Fund 247,713

Massachusetts Highway Department:

Chapter 90 funded projects 884,174

***Springfield Materials Recycling Facility***

13,990 1,166,769

\$ 1,171,745

The composition of amounts due from other governments as of June 30, 2008 for business-type funds is as follows:

**Business-type Funds**

***Water Fund:***

City of Springfield Water and Sewer \$ 145,194

***Sewer Fund:***

Massachusetts Water Pollution Abatement Trust: 331,476

\$ 476,670

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

The balance of the general fund deferred revenues account is equal to all of June 30, 2008 receivable balances, except real estate and personal property taxes that are accrued for subsequent 60 day collections.

At the end of the current fiscal year, the deferred revenue for property taxes is \$253,144.

The various components of the other deferred revenue reported in the governmental funds were as follows:

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**General Fund:**

Deferred property taxes	\$ 10,110	
Tax liens	114,769	
Excise taxes	96,733	
Departmental	10,599	
Special assessments	26,477	\$ 258,688

**Nonmajor Governmental Funds:**

Tax liens	408	
Departmental	102,882	
Special assessments	13,937	
Due from other governments	326,252	443,479
	<u>\$ 702,167</u>	

**C. Capital Assets**

**Governmental Activities**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 10,317,034	36,702	-	\$ 10,353,736
Construction in progress	12,187	421,058	(200,000)	233,245
Total capital assets not being depreciated	10,329,221	457,760	(200,000)	10,586,981
Capital assets being depreciated:				
Buildings and Renovations	53,527,802	579,880	-	54,107,682
Machinery, equipment and other	3,777,297	473,989	(105,174)	4,146,112
Infrastructure	6,381,474	391,680	-	6,773,154
Total capital assets being depreciated	63,686,573	1,445,549	(105,174)	65,026,948
Less accumulated depreciation for:				
Buildings and Renovations	24,098,459	1,171,424	-	25,269,883
Machinery, equipment and other	1,950,422	445,030	(105,174)	2,290,278
Infrastructure	4,691,192	164,466	-	4,855,658
Total accumulated depreciation	30,740,073	1,780,920	(105,174)	32,415,819
Total capital assets being depreciated, net	32,946,500	(335,371)	-	32,611,129
Total governmental activities capital assets, net	<u>\$ 43,275,721</u>	<u>\$ 122,389</u>	<u>\$ (200,000)</u>	<u>\$ 43,198,110</u>

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2008**

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 64,721	\$ -	\$ -	64,721
Construction in Progress	1,852,265	2,829,890	-	4,682,155
Total capital assets not being depreciated	1,916,986	2,829,890	-	4,746,876
Capital assets being depreciated:				
Machinery, equipment and other	698,349	54,650	-	752,999
Infrastructure	8,917,825	-	-	8,917,825
Total capital assets being depreciated	9,616,174	54,650	-	9,670,824
Less accumulated depreciation for:				
Machinery, equipment and other	309,036	107,645	-	416,681
Infrastructure	8,795,760	13,529	-	8,809,289
Total accumulated depreciation	9,104,796	121,174	-	9,225,970
Total capital assets being depreciated, net	511,378	(66,524)	-	444,854
Total business-type activities capital assets, net	\$ 2,428,364	\$ 2,763,366	\$ -	\$ 5,191,730

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

**Governmental Activities:**

General government	\$ 5,437
Public safety	244,665
Public works	298,824
Education	1,136,018
Health and human services	4,966
Culture and recreation	91,010
Total depreciation expense - governmental activities	<u>\$ 1,780,920</u>

**Business-Type Activities:**

Water fund	\$ 70,977
Sewer fund	50,197
Total depreciation expense - business-type activities	<u>\$ 121,174</u>

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

Interfund transfers for the fiscal year ended June 30, 2008, are summarized as follows:

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2008**

Transfers Out:	Transfers In:			
	General fund	Stabilization fund	Nonmajor governmental funds	Total
General fund	\$ -	\$ 627,034	\$ 3,902	\$ 630,936
Stabilization fund	235,630	-	40,000	275,630
Nonmajor governmental funds	495,230	-	-	495,230
Business-type activity funds	68,270	-	-	68,270
Total transfers out	\$ 799,130	\$ 627,034	\$ 43,902	\$ 1,470,066

**E. Short-Term Financing**

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

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

Purpose	Interest Rate	Final Maturity Date	Balance June 30, 2007	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2008
<b>State grant anticipation note:</b>						
Chapter 90 Highway	3.89%	09/26/07	\$ 367,175	\$ -	\$ 367,175	\$ -

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

Purpose	Interest Rate	Final Maturity Date	Balance June 30, 2007	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2008
<b>Water fund:</b>						
<b>Bond anticipation note:</b>						
Water Mains	3.74%	12/13/07	\$ 863,000	\$ -	\$ 863,000	\$ -
Water Mains	3.55%	02/13/08	-	863,000	863,000	-
			\$ 863,000	\$ 863,000	\$ 1,726,000	\$ -
<b>Sewer fund:</b>						
<b>Bond anticipation note:</b>						
Sewerage work	3.74%	12/13/07	630,911	-	630,911	-
Sewerage work	3.55%	12/13/08	-	281,611	281,611	-
			630,911	281,611	912,522	-
Total Business-type Activities			\$ 1,493,911	\$ 1,144,611	\$ 2,638,522	\$ -

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2008**

**F. Long Term Debt**

**General Obligation Bonds**

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

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

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2008
<b>Inside Debt:</b>					
Longmeadow High School repairs	3.80%	12/15/01	06/15/14	3,370,000	\$ 1,200,000
Blueberry Hill and Wolf Swamp Road School	4.07%	01/15/03	06/15/22	5,630,000	4,650,000
Blueberry Hill and Wolf Swamp Road School	3.55%	05/15/03	06/15/22	5,000,000	4,055,000
School refunding bonds	3.41%	12/15/05	05/15/10	1,565,000	525,000
Total Inside Debt					<u>10,430,000</u>
<b>Outside Debt:</b>					
Massachusetts Water Pollution Abatement Trust:					
Title V septic repair program	N/A	08/01/01	08/01/19	23,227	15,474
Total governmental type debt					<u>\$ 10,445,474</u>

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

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2008
<b>Inside Debt:</b>					
<b>Sewer Fund:</b>					
<b>Massachusetts Water Pollution Abatement Trust:</b>					
Replacement of Wheelmeadow Brook interceptor	2.00%	12/14/06	07/15/26	3,919,089	\$ 3,764,524
Replacement of Wheelmeadow Brook interceptor	3-3.20%	02/01/08	06/15/17	277,000	277,000
					<u>4,041,524</u>
<b>Outside Debt:</b>					
<b>Water Fund:</b>					
Water mains	3-3.20%	02/01/08	06/15/17	600,000	540,000
Water mains	3-3.20%	02/01/08	06/15/17	263,000	223,000
					<u>763,000</u>
Total business-type debt					<u>\$ 4,804,524</u>

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2008**

**Future Debt Service**

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2008, are as follows:

<b>Governmental</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 1,191,292	\$ 402,221	\$ 1,593,513
2010	886,292	359,419	1,245,711
2011	806,301	327,527	1,133,828
2012	626,301	298,285	924,586
2013	656,301	275,664	931,965
2014-2018	3,241,433	1,012,754	4,254,187
2019-2022	3,037,554	327,087	3,364,641
	<u>\$ 10,445,474</u>	<u>\$ 3,002,957</u>	<u>\$ 13,448,431</u>

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2008, are as follows:

<b>Governmental</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 304,505	\$ 105,045	\$ 409,550
2010	292,828	95,522	388,350
2011	296,219	90,382	386,601
2012	299,677	83,173	382,850
2013	303,206	75,894	379,100
2014-2018	1,346,509	275,041	1,621,550
2019-2023	1,046,059	144,692	1,190,751
2024-2027	915,521	37,078	952,599
	<u>\$ 4,804,524</u>	<u>\$ 906,827</u>	<u>\$ 5,711,351</u>

Summary of the changes in governmental activities long term debt during the year is as follows:

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2008**

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Amounts Due within One Year
<b>Governmental activities:</b>					
<i><b>Bond Payable:</b></i>					
General obligation bonds	\$ 11,585,000	\$ -	\$ 1,155,000	\$ 10,430,000	\$ 1,190,000
Massachusetts Water Pollution Abatement Trust bonds	16,766	-	1,292	15,474	1,292
<i><b>Compensated absences</b></i>	510,572	24,264	32,367	502,469	100,494
Governmental activity Long-term liabilities	<u>\$ 12,112,338</u>	<u>\$ 24,264</u>	<u>\$ 1,188,659</u>	<u>\$ 10,947,943</u>	<u>\$ 1,291,786</u>
<b>Business type activities:</b>					
General obligation bonds	\$ -	\$ 1,140,000	\$ 100,000	\$ 1,040,000	\$ 140,000
Massachusetts Water Pollution Abatement Trust bonds	3,919,089	-	154,565	3,764,524	164,505
<i><b>Compensated absences</b></i>	19,989	803	-	20,792	4,159
Business-type activity long term Long-term liabilities	<u>\$ 3,939,078</u>	<u>\$ 1,140,803</u>	<u>\$ 254,565</u>	<u>\$ 4,825,316</u>	<u>\$ 308,664</u>

**Advance Refunding**

On December 15, 2005, the Town advance refunded a general obligation bond issue with a general obligation refunding note. Of this issue, the Town issued \$1,565,000 of general obligation refunding bonds to refund bonds issued November 20, 1995. The refunded bonds achieved a net present value savings of \$117,428. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general obligation long-term debt.

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

The Town has borrowed funds from the MWPAT Bond Resolution (Pool Loan Program). Under this program the borrower shall receive, as a credit against the loan repayment then due on this bond, the loan subsidy amounts (earnings on the equity of the trust).

The Town currently has two loans as long term debt. The description of the long term debt is as follows:

- a gross obligation of \$35,101 representing the gross principal and interest repayments amounts; of this loan subsidy amounts consists of \$11,874 resulting in a net loan repayment of \$23,227
- a gross obligation of \$4,763,001 representing the gross principal and interest repayments amounts

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2008**

The following is a summary of the activity of the Water Pollution Abatement Project Bond Resolution:

**No. 97-1190**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Less: Loan Subsidy Amount</b>	<b>Net Loan Repayments</b>
Initial Loan Obligation	\$ 23,227	\$ 11,874	\$ 35,101	\$ 11,874	\$ 23,227
Repayments:					
Fiscal year 2002	-	594	594	594	-
Fiscal year 2003	1,293	1,169	2,462	1,169	1,293
Fiscal year 2004	1,292	1,115	2,407	1,115	1,292
Fiscal year 2005	1,292	1,059	2,351	1,059	1,292
Fiscal year 2006	1,292	1,002	2,294	1,002	1,292
Fiscal year 2007	1,292	939	2,231	939	1,292
Fiscal year 2008	1,292	871	2,163	871	1,292
	<u>\$ 15,474</u>	<u>\$ 5,125</u>	<u>\$ 20,599</u>	<u>\$ 5,125</u>	<u>\$ 15,474</u>

**No. CW 05-050**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Less: Loan Subsidy Amount</b>	<b>Net Loan Repayments</b>
Initial Loan Obligation	\$ 3,919,089	\$ 843,912	\$ 4,763,001	\$ -	\$ 4,763,001
Repayments:					
Fiscal year 2008	154,565	83,586	238,151	-	238,151
	<u>\$ 3,764,524</u>	<u>\$ 760,326</u>	<u>\$ 4,524,850</u>	<u>\$ -</u>	<u>\$ 4,524,850</u>

**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, 2008 totaled \$14,471,524.

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, 2008

**TOWN OF LONGMEADOW, MASSACHUSETTS  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008**

Equalized Valuation-Real Estate and Personal Property (2006)		<u>\$ 2,124,260,600</u>
Debt Limit: 5 % of Equalized value		<u>\$ 106,213,030</u>
Total Debt Outstanding	\$ 15,249,998	
Less: Debt Outside Debt Limit	<u>(778,474)</u>	<u>14,471,524</u>
Inside Debt Excess Borrowing Capacity at June 30, 2008		<u>\$ 91,741,506</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, 2008 and are not reflected in the Town's financial statements are as follows:

<u>Date of Town Meeting Authorization</u>	<u>Purpose</u>	<u>Amount</u>
04/29/08	Sewer jet cleaner	\$ 255,000
04/29/08	High school roof repairs	100,000
04/29/08	Greenwood roof repairs	375,000
		<u>\$ 730,000</u>

**G. 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, 2008, \$2,200,307 has been set aside in a stabilization fund, which is classified as a major fund in the governmental funds financial statements.

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2008**

**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 which 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. Town Meeting – Fiscal Year 2009**

The Town of 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, 2008 do not reflect the fiscal year 2009 Town Meeting action, with the exception of Unreserved Fund Balance-Designated for Subsequent Years' Expenditures as disclosed below. The Annual Town Meeting on April 29, 2008 authorized a fiscal year 2009 operating and capital budget as follows:

From the tax levy	\$	46,845,036
From ambulance receipts		467,375
From water and sewer receipts		3,547,635
From community preservation		244,127
From solid waste receipts		328,000
From other available funds: (Designated for Subsequent Years' Expenditures)		
<b>Major Funds:</b>		
<b>General Fund:</b>		
Undesignated fund balance (free cash)		556,209
Reserved for payment of debt		382,111
		938,320
		\$ 52,370,493

**C. Contingent Liabilities**

**Litigation**

Various cases are pending against the Town. 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, 2008, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2008.

**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

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2008**

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.

**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 \$5,800,907 for the fiscal year ending June 30, 2008, and, accordingly, are reported in the General Fund as intergovernmental revenues and employee benefit expenditures.

The Town has approximately 319 employees in the retirement system.

The System and the teachers' retirement system provide 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 Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 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, Suite 116, 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.

**TOWN OF LONGMEADOW, MASSACHUSETTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2008**

The Town's contribution to the System for the fiscal years ended June 30, 2008, 2007 and 2006 is shown below, which equaled its required contribution for each fiscal year.

<b>Year Ended June 30</b>	<b>Town's Contribution</b>
2008	\$ 2,091,671
2007	2,000,969
2006	1,714,365

The last actuarial valuation was prepared by Buck Consultants, LLC as of January 1, 2007. 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 8.5% compounded annually, (b) projected salary, including longevity, increases of 5.5% per year per member.

The total unfunded actuarial liability applicable to the entire System's employees at January 1, 2007 is as follows:

Actuarial Accrued Liability	\$ 354,535,380
Assets	218,738,644
Unfunded Actuarial Liability	<u>\$ 135,796,736</u>

The Town's portion of such liability is approximately 13.42% or \$18,223,922.

**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.

Investments are reported in accordance with PERAC requirements.

## **SUPPLEMENTARY SCHEDULES**

**TOWN OF LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	Fund Balances July 1, 2007	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2008
<b>Special Revenue:</b>					
<b>Federal and State Grants:</b>					
School Grants	\$ 50,401	\$ 1,078,825	\$ 1,090,863	\$ -	\$ 38,363
Arts Lottery Council Grant	3,936	4,000	2,583	-	5,353
Council on Aging Grants	-	22,841	22,841	-	-
Department of Environmental Protection Grant	(3,112)	4,001	-	-	889
Extended Polling Hours	-	1,350	-	-	1,350
Health Grant	9,841	5,000	6,012	-	8,829
Highway Grants	-	808,329	808,329	-	-
Library Grants	88,574	22,809	13,976	-	97,407
Municipal Recycling Incentive Grants	5,810	67,972	66,290	-	7,492
Public Safety Grants	35,304	44,366	48,691	-	30,979
Septic Management Grant	14,367	-	-	-	14,367
Smoking Cessation Grant	6,975	50,633	36,081	-	21,527
Tourism Grant	65,779	-	7,669	-	58,110
<b>Schools:</b>					
School Lunch Program	118,169	890,529	948,940	-	59,758
School Lunch Commodities	-	26,270	26,270	-	-
School Choice	573,288	406,761	395,310	-	584,739
School Gifts	22,705	35,232	38,251	-	19,686
School Private Grants	8,273	88,524	94,484	-	2,313
School Revolving Accounts	177,292	768,143	734,271	-	211,164
State Special Education Reimbursement Fund	85,166	1,066,526	1,116,303	-	35,389
<b>Other:</b>					
Ambulance Fund	168,311	496,625	-	(451,328)	213,608
Community Preservation Fund	232,786	518,581	-	-	751,367
Damages	17,325	42,235	43,688	-	15,872
Fire Off Duty	(220)	220	-	-	-
Gifts	58,155	59,287	60,066	-	57,376
Other Revolving Programs	24,984	600	4,197	-	21,387
Parks and Recreation Revolving	917	1,274,563	1,253,349	-	22,131
Police Off Duty	(16,972)	124,972	129,395	-	(21,395)
Recycling Grants	2,465	-	2,465	-	-
Septic Management Program	1,669	2,032	2,163	-	1,538
<b>Total Page 51 Special Revenue Funds</b>	<b>\$ 1,752,188</b>	<b>\$ 7,911,226</b>	<b>\$ 6,952,487</b>	<b>\$ (451,328)</b>	<b>\$ 2,259,599</b>

**TOWN OF LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	Fund Balances July 1, 2007	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2008
Continued from page 51	\$ 1,752,188	\$ 7,911,226	\$ 6,952,487	\$ (451,328)	\$ 2,259,599
<b>Other (Continued):</b>					
Wetlands Protection Fees	8,385	95	285	-	8,195
Workers Compensation Audit Refund	3,521	-	-	-	3,521
125 Cafeteria Plan	-	-	-	-	-
Group Insurance	632,087	6,070,132	6,252,906	-	449,313
Conservation Commission Fund	11,497	525	1,565	-	10,457
<b>Total Special Revenue Funds</b>	<b>2,407,678</b>	<b>13,981,978</b>	<b>13,207,243</b>	<b>(451,328)</b>	<b>2,731,085</b>
<b>Capital Projects:</b>					
Architectural Services-Town Yard	50	-	-	-	50
Center School Refinancing	(2,084)	-	-	-	(2,084)
Highway Road Rehabilitation	3,004	-	3,004	-	-
<b>Total Capital Projects</b>	<b>970</b>	<b>-</b>	<b>3,004</b>	<b>-</b>	<b>(2,034)</b>
<b>Permanent Funds:</b>					
Council on Aging Funds:					
Landis Trust	42,319	1,991	-	-	44,310
Lichtenburg Trust	34,739	1,635	-	-	36,374
<b>Total Permanent Funds</b>	<b>77,058</b>	<b>3,626</b>	<b>-</b>	<b>-</b>	<b>80,684</b>
<b>Total - Non-Major Governmental Funds</b>	<b>\$ 2,485,706</b>	<b>\$ 13,985,604</b>	<b>\$ 13,210,247</b>	<b>\$ (451,328)</b>	<b>\$ 2,809,735</b>

**TOWN OF LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES  
AND DEFERRED PROPERTY TAXES AND COMMUNITY PRESERVATION SURCHARGE  
JULY 1, 2007 TO JUNE 30, 2008**

	Uncollected Taxes July 1, 2007	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2008	Uncollected Taxes Per Detail June 30, 2008
<b>Real Estate Taxes:</b>						
Levy of 2008	\$ -	\$ 35,492,024	\$ 91,173	\$ 34,991,379	\$ 409,472	\$ 409,472
Levy of 2007	322,076	-	100,987	224,030	(2,941)	(2,941)
Levy of 2006	-	-	1,006	(1,006)	-	-
	322,076	35,492,024	193,166	35,214,403	406,531	406,531
<b>Personal Property Taxes:</b>						
Levy of 2008	-	466,490	-	463,559	2,931	2,931
Levy of 2007	1,369	-	-	57	1,312	1,312
Levy of 2006	197	-	(4)	168	33	33
	1,566	466,490	(4)	463,784	4,276	4,276
<b>Total Real Estate and Personal Property Taxes</b>	\$ 323,642	\$ 35,958,514	\$ 193,162	\$ 35,678,187	\$ 410,807	\$ 410,807
<b>Deferred Property Taxes</b>	\$ 7,695	\$ 2,415	\$ -	\$ -	\$ 10,110	\$ 10,110
<b>Major Governmental Funds:</b>						
Community Preservation Surcharge:						
Levy of 2008	\$ -	\$ 260,234	\$ 982	\$ 257,169	\$ 2,083	\$ 2,083
Levy of 2007	3,595	-	678	2,946	(29)	(29)
	\$ 3,595	\$ 260,234	\$ 1,660	\$ 260,115	\$ 2,054	\$ 2,054

**TOWN OF LONGMEADOW, MASSACHUSETTS  
SCHEDULE OF MOTOR VEHICLE EXCISE TAXES  
JULY 1, 2007 TO JUNE 30, 2008**

	Uncollected Taxes July 1, 2007	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2008	Uncollected Taxes Per Detail June 30, 2008
<b>Motor Vehicle Excise Taxes:</b>						
Levy of 2007	\$ -	1,916,503	\$ 26,664	\$ 1,821,967	\$ 67,872	\$ 67,872
Levy of 2007	70,661	300,439	18,655	328,560	23,885	23,885
Levy of 2006	19,051	8,131	2,977	14,075	10,130	10,130
Levy of 2005	12,638	2,093	1,557	3,328	9,846	9,846
Levy of 2004	6,856	-	2,045	4,811	-	-
<b>Total Motor Vehicle Excise Taxes</b>	<b>\$ 109,206</b>	<b>\$ 2,227,166</b>	<b>\$ 51,898</b>	<b>\$ 2,172,741</b>	<b>\$ 111,733</b>	<b>\$ 111,733</b>

TOWN OF LONGMEADOW, MASSACHUSETTS  
 SCHEDULE OF TAX LIENS  
 JULY 1, 2007 TO JUNE 30, 2008

Uncollected Accounts July 1, 2007	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2008	Uncollected Taxes Per Detail June 30, 2008
\$ 242,627	\$ 109,688	\$ 32,335	\$ 205,211	\$ 114,769	\$ 114,769
<b>Tax Liens</b>					