

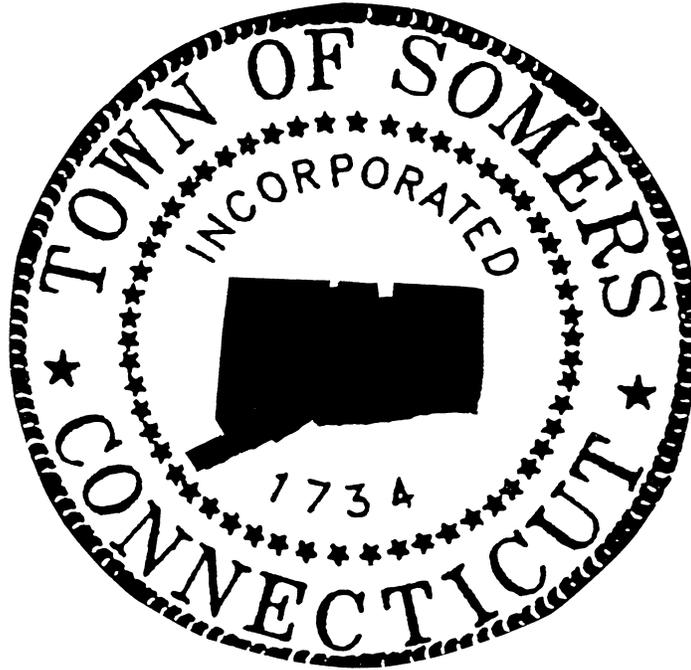
**TOWN OF SOMERS,  
CONNECTICUT**



**Comprehensive Annual  
Financial Report**

**For The Year Ended  
June 30, 2015**

**TOWN OF SOMERS,  
CONNECTICUT**



**Comprehensive Annual  
Financial Report**

**For The Year Ended  
June 30, 2015**

**Prepared by:**

**Finance & Treasury Department**

**TOWN OF SOMERS, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2015**

---

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

	<u>Page</u>
Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	v
Organizational Chart	vi
Principal Town Officials	ix

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITOR'S REPORT</b>	1
-------------------------------------	---

<b>MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)</b>	3
---	---

**BASIC FINANCIAL STATEMENTS**

Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15

Fund Financial Statements

Governmental Fund Financial Statements	
Balance Sheet	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund	21

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position	22
Statement of Changes in Fiduciary Net Position	23

Notes to the Financial Statements	24
-----------------------------------	----

**REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)**

Schedule of Changes in Net Pension Liability (Asset)	
Town Employees' Pension Plan	55
Board of Education Employees' Pension Plan	56
Volunteer Firefighters' Pension Plan	57
Schedule of Contributions and Investment Returns - Pension	
Town Employees' Plan	58
Board of Education Employees' Plan	59
Volunteer Firefighters' Plan	60
Schedule of Town's Proportionate Share of Net Pension Liability – Connecticut State Teachers' Retirement System	61
Schedule of Funding Progress – Other Post-retirement Benefits	62

**TOWN OF SOMERS, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2015**

---

**TABLE OF CONTENTS *(Continued)***

**FINANCIAL SECTION *(Continued)***

	<u>Page</u>
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
Governmental Funds	
General Fund	
Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis	63
Schedule of Expenditures and Other Financing Uses - Budget and Actual - Budgetary Basis	64
Schedule of Property Taxes Levied, Collected and Outstanding	66
Schedule of Debt Limitation	67
Combining Statements	
Narrative	68
Combining Balance Sheet - Nonmajor Governmental Funds - By Fund Type	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - By Fund Type	70
Special Revenue Funds	
Narrative	71
Combining Balance Sheet - Nonmajor Special Revenue Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	74
Capital Projects Funds	
Narrative	76
Combining Balance Sheet - Nonmajor Capital Projects Funds	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	78
Fiduciary Funds	
Pension Trust Funds and Agency Funds	
Narrative	79
Combining Statement of Fiduciary Net Position - Pension Trust Funds	80
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds	81
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	82
Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds	83

**TOWN OF SOMERS, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2015**

---

**TABLE OF CONTENTS *(Continued)***

**STATISTICAL SECTION**

	<u>Page</u>
Narrative	84
Financial Trends	
Table 1 - Net Position by Component	85
Table 2 - Changes in Net Position	86
Table 3 - Program Revenues by Function/Program	87
Table 4 - Fund Balances of Governmental Funds	88
Table 5 - Changes in Fund Balance of Governmental Funds	89
Revenue Capacity	
Table 6 - Assessed Value and Estimated Actual Value of Taxable Property	91
Table 7 - Principal Property Taxpayers	92
Table 8 - Property Tax Levies and Collections	93
Debt Capacity	
Table 9 - Ratios of Outstanding Debt by Type	94
Table 10 - Ratios of Net General Bonded Debt	95
Table 10 - Legal Debt Margin Information	96
Demographic and Economic Information	
Table 11 - Demographic and Economic Statistics	97
Table 12 - Principal Employers	98
Operating Information	
Table 13 - Full-time Equivalent Town Government Employees by Function	99
Table 14 - Operating Indicators by Function	100
Table 15 - Capital Asset Statistics by Function	101

# **INTRODUCTORY SECTION**

# TOWN OF SOMERS

600 MAIN STREET  
P.O. BOX 308  
SOMERS, CONNECTICUT 06071

December 9, 2015

To the Members of the Board of Selectmen,  
Board of Finance, and the Citizens of the  
Town of Somers, Connecticut

Connecticut General Statutes require that all municipal governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. In accordance with that requirement, we hereby issue the comprehensive annual financial report of the Town of Somers, Connecticut (the "Town") for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal control has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's basic financial statements have been audited by Mahoney Sabol & Company, LLP, a firm of licensed certified public accountants. The objective of the independent audit was to provide reasonable assurance that the basic financial statements of the Town as of and for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unqualified opinions that the Town's basic financial statements as of and for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of the Town was part of broader Federal and State of Connecticut mandated "single audit" designed to meet the special needs of federal and state grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the Town's internal control and compliance with certain provisions of laws, regulations, contracts and grants, with special emphasis on internal control and compliance with laws, regulations, contracts and grants applicable to federal and state major programs. The State and Federal Single Audit reports are available in the Town's separately issued State and Federal Single Audit reporting packages.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The Town of Somers, incorporated in 1734, is a suburb consisting of 28.7 square miles and is located approximately 24 miles from Hartford to the southwest, 10 miles from Springfield, Massachusetts to the northwest, 7 miles from Interstate 91 to the west and is in the north central part of the State with a June 30, 2015 population of 11,303. Bradley International Airport is 18 miles from the Town.

The Town operates under a Selectmen-Town Meeting form of government. The First Selectmen is the Chief Executive and is elected to a two year term. The Board of Finance is a six member board who are elected to staggered six year terms. The First Selectman is responsible for carrying out the day-to-day operations of the Town. Appointing the heads of the various departments, boards and commissions is vested with the Board of Selectmen.

The Town provides a large but not complete range of services to its citizens. Police protection is provided by One full-time police lieutenant, one full-time officer and three part-time officers supplemented by three resident state troopers. Fire and ambulance protection is provided by the Town's staff of five full time and eight part-time employees during the day and by a volunteer force in the evenings and on weekends/holidays. The Town has a library, several parks, athletic fields and tennis courts, a recreation program, a public works department and transfer station, cultural events sponsored by the cultural commission, a senior center, senior/disabled transportation and health services.

The annual budget and a long range plan (including capital needs, debt service and operating expenditures) serve as the basis for the Town's financial planning and control. The Board of Selectmen and Board of Education, respectively, perform a detailed analysis of their department requests; rate each request and provide a report with recommendations, per the adopted CIP policy, to the Board of Finance as to capital needs of the Town and Board of Education. Each department is required to submit an operating budget request through the Board of Selectmen and Board of Education to the Board of Finance. Revenue estimates are generated by the Treasurer's Office from documentation provided by the State of CT and various departments. The Board of Finance reviews each budget with the Board of Selectmen, Board of Education and other elected officials and makes adjustments as determined necessary. The Board of Finance holds a public hearing to review the proposed budget, answer questions and make any necessary adjustments. Subsequently, a Town Meeting is held by the Board of Selectmen to answer any final public questions and move the proposed budget to referendum.

During the course of the year, budget transfer requests or additional appropriation requests may be approved by the Board of Finance. Budget to actual comparisons are provided as supplementary information for the General Fund, which is the only fund with an appropriated annual budget.

## **Local Economy**

The Town is primarily a suburban residential community that derives substantially all of its income from property taxes and federal and state grants, with the balance from miscellaneous fees, permits and other sources. The Town has a moderate economic climate. The CT Dept. of Labor lists the June 2015 unemployment rate at 4.5% (not seasonally adjusted) which is lower than the state unemployment rate of 5.7%. Industry within the Town includes specialty manufacturing, small machine shops and a wholesale nursery. This light industry provides stable employment, however, the primary employment of Town residents is provided from the industry in neighboring communities in the area between Hartford, Connecticut and Springfield, Massachusetts. The Town is fortunate to have State of Connecticut owned facilities that provide a stable revenue base in the form of revenues paid in lieu of taxes. The Town saw a 4% increase in building permits compared to the prior fiscal year with an associated increase in the overall valuation of the construction activity.

## **Long-term Financial Planning**

The Town, including the Board of Education, under the direction of the Board of Finance, prepares a long range plan which encompasses all aspects of revenue and expenditure planning, including operating expenditures, capital equipment planning, capital project (construction) planning and debt service. Historical data and projections on the property tax grand list, grants and other fees, permits and miscellaneous income are monitored in detail by computerized analysis reports. Capital equipment and construction projects are reviewed and analyzed by their respective project committee and Board which renders recommendations to the Board of Finance. The age, condition, efficiency and dependability, health and safety are all considerations in prioritizing capital requests for funding. Debt is structured to level debt service expenditures within a dollar range to avoid an expenditure impact which would cause a significant tax rise in any individual year. Significant or one time operating expenditures are identified and entered into the plan and the balance is the presumed affordable "day-to-day" operating expenditures. Any increase in these presumed operating expenditures requires a reduction in some other expenditure category.

## **Relevant Financial Policies**

The Town's cash management policy emphasizes foremost the security of the principal being invested, second liquidity and third to obtain the highest yield on the investment. The cash invested is idle cash, which is transferred daily into investment accounts. This idle cash is invested in the State Treasurer's Short-Term Investment Fund and competitive bank certificates of deposits with maturity dates ranging from 120-180 days. The Town's investment practices are in compliance with its Charter and the Connecticut General Statutes.

## **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; injuries to employees; and natural disasters. Insurance coverage is purchased from the Connecticut Interlocal Risk Management Agency (CIRMA), a not-for-profit association of Connecticut municipalities, school districts and local public agencies. To provide worker's compensation coverage, the Town participates in a worker's compensation management program.

## **Major Initiatives**

The Town has dealt with the aftermath of the 2012 fire that destroyed the old Somersville Mill. Remediation work in the area was undertaken to relocate sanitary sewer mains to prevent discharge into the nearby Scantic River. Related work also included improved storm drainage and road repairs including the realignment of the intersection of Maple Street and School Street. The Town received a brownfield grant from the Connecticut Department of Economic and Community Development (DECD) to support the clean-up of the property. The receipt of the grant is an important step in the redevelopment process of this site.

The Town has completed its Geographic Information System (GIS). This important system will assist with plotting valuation trends for properties by integrating with our existing computer assisted mass appraisal system. The system also assists with emergency response as well as environmental projects and concerns and makes data available to the public online.

The Town and the State of Connecticut recently completed improvements to the intersection of Route 190, Ninth District and Sokol Roads. This project was undertaken to improve the traffic on Route 190 as well as the traffic flow to the school and public library campus located off Ninth District Road.

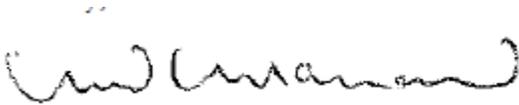
## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in financial reporting to the Town of Somers for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the sixteenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Board of Finance and First Selectman deserve to be acknowledged for their valuable contributions and support in the preparation of this comprehensive annual financial report. Special appreciation also goes to our auditors, Mahoney Sabol & Company, LLP for their expertise, professionalism, and assistance in the preparation of this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Marinaccio". The signature is fluid and cursive, with a prominent initial "M" and "D".

Michael D. Marinaccio  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

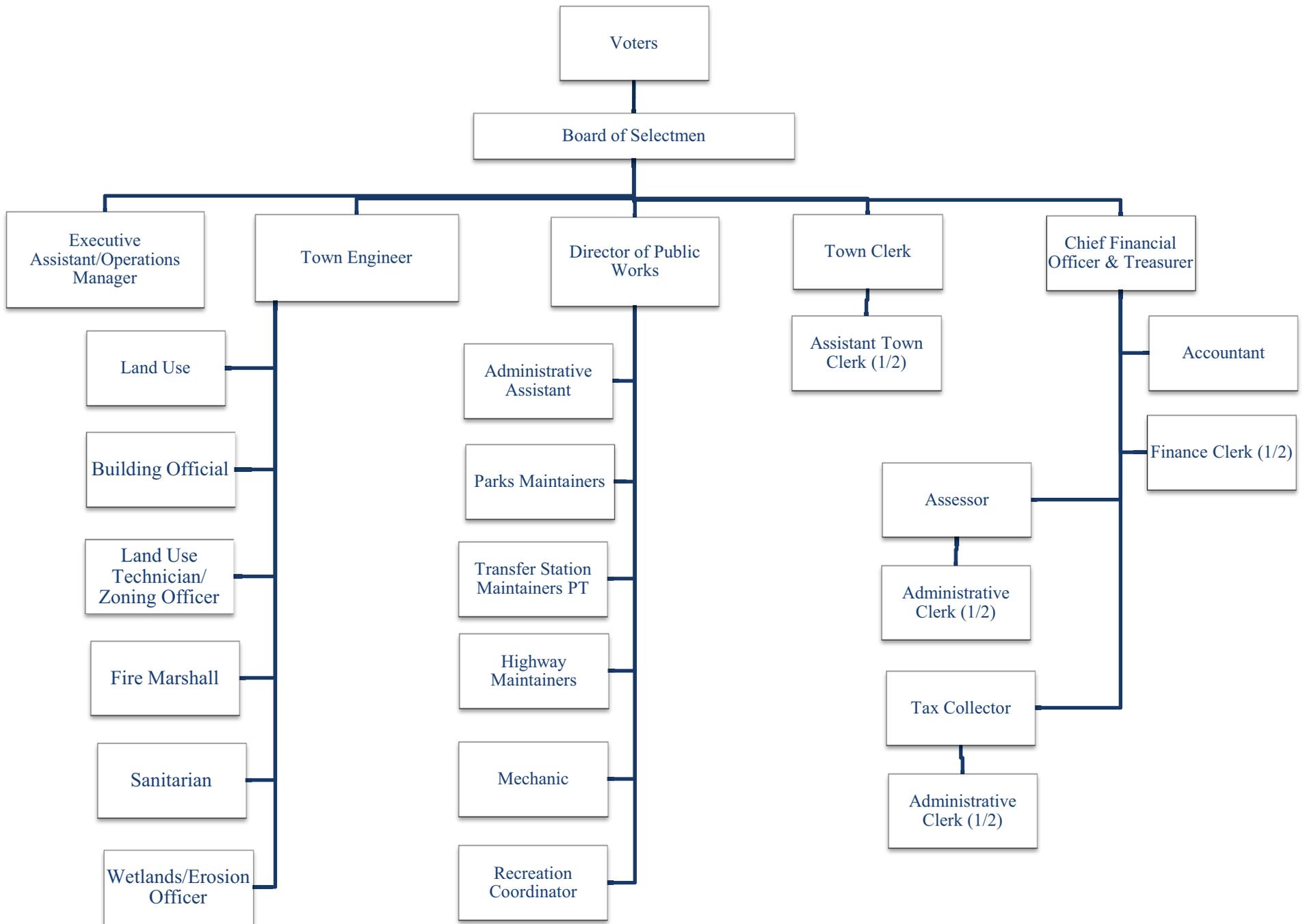
Presented to

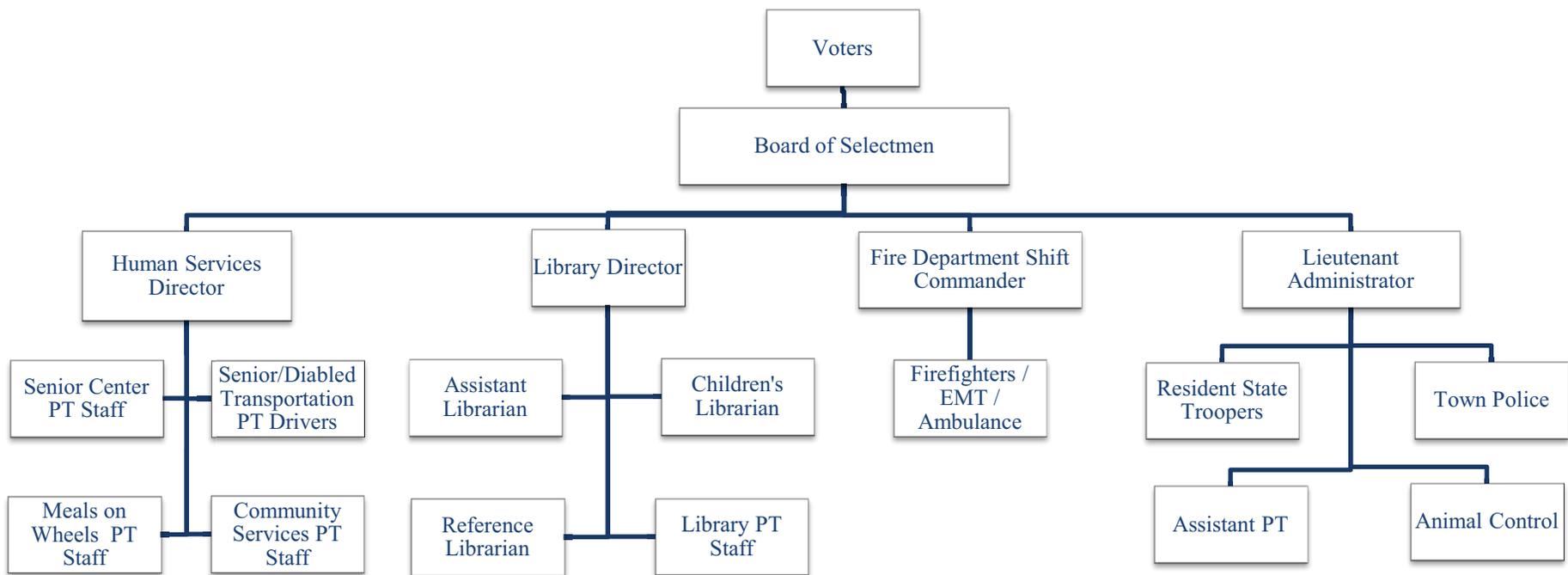
**Town of Somers  
Connecticut**

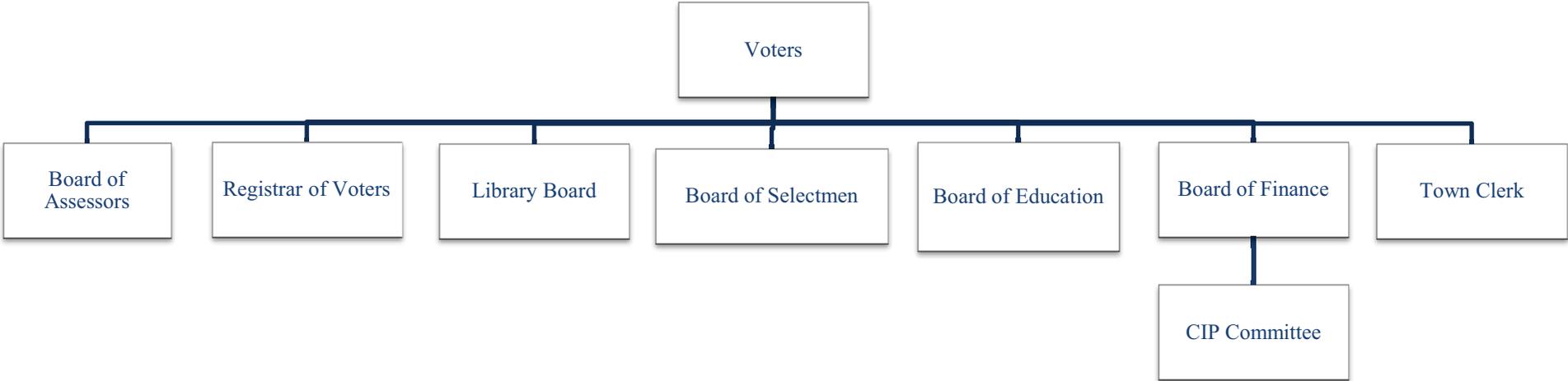
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO







**TOWN OF SOMERS, CONNECTICUT  
PRINCIPAL TOWN OFFICIALS – CURRENT**

**TOWN MEETING – BOARD OF SELECTMEN FORM OF GOVERNMENT**

**BOARD OF SELECTMEN**

Lisa Pellegrini, First Selectman  
Kathleen A. Devlin, Selectman  
Clyde G. “Bud” Knorr, Jr., Selectman

Assessor.....Pat Juda  
Building Official.....John Collins  
Chief Financial Officer/Treasurer.....Michael D. Marinaccio  
Chief of Police.....Lisa Pellegrini  
Collector of Taxes.....Sherri Czyz  
Fire Chief.....Gary Schiessl  
Human Services Director.....Deanna Schuetz  
Library Director.....Francine Aloisa  
Town Engineer.....Jeff Bord  
Public Works Director.....Todd Rolland  
Superintendent of Schools.....Dr. Maynard Suffredini  
Town Attorney.....Carl Landolina  
Town Clerk.....Ann Marie Logan  
Town Sanitarian.....Steve Jacobs

**BOARD OF EDUCATION**

Bruce Devlin, Chairman  
David Palmer, Vice Chairman  
Rick Lees, Jr., Secretary  
Sarah Moynihan Bollinger  
Kate McLellan  
Marybeth Marquardt  
Joan Formeister  
Anne Kirkpatrick  
Barbara Capuano

**BOARD OF FINANCE**

James Persano, Chairman  
Timothy Geib  
Thomas Mazzoli  
Michael Parker  
William Salka  
Joseph Tolisano

# **FINANCIAL SECTION**

# **Independent Auditor's Report**

---

## INDEPENDENT AUDITOR'S REPORT

To the Board of Finance  
Town of Somers, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Somers, Connecticut (the "Town") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Somers, Connecticut, as of June 30, 2015, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As disclosed in Note 1 to the financial statements, the Town implemented new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the schedules on the Town's pension plans and other post-retirement benefit plan on pages 55 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules on pages 63 through 83 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section on pages i through ix and the statistical section on pages 84 through 101 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2015, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Glastonbury, Connecticut  
December 9, 2015

# **Management's Discussion and Analysis**

**TOWN OF SOMERS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**JUNE 30, 2015**

---

The management of the Town of Somers, Connecticut (the "Town") offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - iv of this Comprehensive Annual Financial Report ("Report").

**FINANCIAL HIGHLIGHTS**

- Effective July 1, 2014, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which replaced the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*. GASB Statement No. 68 required the Town to recognize a net pension liability relating to its long-term obligations for pension benefits in the government-wide financial statements. In addition, the implementation of GASB Statement No. 68 resulted in enhanced note disclosures and required supplementary information. The Town has recognized a cumulative effect adjustment from implementing this statement, which resulted in a decrease in the Town's beginning net position of \$1,055,455.
- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$48,647,335 (net position). Of this amount, \$5,400,289 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- Unrestricted net position increased by \$326,317 during the year, while overall net position increased by \$1,283,534. Overall net position was positively impacted by significant capital improvements funded by federal and State grants.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's 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 the Town's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

**TOWN OF SOMERS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**JUNE 30, 2015**

---

**OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

**Government-wide Financial Statements *(Continued)***

Both of the government-wide financial statements are intended to distinguish functions of the Town 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 of the Town include: general government, public safety, public works, sanitation, health and social services, library, culture and recreation, and education. The Town does not have any business-type activities.

The government-wide financial statements include only the Town itself because there are no legally separate organizations for which the Town is financially accountable.

The government-wide financial statements can be found on pages 14 - 15 of this report.

**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. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental 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 funds financial statements focus on near-term inflows and outflows 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 the Town's near-term financing requirements.

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

The Town maintains a number of individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, and the Capital Equipment Fund, which are considered to be major funds. Data from the other remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as supplementary information in the form of combining statements.

The basic governmental fund financial statements can be found on pages 16 - 21 of this report.

**TOWN OF SOMERS, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
JUNE 30, 2015**

---

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Fund Financial Statements (Continued)**

***Fiduciary Funds***

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

The basic fiduciary fund financial statements can be found on pages 22 and 23 of this report.

**Notes to the Financial Statements**

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

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining and individual fund statements and schedules, and a statistical section.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

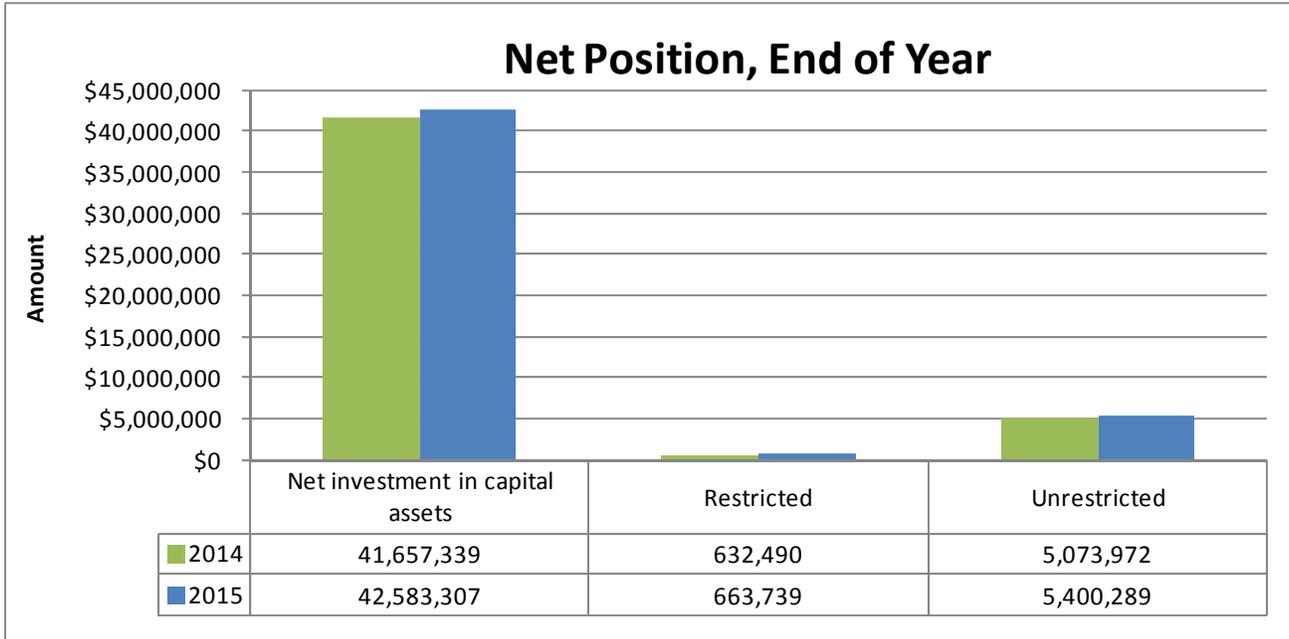
Over time, net position may serve as one measure of a government's financial position. The net position of the Town totaled \$48,647,335 and \$47,363,801 (as adjusted for implementation of GASB Statement No. 68) as of June 30, 2015 and 2014, respectively and is summarized as follows:

	2015	2014 (As Adjusted)
Current and other assets	\$ 16,904,454	\$ 13,245,453
Capital assets, net	<u>55,074,505</u>	<u>54,310,952</u>
Total assets	<u>71,978,959</u>	<u>67,556,405</u>
Deferred outflows of resources	<u>732,157</u>	<u>903,275</u>
Current and other liabilities	2,105,952	2,436,021
Long-term liabilities	<u>21,914,008</u>	<u>18,609,806</u>
Total liabilities	<u>24,019,960</u>	<u>21,045,827</u>
Deferred inflows of resources	<u>43,821</u>	<u>50,052</u>
Net position:		
Net investment in capital assets	42,583,307	41,657,339
Restricted	663,739	632,490
Unrestricted	<u>5,400,289</u>	<u>5,073,972</u>
Total net position	<u>\$ 48,647,335</u>	<u>\$ 47,363,801</u>

**TOWN OF SOMERS, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Net Position (Continued)**



87.5% and 87.9% of the Town's net position as of June 30, 2015 and 2014, respectively, reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of 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.

1.4% and 1.3% of the Town's net position as of June 30, 2015 and 2014, respectively, is subject to external restrictions on how they may be used and are, therefore, presented as restricted.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Unrestricted net position increased by \$326,317 during the year, while overall net position increased by \$1,283,534. Overall net position was positively impacted by significant capital improvements funded by federal and State grants.

**TOWN OF SOMERS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**JUNE 30, 2015**

---

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position**

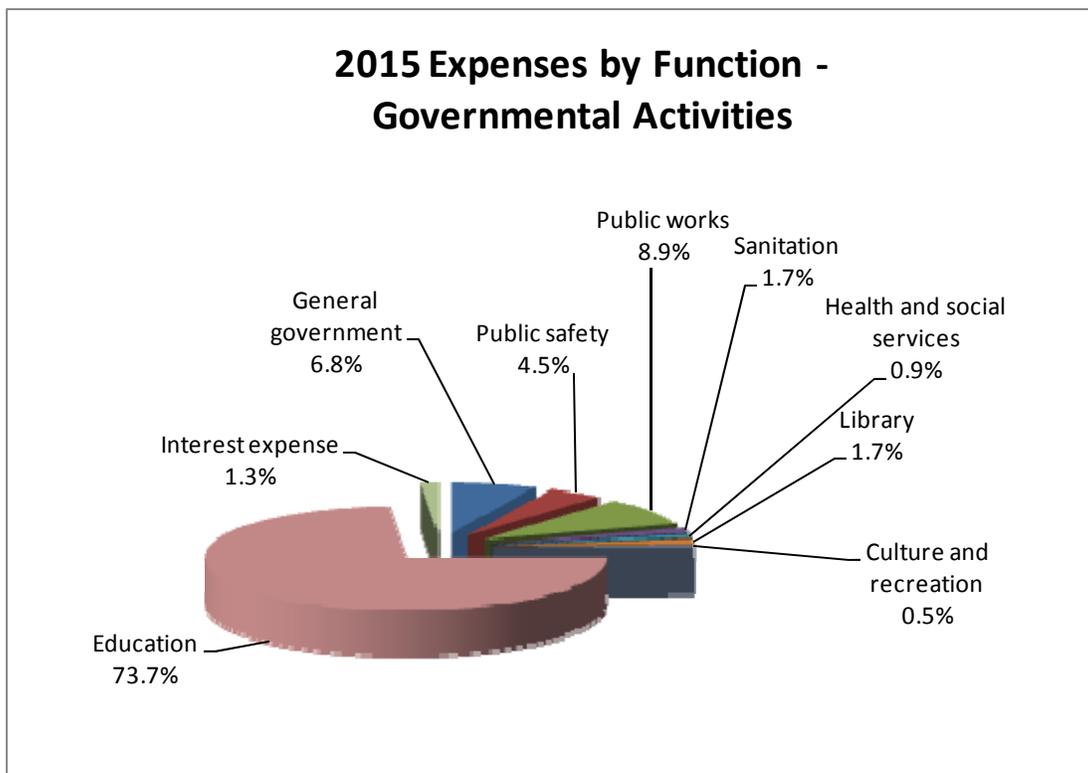
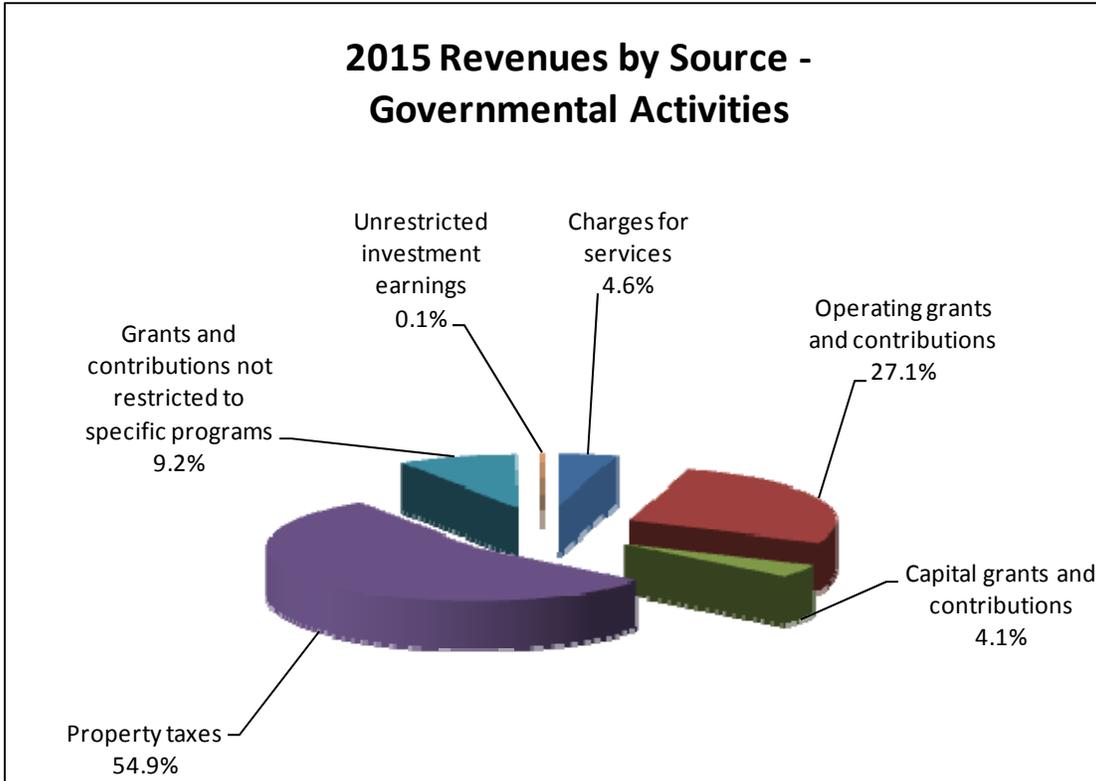
Changes in net position for the years ended June 30, 2015 and 2014 are as follows. Amounts reported for the year ended June 30, 2014 have not been adjusted for the implementation of GASB Statement No. 68 since the effect of the adjustments were not readily determinable.

	<u>2015</u>	<u>2014</u>
Revenues		
Program revenues:		
Charges for services	\$ 1,653,099	\$ 1,574,416
Operating grants and contributions	9,678,492	10,288,334
Capital grants and contributions	1,473,996	1,573,883
General revenues:		
Property taxes	19,562,114	19,488,998
Grants and contributions not restricted to specific programs	3,285,474	3,049,172
Unrestricted investment earnings	45,561	184,182
Total revenues	<u>35,698,736</u>	<u>36,158,985</u>
 Program expenses		
General government	2,331,088	2,325,664
Public safety	1,533,228	1,798,758
Public works	3,052,927	2,545,433
Sanitation	575,329	716,871
Health and social services	324,383	170,823
Library	596,012	476,667
Culture and recreation	172,374	288,716
Education	25,355,643	25,147,599
Interest expense	474,218	405,209
Total expenses	<u>34,415,202</u>	<u>33,875,740</u>
 Change in net position	 <u>\$ 1,283,534</u>	 <u>\$ 2,283,245</u>

**TOWN OF SOMERS, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position (Continued)**



**TOWN OF SOMERS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**JUNE 30, 2015**

---

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position (Continued)**

Governmental activities increased the Town's net position by \$1,283,534 during the year ended June 30, 2015, compared to an increase of \$2,283,245 during the year ended June 30, 2014.

Overall revenues decreased by \$460,249 or 1.3% over the prior year. This decrease was primarily due to a decrease of approximately \$610 thousand in operating grants and contributions, offset by an increase in of approximately \$236 thousand in grants and contributions not restricted to specific programs.

Operating grants and contributions for fiscal year 2015 was impacted by the implementation of GASB Statement No. 68, which resulted in a change in the determination of the on-behalf revenues and expenses recognized by the Town relating to State Teachers' Retirement System. During fiscal year 2015, the Town recognized approximately \$2.0 million in on-behalf revenues and expenses compared to approximately \$2.6 million recognized during fiscal year 2014.

Grants and contributions not restricted to specific programs increased during fiscal year 2015 primarily due to an increase of approximately \$141 thousand or 9% in funding under the Mashantucket Pequot and Mohegan Fund Grant and an increase of approximately \$120 thousand or 9% in payments received in lieu of taxes on State owned property.

Overall expenses increased by \$539,462 or 1.6% over the prior year. Education expenses were impacted by a reduction in on-behalf expenses of approximately \$600 thousand offset by operating increases of approximately \$808 thousand or 3.2%. Public Works expenses increased approximately \$507 thousand primarily due to an increase in road maintenance costs. In addition, operating expenses for other functions remained relatively consistent with the prior year and variances over prior year were primarily caused by a reallocation of depreciation expense to those functions.

**FINANCIAL ANALYSIS OF THE TOWN'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 the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unrestricted fund balance (committed, assigned, and unassigned) may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,455,607, an increase of \$4,287,480 over the prior year. Approximately 69.4%, or \$10,031,194, of this total amount is unrestricted (committed, assigned or unassigned) and is available for spending at the Town's discretion.

**General Fund**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, fund balance of the General Fund was \$7,771,893. Of this amount, \$6,182,226 represents unassigned fund balance that may be appropriated for future spending.

The fund balance of the Town's General Fund increased by \$955,604 during the current fiscal year. Refer to additional discussion under General Fund Budgetary Highlights section for an overview and analysis of this change.

**TOWN OF SOMERS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**JUNE 30, 2015**

---

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)**

**Governmental Funds (Continued)**

**General Fund (Continued)**

At the close of the current fiscal year, unassigned fund balance of the General Fund represented 18.8% of total General Fund expenditures and transfers out to other funds. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 2.3 months of General Fund operating expenditures and transfers out.

**Capital Projects Fund**

At the close of the current fiscal year, the fund balance of the Capital Projects Fund totaled \$2,456,538. The majority of the fund balance in the amount of \$2,407,476 represents unspent debt proceeds restricted for authorized projects. The overall fund balance for the Capital Projects Fund increased during the current fiscal year by \$2,230,170, primarily from proceeds received from the issuance of general obligation bonds.

**Capital Equipment Fund**

At the close of the current fiscal year, the fund balance of the Capital Equipment Fund totaled \$2,987,128. A portion of the fund balance in the amount of \$1,189,800 represents unspent debt proceeds restricted for authorized purchases. The overall fund balance for the Capital Equipment Fund increased during the current fiscal year by \$1,020,192, primarily from proceeds received from the issuance of general obligation bonds and the receipt of an insurance recovery on the loss of an ambulance.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original and final budget for the year ended June 30, 2015 did not contemplate the utilization of fund balance. The actual increase in fund balance of the General Fund on a budgetary basis was \$1,087,431. Expenditures were \$560,909 less than budgeted and revenues were \$520,236 higher than budgeted. Other financing sources were \$6,286 higher than expected.

The favorable revenue variance was derived primarily from better than budgeted collections on current year taxes levied and on prior year delinquent taxes.

The favorable expenditure variance was derived by cost savings across all departments combined with a portion of budgeted debt service costs being funded from the receipt of an unplanned premium received on the issuance of general obligation bonds within the Capital Equipment Fund.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental activities (net of accumulated depreciation) as of June 30, 2015 and 2014 totaled \$55,074,505 and \$54,310,952, respectively. This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure, including park facilities, roads, and bridges. The net increase in the Town's investment in capital assets for the current fiscal year was \$763,553 or 1.4%.

**TOWN OF SOMERS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**JUNE 30, 2015**

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

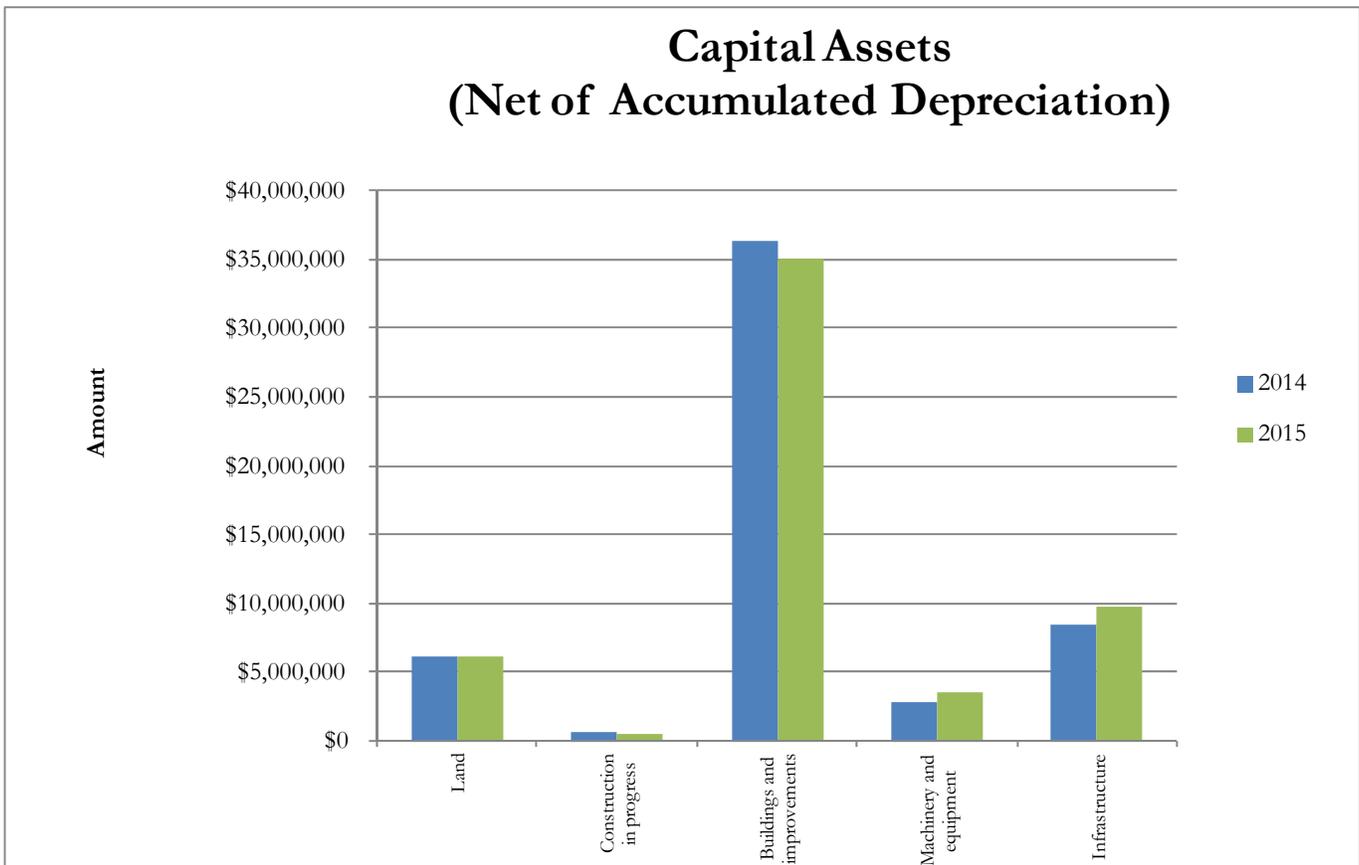
**Capital Assets (Continued)**

Major capital asset events during the current fiscal year included the following:

- \$1.1 million in improvements made to the intersection at Ninth District Road, Route 190 and Sokol Road funded entirely from a federal (80%) and State (20%) grant.
- \$190 thousand in security upgrades to the Town's educational facilities funded through a State grant.
- \$417 thousand in educational technology upgrades funded through a capital lease arrangement.
- \$203 thousand towards the purchase of a fire tanker funded through bond proceeds.

The following table is a two year comparison of the investment in capital assets, net of accumulated depreciation and amortization:

	2015	2014
Land	\$ 6,161,758	\$ 6,161,758
Construction in progress	515,371	724,375
Buildings and improvements	35,114,529	36,271,326
Machinery and equipment	3,530,269	2,756,423
Infrastructure	9,752,578	8,397,070
<b>Totals</b>	<b>\$ 55,074,505</b>	<b>\$ 54,310,952</b>



Additional information on the Town's capital assets can be found in Note 4 to the basic financial statements.

**TOWN OF SOMERS, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
JUNE 30, 2015**

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Long-term Debt**

At the end of the current fiscal year, the Town had total long-term debt, consisting of bonds, notes and capital lease obligations, outstanding of \$16,027,771. This entire amount is comprised of debt backed by the full faith and credit of the Town.

The Town's total long-term debt increased by \$2,753,440 during the current fiscal year due to the issuance of \$5,320,000 in general obligation bonds, offset by schedule principal repayments. The proceeds from the bonds were used to retire the bond anticipation notes and to provide long-term financing for improvements to the Town's educational facilities and roads, and the purchase of a fire tanker truck and ambulance, a senior shuttle bus and a fire truck.

The Town's capital plan is established to control the level of capital expenditures and debt service expenditures in order to maintain a level amount of debt service expenditures and to avoid any sharp increase in property tax rates. Debt levels are managed to ensure that debt service requirements of new debt reasonably coincide with the normal amortization of existing debt service expenditures.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current capacity of borrowing for the Town is significantly in excess of the Town's outstanding general obligation debt. The following table is a two year comparison of long-term debt:

	2015	2014
General obligation bonds	\$ 15,415,000	\$ 11,140,000
Bond anticipation notes	-	1,750,000
Capital leases	612,771	384,331
Total	<u>\$ 16,027,771</u>	<u>\$ 13,274,331</u>



Additional information on the Town's long-term debt can be found in Note 7 to the basic financial statements.

**TOWN OF SOMERS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**JUNE 30, 2015**

---

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

A summary of key economic factors affecting the Town are as follows:

- Inflationary trends in the region approximate the national indices.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
  - For purposes of calculating property tax revenues for fiscal year 2016, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
  - Intergovernmental grants were based on estimates from the State of Connecticut.

All of these factors were considered in preparing the Town's budget for fiscal year 2016.

The adopted budgetary expenditures for fiscal year 2016 amounted to \$30,696,103 and included the use of unassigned fund balance in the amount of \$524,984 in order to balance budgetary revenues and expenditures. This budgetary appropriation represented an overall increase of 2.67% over the fiscal year 2015 adopted budget of \$29,898,933 and provides the Town with the ability to continue maintaining all programs and services to its residents. The fiscal year 2016 adopted budget resulted in no change to the current mill rate of 23.37.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Town of Somers, 600 Main Street, Somers, Connecticut 06071.

# **Basic Financial Statements**

**TOWN OF SOMERS, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 14,237,492
Investments	1,253,152
Receivables:	
Property taxes, interest and lien fees, net of allowance for uncollectibles of \$70,000	348,240
Assessments and user charges	98,196
Grants and contracts	757,217
Other	179,076
Net pension asset	31,081
Capital assets:	
Non-depreciable	6,677,129
Depreciable, net	48,397,376
Total assets	71,978,959
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension expense	195,247
Deferred charge on refundings	536,910
	732,157
<b>LIABILITIES</b>	
Accounts payable	1,341,594
Accrued liabilities:	
Other	127,227
Accrued interest	118,683
Unearned revenue	518,448
Noncurrent liabilities:	
Due within one year	1,804,987
Due in more than one year	20,109,021
Total liabilities	24,019,960
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred pension benefit	43,821
<b>NET POSITION</b>	
Net investment in capital assets	42,583,307
Restricted for:	
Library - Expendable	588,739
Library - Nonexpendable	75,000
Unrestricted	5,400,289
Total net position	\$ 48,647,335

*The accompanying notes are an integral part of these financial statements .*

**TOWN OF SOMERS, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 2,331,088	\$ 647,983	\$ -	\$ -	\$ (1,683,105)
Public safety	1,533,228	345,569	72,439	-	(1,115,220)
Public works	3,052,927	-	498,332	1,473,996	(1,080,599)
Sanitation	575,329	105,876	-	-	(469,453)
Health and social services	324,383	77,059	1,558	-	(245,766)
Library	596,012	7,897	10,184	-	(577,931)
Culture and recreation	172,374	96,025	5,000	-	(71,349)
Education	25,355,643	372,690	9,090,979	-	(15,891,974)
Interest expense	474,218	-	-	-	(474,218)
Total governmental activities	<u>\$ 34,415,202</u>	<u>\$ 1,653,099</u>	<u>\$ 9,678,492</u>	<u>\$ 1,473,996</u>	<u>(21,609,615)</u>
General revenues:					
Property taxes, levied for general purposes					19,562,114
Grants and contributions not restricted to specific programs					3,285,474
Unrestricted investment earnings					45,561
Total general revenues					<u>22,893,149</u>
Change in net position					1,283,534
Net position - beginning, as originally reported					48,419,256
Cumulative effect of implementing new accounting standard (See Note 1)					<u>(1,055,455)</u>
Net position - beginning, as adjusted					47,363,801
Net position - ending					<u>\$ 48,647,335</u>

*The accompanying notes are an integral part of these financial statements .*

**TOWN OF SOMERS, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Capital Equipment Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,313,907	\$ 252,379	\$ 3,111,166	\$ 1,560,040	\$ 14,237,492
Investments	-	-	-	1,253,152	1,253,152
Receivables:					
Property taxes, interest and lien fees, net of allowance for uncollectibles of \$70,000	348,240	-	-	-	348,240
Assessments and user charges	-	-	-	98,196	98,196
Grants and contracts	-	631,967	113,020	12,230	757,217
Other	110,392	-	-	68,684	179,076
Due from other funds	1,311,332	1,642,716	-	108,731	3,062,779
Advances to other funds	163,398	-	-	-	163,398
Total assets	<u>\$ 11,247,269</u>	<u>\$ 2,527,062</u>	<u>\$ 3,224,186</u>	<u>\$ 3,101,033</u>	<u>\$ 20,099,550</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,033,488	\$ 124	\$ 191,499	\$ 116,483	\$ 1,341,594
Accrued liabilities	127,227	-	-	-	127,227
Due to other funds	1,751,447	-	1,045,559	265,773	3,062,779
Unearned revenue	299,549	70,400	-	148,499	518,448
Advances from other fund	-	-	-	163,398	163,398
Total liabilities	<u>3,211,711</u>	<u>70,524</u>	<u>1,237,058</u>	<u>694,153</u>	<u>5,213,446</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	263,665	-	-	166,832	430,497
<b>FUND BALANCES</b>					
Nonspendable	163,398	-	-	75,000	238,398
Restricted for:					
Capital purposes	-	2,407,476	1,189,800	-	3,597,276
Other purposes	-	-	-	588,739	588,739
Committed for:					
Capital purposes	-	49,062	797,328	83,584	929,974
Other purposes	814,624	-	-	1,625,637	2,440,261
Assigned	611,645	-	-	-	611,645
Unassigned	6,182,226	-	-	(132,912)	6,049,314
Total fund balances	<u>7,771,893</u>	<u>2,456,538</u>	<u>1,987,128</u>	<u>2,240,048</u>	<u>14,455,607</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,247,269</u>	<u>\$ 2,527,062</u>	<u>\$ 3,224,186</u>	<u>\$ 3,101,033</u>	<u>\$ 20,099,550</u>

*The accompanying notes are an integral part of these financial statements .*

**TOWN OF SOMERS, CONNECTICUT  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

Total fund balances for governmental funds		\$ 14,455,607
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		55,074,505
Deferred charge on refundings are not recognized as expenditures in the governmental funds. However, these costs are deferred and amortized over the life of the related debt in the statement of net position.		536,910
Net pension assets are not recognized in the governmental funds. The net pension asset results from the difference between the pension plan's fiduciary net position and the portion of the present value of projected benefit payments to be provided through the pension plan.		31,081
Some of the Town's taxes and assessments will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		430,497
Deferred inflows and outflows of resources resulting from changes in the components of net pension assets/liabilities are reported in the statement of net position.		151,426
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Those liabilities consist of:		
Long-term debt:		
Bonds payable	\$ (15,415,000)	
Premium on bonds payable	(597,613)	
Obligations under capital lease	(612,771)	
Accrued interest payable	(118,683)	
Other long-term liabilities:		
Compensated absences	(1,110,910)	
Landfill postclosure care costs	(140,000)	
Net pension liabilities	(1,265,658)	
Net OPEB obligation	(2,772,056)	
Total long-term liabilities	(22,032,691)	(22,032,691)
Net position of governmental activities		\$ 48,647,335

*The accompanying notes are an integral part of these financial statements .*

**TOWN OF SOMERS, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	Capital Projects Fund	Capital Equipment Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 19,918,176	\$ -	\$ -	\$ -	\$ 19,918,176
Intergovernmental	12,535,916	1,360,976	113,020	843,101	14,853,013
Charges for services	789,176	-	-	856,595	1,645,771
Investment income	14,512	2,416	1,047	27,586	45,561
Miscellaneous	-	-	-	8,213	8,213
Total revenues	<u>33,257,780</u>	<u>1,363,392</u>	<u>114,067</u>	<u>1,735,495</u>	<u>36,470,734</u>
<b>EXPENDITURES</b>					
Current:					
General government	2,280,223	-	-	15,065	2,295,288
Public safety	1,287,305	-	-	65,182	1,352,487
Public works	2,135,320	-	-	267,000	2,402,320
Sanitation	484,640	-	-	84,571	569,211
Health and social services	192,283	-	-	117,833	310,116
Library	459,749	-	-	18,498	478,247
Culture and recreation	148,188	-	-	22,445	170,633
Education	24,073,247	-	-	938,387	25,011,634
Debt service:					
Principal payments	1,152,295	-	81,589	-	1,233,884
Interest and fiscal charges	331,250	-	95,375	-	426,625
Debt issuance costs	-	-	46,628	-	46,628
Capital outlays	-	1,472,222	882,122	-	2,354,344
Total expenditures	<u>32,544,500</u>	<u>1,472,222</u>	<u>1,105,714</u>	<u>1,528,981</u>	<u>36,651,417</u>
Excess (deficiency) of revenues over expenditures	713,280	(108,830)	(991,647)	206,514	(180,683)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of bonds	-	2,605,000	2,715,000	-	5,320,000
Premium on issuance of bonds	-	-	271,122	-	271,122
Repayment of bond anticipation notes	-	(266,000)	(1,484,000)	-	(1,750,000)
Proceeds from insurance claim	-	-	209,717	-	209,717
Capital leases	417,324	-	-	-	417,324
Transfers in	175,000	-	300,000	50,000	525,000
Transfers out	(350,000)	-	-	(175,000)	(525,000)
Total other financing sources (uses)	<u>242,324</u>	<u>2,339,000</u>	<u>2,011,839</u>	<u>(125,000)</u>	<u>4,468,163</u>
Net change in fund balances	955,604	2,230,170	1,020,192	81,514	4,287,480
Fund balances - beginning	<u>6,816,289</u>	<u>226,368</u>	<u>966,936</u>	<u>2,158,534</u>	<u>10,168,127</u>
Fund balances - ending	<u>\$ 7,771,893</u>	<u>\$ 2,456,538</u>	<u>\$ 1,987,128</u>	<u>\$ 2,240,048</u>	<u>\$ 14,455,607</u>

*The accompanying notes are an integral part of these financial statements .*

**TOWN OF SOMERS, CONNECTICUT  
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, 2015**

---

Net change in fund balances for governmental funds \$ 4,287,480

Total change in net position reported for governmental activities in the statement of activities is different because:

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 and amortization expense. The amount by which capital outlays exceeded depreciation and amortization in the current period is as follows:

Expenditures for capital assets	\$ 2,634,062	
Depreciation and amortization expense	<u>(1,860,006)</u>	
Net adjustment		774,056

The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on disposal of capital assets. This amount represents the loss on disposal of capital assets. (10,503)

Repayment of principal on long-term debt consumes the current financial resources of governmental funds. However, such repayments do not have any effect on net position. The net effect of these repayments in the treatment of long-term debt is as follows:

Debt issued or incurred:		
Bonds payable	(5,320,000)	
Capital lease financing	(417,324)	
Principal repayments:		
Bonds and notes payable	2,795,000	
Obligations under capital lease	<u>188,884</u>	
Net adjustment		(2,753,440)

Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as deferred inflows of resources in the governmental funds. This amount represents the change in deferred inflows of resources. (348,790)

**TOWN OF SOMERS, CONNECTICUT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES (Continued)  
FOR THE YEAR ENDED JUNE 30, 2015**

---

Deferred inflows and outflows of resources resulting from changes in the components of net pension assets/liabilities are amortized as a component of pension expense in the statement of activities.

\$ (42,527)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds recognize the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of such items is as follows:

Compensated absences	\$	74,311
Accrued interest		19,299
Amortization of deferred charge on refundings		(90,914)
Bond premium received		(271,122)
Amortization of bond premium		70,650
Landfill postclosure care costs		14,000
Net pension asset		(365)
Net pension liabilities		(106,670)
Net OPEB obligation		(331,931)

(622,742)

Change in net position of governmental activities

\$ 1,283,534

**TOWN OF SOMERS, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>REVENUES</b>				
Property taxes	\$ 19,553,617	\$ 19,553,617	\$ 19,918,176	\$ 364,559
Intergovernmental	9,540,934	9,540,934	9,496,205	(44,729)
Charges for services	616,882	616,882	815,276	198,394
Investment earnings	12,500	12,500	14,512	2,012
Total revenues	<u>29,723,933</u>	<u>29,723,933</u>	<u>30,244,169</u>	<u>520,236</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,363,571	2,250,534	2,201,678	(48,856)
Public safety	1,385,318	1,314,636	1,279,875	(34,761)
Public works	1,951,301	2,126,090	2,122,116	(3,974)
Sanitation	499,456	497,204	486,428	(10,776)
Health and social services	188,804	200,665	188,627	(12,038)
Library	451,205	458,977	457,661	(1,316)
Culture and recreation	177,616	178,404	147,853	(30,551)
Education	20,744,253	20,744,253	20,719,981	(24,272)
Miscellaneous	40,000	87,555	57,555	(30,000)
Debt service	1,797,409	1,740,615	1,376,250	(364,365)
Total expenditures	<u>29,598,933</u>	<u>29,598,933</u>	<u>29,038,024</u>	<u>(560,909)</u>
Excess of revenues over expenditures	125,000	125,000	1,206,145	1,081,145
<b>OTHER FINANCING SOURCES (USES)</b>				
Prior year unliquidated encumbrances	-	-	56,286	56,286
Transfers in	175,000	175,000	175,000	-
Transfers out	(300,000)	(300,000)	(350,000)	(50,000)
Total other financing sources (uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(118,714)</u>	<u>6,286</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,087,431	<u>\$ 1,087,431</u>
Fund balance - beginning			<u>6,563,914</u>	
Fund balance - ending			<u>\$ 7,651,345</u>	

*The accompanying notes are an integral part of these financial statements .*

**TOWN OF SOMERS, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

---

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 151,178	\$ 254,051
Investments:		
Fixed income securities	1,484,747	-
Certificate of deposit	535,118	-
Mutual funds	1,582,134	-
Common stocks	3,408,231	-
Total assets	7,161,408	\$ 254,051
<b>LIABILITIES</b>		
Accounts payable	6,829	-
Due to others	-	254,051
Total liabilities	6,829	\$ 254,051
<b>NET POSITION</b>		
Held in trust for pension benefits	\$ 7,154,579	

*The accompanying notes are an integral part of these financial statements .*

**TOWN OF SOMERS, CONNECTICUT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

---

	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 389,838
Plan members	124,131
Total contributions	<u>513,969</u>
Investment earnings:	
Interest and dividends	231,462
Net change in the fair value of investments, net of investment fees	<u>(169,609)</u>
Total investment earnings, net	61,853
Total additions	<u>575,822</u>
 <b>DEDUCTIONS</b>	
Benefit payments	268,467
Administrative expenses	10,588
Total deductions	<u>279,055</u>
Change in net position	296,767
Net position - beginning	<u>6,857,812</u>
Net position - ending	<u><u>\$ 7,154,579</u></u>

*The accompanying notes are an integral part of these financial statements .*

**TOWN OF SOMERS, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Somers, Connecticut (the "Town") conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

**FINANCIAL REPORTING ENTITY**

The Town of Somers, Connecticut is governed by an elected Board of Selectmen, a Board of Finance and through Town meetings. The Town provides services as authorized by its charter including public safety, public works, sanitation, health and social services, library, culture and recreation, education and general administrative services.

The legislative power of the Town is with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets for Town Meeting approval.

Accounting principles generally accepted in the United States of America require that the reporting entity include, the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has determined that there are no agencies or entities, which should be presented within the Town's financial statements based on these criteria.

**Related Organization**

The Town is responsible for appointing members to the Board of Directors of the Housing Authority of the Town of Somers (the "Authority"), but the Town's accountability for the Authority does not extend beyond making the appointments. The Town made no appropriations for the operation of this agency for the fiscal year ended June 30, 2015.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

**Government-wide Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

**Fund Financial Statements**

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental fund:

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

**Capital Projects Fund** - This fund is used to account for revenues and expenditures associated with the construction of Town facilities and infrastructure.

**Capital Equipment Fund** - This fund is used to account for the acquisition of capital equipment.

In addition, the Town reports the following fiduciary fund types:

**Pension Trust Funds** - These funds are used to account for resources held in trust for the members and beneficiaries of the Town's defined benefit pension plans. The Town utilizes these funds to account for activities of the following plans: Board of Education Employees' Plan, Town Employees' Plan and the Volunteer Firefighters' Incentive Plan.

**Agency Funds** - These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets of the following: student activities funds and the bond deposit fund. The student activities funds account for monies generated by student activities in the Town's school system. The bond deposit fund accounts for monies received to ensure that driveways and lawns are installed to correct specifications for new home construction.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

The 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 enough thereafter to pay 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 period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when the cash is received.

The pension trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**IMPLEMENTATION OF NEW ACCOUNTING STANDARDS**

Effective July 1, 2014, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The implementation of these statements did not have a material effect on the Town's financial statements.

Effective July 1, 2014, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, which replaced the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*. GASB Statement No. 68 required the Town to recognize a net pension liability relating to its long-term obligations for pension benefits in the government-wide financial statements. In addition, the implementation of GASB Statement No. 68 resulted in enhanced note disclosures and required supplementary information.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**IMPLEMENTATION OF NEW ACCOUNTING STANDARDS (Continued)**

The Town has reported the following cumulative effect of applying GASB Statement No. 68 as an adjustment of beginning net position as of July 1, 2014.

	<u>Governmental Activities</u>
Net position - beginning, as originally reported	\$ 48,419,256
Adjustment to remove net pension asset previously recognized under GASB Statement No. 27	(121,866)
Adjustment to record net pension liabilities and asset and related deferred inflows and outflows of resources under GASB Statement No. 68	<u>(933,589)</u>
Net position - beginning, as adjusted	<u>\$ 47,363,801</u>

**ASSETS, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, LIABILITIES AND NET POSITION/FUND BALANCE**

**Cash Equivalents**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Investments**

Investments for the Town are reported at fair value (generally based on quoted market prices) except as described below.

The Town invests in the State Treasurer's Short-Term Investment Fund (STIF), which is an investment pool managed by the State Treasurer's Office. STIF operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, STIF qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. STIF is subject to regulatory oversight even though they are not registered by the SEC.

**Donor-restricted Endowments**

The Town allocates investment income on endowment investments in accordance with donor restrictions and Connecticut law. The State of Connecticut has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ASSETS, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, LIABILITIES AND NET POSITION/FUND BALANCE (Continued)**

**Property Taxes and Assessments**

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Taxes become delinquent thirty days after the installment is due and liens are filed on delinquent real estate taxes within one year. The Town establishes an allowance for doubtful accounts based on historical collection experience and other factors.

Upon completion of projects, water assessments are levied and assessed to users each February over a twenty year period. Assessments are due and payable within thirty days and delinquent assessments are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

Upon completion of projects, sewer assessments are levied and assessed to users each October. Usage charges are billed monthly. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

**Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for infrastructure assets and more than \$2,000 for all other assets. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 50
Infrastructure	12 - 60
Machinery and equipment	5 - 20

**Unearned Revenue**

Unearned revenue represents resources that have been received but not yet earned.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ASSETS, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, LIABILITIES AND NET POSITION/FUND BALANCE (Continued)**

**Compensated Absences**

Employees are granted vacation and sick leave based upon length of employment. For Town employees, unused vacation and sick days can be accumulated from year to year up to certain limits. For Board of Education employees, only unused vacation days can be accumulated from year to year up to certain limits. However, teachers hired on or before June 30, 1994 who retire under the State retirement system and who receive pension payments, will be paid out an amount equivalent to 2 ½ days compensation at the time of retirement or death for each full-time equivalent year of contracted service to the Town.

All compensated absences are accrued when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements in the current year to the extent they have matured, or the vested amount is expected to be paid with available resources.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts in the year the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred Inflows/Outflows of Resources**

Deferred inflows/outflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources until that time.

Deferred outflows of resources consists of deferred charges on refundings and deferred pension expenses. Deferred charges on refunding are reported in the government-wide statement of net position. This amount is being amortized to interest expense using the effective-interest method over the life of the related bonds. Deferred pension expenses are also reported in the government-wide statement of net position. This amount is amortized as a component of pension expense on a systematic and rational basis.

Deferred inflows of resources consist of revenue that is considered unavailable under the modified accrual basis of accounting and deferred pension benefits. Unavailable revenue is reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred pension benefits are reported in the government-wide statement of net position. This amount is amortized as a component of pension expense on a systematic and rational basis.

TOWN OF SOMERS, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
JUNE 30, 2015

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**ASSETS, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, LIABILITIES AND NET POSITION/FUND BALANCE *(Continued)***

**Net Position/Fund Equity**

The government-wide statement of net position presents the Town's non-fiduciary assets, deferred outflows of resources and liabilities, with the difference reported as net position. Net position is reported in three categories:

***Net investment in capital assets*** - This category consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

***Restricted*** - This category of net position consists of amounts whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

***Unrestricted*** - This category of net position consists of amounts which do not meet the definition of the two preceding categories.

The Town's governmental funds report the following fund balance categories:

***Nonspendable*** - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

***Restricted*** - Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

***Committed*** - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action required to be taken by the Board of Finance to commit fund balance includes formal voting procedures regulated by the Town Charter (passing of a resolution).

***Assigned*** - Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. The Board of Finance has delegated the responsibility to assign funds to the Town's Chief Financial Officer, with the exception of those amounts assigned by the Board of Finance during the Town's annual budgeting process as described in Note 2. Funds are assigned through the approval of a valid purchase order resulting in an encumbering of the funds as of year end.

***Unassigned*** - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

The Town does not have a formal policy over the use of net position or fund balance. In accordance with the applicable accounting guidance, when both restricted and unrestricted resources are available for use, it is assumed that the Town will use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is assumed that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ASSETS, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, LIABILITIES AND NET POSITION/FUND BALANCE (Continued)**

**Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a restricted fund balance designation (non-spendable) in the General Fund and by a restricted, committed or assigned fund balance designation of other governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**Interfund Services Provided and Used**

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

**Interfund Transfers**

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

**Interfund Reimbursements**

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 2 - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY**

**BUDGETARY INFORMATION**

The General Fund is the only fund for which an annual budget is legally adopted. The Town adheres to the following procedures in establishing the budgetary data for the General Fund.

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town meeting. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. Management may not exceed appropriations at the object level and must seek approval from the Board of Finance to reassign resources within a department, except for the Board of Education. The Board of Education may reassign resources within its department without seeking Board of Finance approval. The legal level of budget control is the department level for the Board of Education and the object level for all other departments. A separately issued budgetary report demonstrating legal compliance with the adopted budget is available from the Town. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects. Additional appropriations of less than \$20,000 must be approved by the Board of Finance. Appropriations in excess of \$20,000 must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Intergovernmental revenues and other reimbursement for certain special education costs are recorded as reductions to expenditures for budgetary purposes and "on-behalf" payments made by the State of Connecticut into the State Teacher's Retirement System are not recorded for budgetary purposes. In addition, activity of the Revaluation Fund is excluded for budgetary purposes due to perspective differences. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- All unexpended and unencumbered appropriations lapse at year-end, except those for Capital Projects Funds.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 2 - BUDGETARY INFORMATION AND DEFICIT FUND EQUITY (Continued)**

**BUDGETARY INFORMATION (Continued)**

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2015:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Net Change In Fund Balance</u>
Budgetary basis	\$ 30,244,169	\$ 29,038,024	\$ (118,714)	\$ 1,087,431
"On-behalf" payments -				
State Teachers Retirement				
Fund	2,679,988	2,679,988	-	-
Intergovernmental grants				
netted with expenses	359,723	359,723	-	-
Other reconciling items	(26,100)	-	-	(26,100)
Capital lease financing	-	417,324	417,324	-
Perspective differences:				
Reserve for Revaluation Fund	-	32,221	-	(32,221)
Education - Self-insurance Fund	-	3,526	-	(3,526)
Encumbrances:				
Outstanding - June 30, 2014	-	51,934	(56,286)	(108,220)
Outstanding - June 30, 2015	-	(38,240)	-	38,240
GAAP basis	<u>\$ 33,257,780</u>	<u>\$ 32,544,500</u>	<u>\$ 242,324</u>	<u>\$ 955,604</u>

**DEFICIT FUND EQUITY**

The School Construction Fund, which is a nonmajor fund, has a deficit fund balance as of June 30, 2015 of \$132,912. The deficit does not constitute a violation of statutory provisions. The Town plans to fund the deficit through a final grant reimbursement from the State of Connecticut upon completion of the final project audit.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS – CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town's policy provides for uninsured demand and time deposits with banks and savings and loan institutions to be collateralized as prescribed in the Connecticut General Statutes, as described below. In addition, in order to anticipate market changes and provide for a level of security for all funds, all public deposits shall be held in qualified public depositories. As of June 30, 2015, the carrying amount of the Town's cash deposits was \$5,369,078. As of June 30, 2015, \$4,284,996 of the Town's bank balance of \$5,405,367 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,856,496
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	428,500
	\$ 4,284,996

All of the Town's deposits were in qualified public institutions as defined by Connecticut General Statutes. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

A reconciliation of the Town's cash and cash equivalents as of June 30, 2015 is as follows:

Government-wide statement of net position:

Cash and cash equivalents	\$ 14,237,492
Less: cash equivalents considered investments for disclosure purposes	(9,788,768)
	4,448,724

Statement of fiduciary net position:

Cash and cash equivalents	405,229
Less: cash equivalents considered investments for disclosure purposes	(19,993)
Add: investment considered cash deposit for disclosure purposes	535,118
	920,354
	\$ 5,369,078

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS**

As of June 30, 2015, the Town's investments consisted of the following:

Investment type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
<b>Debt Securities:</b>					
Money market mutual funds	\$ 1,991,899	\$ 1,991,899	\$ -	\$ -	\$ -
Short Term Investment Fund (STIF)	7,816,862	7,816,862	-	-	-
Corporate bonds	1,280,394	-	500,996	591,252	188,146
Preferred stocks	158,568	-	-	-	158,568
Municipal bonds	70,778	-	-	-	70,778
	<u>11,318,501</u>	<u>\$ 9,808,761</u>	<u>\$ 500,996</u>	<u>\$ 591,252</u>	<u>\$ 417,492</u>
<b>Other investments:</b>					
Common stocks	3,646,520				
Mutual funds	2,572,004				
	<u>\$ 17,537,025</u>				

Investment maturities of the Town's investments in STIF and money market mutual funds were based on the weighted average maturities of those investments.

A reconciliation of the Town's investments as of June 30, 2015 is as follows:

Government-wide statement of net position:	
Investments	\$ 1,253,152
Add: cash equivalents considered investments for disclosure purposes	<u>9,788,768</u>
	<u>11,041,920</u>
Statement of fiduciary net position:	
Investments	7,010,230
Add: cash equivalents considered investments for disclosure purposes	19,993
Less: investments considered cash deposits for disclosure purposes	<u>(535,118)</u>
	<u>6,495,105</u>
	<u>\$ 17,537,025</u>

**Interest Rate Risk**

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

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued)**

**Credit Risk**

The Town has no investment policy that would further limit its investment choices beyond those already limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the statutes cover specific municipal funds with particular investment authority. The provisions of the statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable pension plan.

The Town's investments in debt securities were rated as follows at June 30, 2015:

<u>Investment type</u>	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>Unrated</u>
<b>Debt Securities:</b>							
Short Term Investment Fund (STIF)	\$ 7,816,862	\$ 7,816,862	\$ -	\$ -	\$ -	\$ -	\$ -
Money market mutual funds	1,991,899	-	-	-	-	-	1,991,899
Corporate bonds	1,280,394	-	117,347	260,695	902,352	-	-
Preferred stocks	158,568	-	-	6,529	95,637	56,402	-
Municipal bonds	70,778	70,778	-	-	-	-	-

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of a 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. The Town's investments were not exposed to custodial credit risk as of June 30, 2015. The Town does not have a policy for custodial credit risk.

**Concentrations of Credit Risk**

The Town places no limit on the amount of investment in any one issuer. More than 5% of the Town's investments are in STIF, CLASS and certain mutual funds. However, these investments are not subject to concentration of credit risk disclosure as they are considered to be diversified investments by their nature.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 6,161,758	\$ -	\$ -	\$ 6,161,758
Construction in progress	724,375	427,346	(636,350)	515,371
Total capital assets, not being depreciated	<u>6,886,133</u>	<u>427,346</u>	<u>(636,350)</u>	<u>6,677,129</u>
Capital assets, being depreciated:				
Buildings and improvements	60,386,521	-	-	60,386,521
Machinery and equipment	7,050,981	1,139,840	(239,181)	7,951,640
Infrastructure	16,505,909	1,692,723	-	18,198,632
Total capital assets, being depreciated	<u>83,943,411</u>	<u>2,832,563</u>	<u>(239,181)</u>	<u>86,536,793</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(24,115,195)	(1,156,797)	-	(25,271,992)
Machinery and equipment	(4,294,558)	(365,994)	239,181	(4,421,371)
Infrastructure	(8,108,839)	(337,215)	-	(8,446,054)
Total accumulated depreciation and amortization	<u>(36,518,592)</u>	<u>(1,860,006)</u>	<u>239,181</u>	<u>(38,139,417)</u>
Total capital assets, being depreciated, net	<u>47,424,819</u>	<u>972,557</u>	<u>-</u>	<u>48,397,376</u>
Governmental activities capital assets, net	<u>\$ 54,310,952</u>	<u>\$ 1,399,903</u>	<u>\$ (636,350)</u>	<u>\$ 55,074,505</u>

Depreciation and amortization expense was charged to functions of the Town as follows:

<b>Governmental activities:</b>	
General government	\$ 45,248
Public safety	135,764
Public works	443,128
Sanitation	20,118
Health and social services	14,267
Library	117,765
Culture and recreation	1,741
Education	1,081,975
Total depreciation and amortization expense	<u>\$ 1,860,006</u>

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2015 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Nonmajor Governmental Funds	\$ 429,171
General Fund	Capital Equipment Fund	<u>1,045,559</u>
		<u>1,474,730</u>
Capital Projects Fund	General Fund	<u>1,642,716</u>
Nonmajor Governmental Funds	General Fund	<u>108,731</u>
		<u>\$ 3,226,177</u>

Except for the balances due to the General Fund from the Water Fund, the Sewer Maintenance Fund and the School Construction Fund as discussed below, the above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made.

The General Fund advanced funds to the Water Fund to fund water project bond principal and interest payments prior to assessment collections being received by the Water Fund. The General Fund advanced funds to the Sewer Fund to fund sewer project costs prior to assessment collections being received by the Sewer Fund. The General Fund advanced funds to the School Construction Fund to fund project costs prior to receipt of the final grant reimbursement due from the State of Connecticut. The Town intends to liquidate the amounts due to the General Fund from the Water Fund and the Sewer Fund through future water and sewer assessment collections and user fees. The Town intends to liquidate the amount due to the General Fund from the School Construction Fund through future grant reimbursements from the State of Connecticut upon completion of a final project audit. It is anticipated that the balances due to the General Fund of the \$13,086 from the Water Fund, the \$17,400 from the Sewer Fund, and the \$132,912 from the School Construction Fund, respectively, will not be repaid within one year and, therefore, the balances due have been presented as advances to/from other funds in the accompanying governmental funds balance sheet.

**NOTE 6 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2015 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Nonmajor Governmental Funds	\$ 175,000
Capital Equipment Fund	General Fund	<u>300,000</u>
Nonmajor Governmental Funds	General Fund	<u>50,000</u>
		<u>\$ 525,000</u>

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 6 - INTERFUND TRANSFERS (Continued)**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 7 - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	<b>Beginning Balance (As Adjusted)</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 11,140,000	\$ 5,320,000	\$ (1,045,000)	\$ 15,415,000	\$ 1,325,000
Bond anticipation notes	1,750,000	-	(1,750,000)	-	-
Unamortized amounts:					
Premium on bonds issued	397,141	271,122	(70,650)	597,613	-
Total bonds payable	<u>13,287,141</u>	<u>5,591,122</u>	<u>(2,865,650)</u>	<u>16,012,613</u>	<u>1,325,000</u>
Other liabilities:					
Capital leases	384,331	417,324	(188,884)	612,771	148,407
Compensated absences	1,185,221	232,263	(306,574)	1,110,910	317,580
Landfill post closure care liability	154,000	-	(14,000)	140,000	14,000
Net pension liabilities	1,158,988	136,082	(29,412)	1,265,658	-
Net OPEB obligation	2,440,125	331,931	-	2,772,056	-
	<u>\$ 18,609,806</u>	<u>\$ 6,708,722</u>	<u>\$ (3,404,520)</u>	<u>\$ 21,914,008</u>	<u>\$ 1,804,987</u>

Long-term liabilities have typically been liquidated in the General Fund.

**DEBT REFUNDING**

The Town has advanced refunded general obligation bonds in prior years. The difference between the reacquisition price (the amount placed in escrow) and the net carrying amount of the refunded bonds resulted in deferred charges on refundings in the amount of \$735,165. This amount, net of accumulated amortization of \$198,255 has been presented as a deferred outflow of resources in the government-wide financial statements and is being amortized to interest expense using the effective-interest method over the life of the new bonds. Amortization of deferred charges on refundings totaled \$90,914 for the year ended June 30, 2015.

**STATUTORY DEBT LIMITATION**

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2015.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

**BOND ANTICIPATION NOTES**

During fiscal year 2014, the Town issued \$1,750,000 in bond anticipation notes (the "2014 Notes"). The 2014 Notes bore an interest rate of 1.0% and matured in November 2014. The purpose of the notes were to provide interim financing for improvements to the Town's educational facilities and roads, and the purchase of a fire tanker truck and ambulance, a senior shuttle bus and a fire truck. The Town retired the 2014 Notes through the issuance of general obligation bonds during fiscal year 2015.

**GENERAL OBLIGATION BONDS**

A summary of general obligation bonds outstanding at June 30, 2015 is as follows:

<u>Purpose of Bonds</u>	<u>Fiscal Year of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
<b>Governmental Activities</b>					
General obligation refunding bonds	2005	\$ 5,700,000	3.77%	7/2020	\$ 2,410,000
General obligation bonds	2008	7,100,000	4.00% - 5.00%	8/2016	720,000
General obligation refunding bonds	2013	7,610,000	2.00% - 3.00%	8/2027	6,965,000
General obligation bonds	2015	5,320,000	2.00% - 4.00%	11/2034	5,320,000
					<u>\$ 15,415,000</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2015:

<u>Year ending June 30:</u>	<u>Governmental Activities</u>		
	<u>Bonds Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,325,000	\$ 458,829	\$ 1,783,829
2017	1,310,000	410,333	1,720,333
2018	1,305,000	362,945	1,667,945
2019	1,400,000	316,421	1,716,421
2020	1,380,000	268,829	1,648,829
2021 - 2025	5,165,000	814,330	5,979,330
2026 - 2030	2,280,000	317,768	2,597,768
2031 - 2035	1,250,000	98,437	1,348,437
	<u>\$ 15,415,000</u>	<u>\$ 3,047,892</u>	<u>\$ 17,114,455</u>

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

**CAPITAL LEASES**

A summary of assets under capital lease as of June 30, 2015 is as follows:

	<b>Governmental Activities</b>
Machinery and equipment	\$ 1,066,088
Less: accumulated amortization	169,919
	\$ 896,169

Amortization expense relative to leased property under capital leases as of June 30, 2015 totaled \$43,579 for the year ended June 30, 2015 and is included in depreciation and amortization expense disclosed in Note 4.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 are as follows:

<b>Year ending June 30:</b>	<b>Governmental Activities</b>
2016	\$ 160,892
2017	126,594
2018	126,594
2019	19,300
2020	19,300
Thereafter	226,764
Total minimum lease payments	679,444
Less: amount representing interest	66,673
Present value of minimum lease payments	\$ 612,771

**LANDFILL POST-CLOSURE CARE LIABILITY**

The Town landfill has been closed. State and federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next 10 years are estimated to be \$140,000. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

**NOTE 8 - FUND BALANCE**

As of June 30, 2015, restricted, committed and assigned fund balance for other purposes consists of the following:

	<b>Restricted</b>	<b>Committed</b>	<b>Assigned</b>
Library operations	\$ 588,739	\$ -	\$ -
Other post-employment benefits	-	780,737	-
Revaluation	-	33,887	-
Sewer operations	-	389,356	-
Ambulance operations	-	310,050	-
Cemetery operations	-	710,438	-
Other purposes	-	215,793	-
Education - self-insurance	-	-	48,421
Encumbrances	-	-	38,240
Use in fiscal year 2016 budget	-	-	524,984
	\$ 588,739	\$ 2,440,261	\$ 611,645

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 9 - PENSION PLANS**

**DEFINED BENEFIT PLANS**

**Plan Description**

The Town maintains two single employer, contributory, defined benefit pension plans: the Town Employees' Plan (the "Town Plan") and the Board of Education Employees' Plan ("Board of Education Plan") and a single employer, noncontributory, defined benefit pension plan: the Volunteer Firefighters Incentive Plan ("Volunteer Firefighters' Plan") (collectively the "Plans"). Collectively, the Plans cover substantially all full time employees except professional personnel at the Board of Education who are covered by the Teachers' Retirement System. The Plans do not issue stand-alone financial statements and are part of the Town's financial reporting entity. As such, the Plans are accounted for in the fiduciary fund financial statements as Pension Trust Funds.

**Summary of Significant Accounting Policies**

The Plans are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plans are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

*Investments* - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Short-term investments are reported at cost, which approximates fair value. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Town, with the assistance of a valuation service. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

*Investment policy* - The Town policy in regard to the allocation of invested assets is established and may be amended by the Board of Selectman for the Town Plan and Volunteer Firefighters' Plan and by the Board of Education for the Board of Education Plan. The Town pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

*Concentrations* - The Plans' investments were not subject to concentration risk as of June 30, 2015 as none of the amounts invested with one issuer represented more than 5.0% of the total assets for each Plan. The Plans' investments issued are explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from the concentration of credit risk disclosure requirements.

*Rate of return* - For the year ended June 30, 2015, the annual money-weighted rate of return on the Town Plan's, the Board of Education Plan's and the Volunteer Firefighters' Plan's pension plan investments, net of pension plan investment expense, was 6.7%, 1.2% and 4.2%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Administrative costs* - Administrative costs of the Plans are funded through investment earnings of the Plans.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 9 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLANS (Continued)**

**Plan Membership**

Membership of the Plans consisted of the following as of at the date of the latest actuarial valuations:

	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Firefighters' Plan</b>
Retirees and beneficiaries currently receiving benefits	4	31	10
Vested terminated employees	5	9	30
Active employees	28	48	35
	37	88	75

**Benefit Provisions**

***Town Plan***

All Town employees who are not governed by a collective bargaining agreement, under which retirement benefits were the subject of good faith bargaining, are eligible to participate in the plan. Benefits vest after 5 years of service. Normal retirement date is the participant's 65th birthday or the 5th anniversary of joining the plan, if later.

Pension benefits for normal retirement under the plan are based on the average annual earnings received during the five consecutive plan years immediately preceding the date on which the participants' employment terminates. The participant's monthly benefit shall be equal to 1.67% of the average monthly compensation multiplied by the total number of years of employment with the Town (limited to 25 years). The plan permits early retirement for participants at age 55 with 10 years of service. Benefits for early retirement shall be equal to the present value of the participants' accrued benefit. Prior to September 1, 2011, non-union participants contributed 1% and union participants contributed 2% of their annual earnings. Effective September 1, 2011, participants are required to make a picked-up contribution to the plan, which the Town has agreed to make on the participant's behalf. The amount of the picked-up contribution to the plan is 2% for certain union participants and 4% for all other employees through June 30, 2015 and 5% effective July 1, 2015.

***Board of Education Plan***

All secretaries, aides, maintenance and custodial workers and nurses employed by the Board of Education are eligible to participate in the plan. Benefits vest after 10 years of credited service. Normal retirement date is the participants' 65th birthday or the 5th anniversary of joining the plan, if later.

Pension benefits for normal retirement under the plan are based on the average monthly compensation during the five consecutive years of service, at which the participants' earnings were at their highest level. The participant's monthly benefit shall be equal to 1.67% of the average monthly compensation multiplied by the total number of years of employment with the Town (limited to 20 years). Participants contribute 3.5% of their annual earnings.

***Volunteer Firefighters' Plan***

Each active volunteer firefighter must have completed one active year of service in order to become a participant in the plan. A participant will be eligible for some accrued benefits at age 65 provided he has accrued at least five years of credited service. The retirement benefit formula is \$5 per month per year of credited service.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 9 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLANS (Continued)**

**Other Plan Provisions**

The Town Plan does not provide disability benefits. If an employee becomes disabled and must cease employment, he will be entitled to the same benefits as a participant who has terminated employment. In the event of death, a beneficiary shall receive benefits payable upon death, which are subject to certain limitations imposed by law. Death benefits will be equal to the present value of the accrued benefits.

The Board of Education Plan provides a disability retirement benefit, which is equal to the present value of the employee's vested accrued benefit at the disability retirement date.

The Volunteer Firefighters Plan does not provide disability benefits.

**Funding Policy**

The contribution requirements of plan members and the Town are established and may be amended by the Board of Selectmen. The Town's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rates for normal costs for all Plans were determined using the Aggregate Actuarial Cost Method.

For the year ended June 30, 2015, employer contributions to the Town Plan represented approximately 9.6% of covered payroll.

For the year ended June 30, 2015, employer contributions to the Board of Education Plan represented approximately 15.0% of covered payroll.

**Net Pension Liability (Asset)**

The components of the Town's net pension liability (asset) for each of its Plans as of June 30, 2015, were as follows:

	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Firefighters' Plan</b>
Total pension liability	\$ 3,097,905	\$ 5,094,678	\$ 303,434
Plan fiduciary net position	<u>(3,013,247)</u>	<u>(3,913,678)</u>	<u>(334,515)</u>
Town's net pension liability (asset)	<u>\$ 84,658</u>	<u>\$ 1,181,000</u>	<u>\$ (31,081)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 97.3%	 76.8%	 110.2%

The components of the changes in the net pension liability (asset) for each of the Town's Plans for the year ended June 30, 2015, were as follows:

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 9 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLANS (Continued)**

**Net Pension Liability (Asset) (Continued)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Town Plan</b>			
Balance as of June 30, 2014	\$ 2,785,628	\$ 2,671,558	\$ 114,070
Changes for the year:			
Service cost	169,099	-	169,099
Interest	190,542	-	190,542
Actuarial (gains) losses	-	-	-
Contributions - employer	-	131,852	(131,852)
Contributions - employee	-	69,948	(69,948)
Net investment income	-	187,253	(187,253)
Benefit payments, including refunds	(47,364)	(47,364)	-
Administrative expense	-	-	-
Net changes	312,277	341,689	(29,412)
Balance as of June 30, 2015	<u>\$ 3,097,905</u>	<u>\$ 3,013,247</u>	<u>\$ 84,658</u>
<b>Board of Education Plan</b>			
Balance as of June 30, 2014	\$ 4,867,471	\$ 3,822,761	\$ 1,044,710
Changes for the year:			
Service cost	188,446	-	188,446
Interest	285,926	-	285,926
Actuarial (gains) losses	(41,393)	-	(41,393)
Contributions - employer	-	246,409	(246,409)
Contributions - employee	-	54,183	(54,183)
Net investment income	-	43,794	(43,794)
Benefit payments, including refunds	(205,772)	(205,772)	-
Administrative expense	-	(47,697)	47,697
Net changes	227,207	90,917	136,290
Balance as of June 30, 2015	<u>\$ 5,094,678</u>	<u>\$ 3,913,678</u>	<u>\$ 1,181,000</u>
<b>Firefighters' Plan</b>			
Balance as of June 30, 2014	\$ 292,046	\$ 323,492	\$ (31,446)
Changes for the year:			
Service cost	6,048	-	6,048
Interest	18,928	-	18,928
Actuarial (gains) losses	408	-	408
Contributions - employer	-	11,577	(11,577)
Contributions - employee	-	13,442	(13,442)
Net investment income	-	-	-
Benefit payments, including refunds	(13,996)	(13,996)	-
Administrative expense	-	-	-
Net changes	11,388	11,023	365
Balance as of June 30, 2015	<u>\$ 303,434</u>	<u>\$ 334,515</u>	<u>\$ (31,081)</u>

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 9 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLANS (Continued)**

**Net Pension Liability (Asset) (Continued)**

*Actuarial assumptions* - The total pension liabilities were determined by actuarial valuations as of July 1, 2013 for the Town Plan and the Volunteer Firefighters' Plan and as of July 1, 2014 for the Board of Education Plan, using the following actuarial assumptions, applied to all periods included in the measurement:

	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Firefighters' Plan</b>
Inflation	3.0%	2.25%	3.0%
Salary increases (average, including inflation)	4.0%	4.0%	Not applicable
Investment rate of return (net of investment expense)	6.5%	6.0%	6.5%

Mortality rates were based on the RP-2000 Unisex Healthy Annuitant Mortality Table, with adjustments to the valuation year for mortality improvements based on Scale AA.

The long-term expected rate of returns on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in each of the Plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>			<b>Long-term Expected Real Rate of Return</b>		
	<b>Board of</b>			<b>Board of</b>		
	<b>Town Plan</b>	<b>Education Plan</b>	<b>Firefighters' Plan</b>	<b>Town Plan</b>	<b>Education Plan</b>	<b>Firefighters' Plan</b>
Equity	60%	50%	60%	6.76%	5.35%	6.76%
Fixed income	38%	46%	38%	2.33%	2.36%	2.33%
Cash	2%	4%	2%	0.00%	0.00%	0.00%

*Discount rate* - The discount rate used to measure the total pension liability for the Town Plan, Board of Education Plan and the Volunteer Firefighters' Plan was 6.5%, 6.0% and 6.5%, respectively. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the each of the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on each Plan's investments were applied to all periods of projected benefit payments to determine each Plan's total pension liability.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 9 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLANS (Continued)**

**Net Pension Liability (Asset) (Continued)**

*Sensitivity of the net pension liability to changes in the discount rate* - The following presents the net pension liability (asset) for each Plan, calculated using the discount rate disclosed above, as well as what the Town's net pension liability (asset) would be for each of the Plans if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>Discount Rates</b>		
	<b>-1.0%</b>	<b>Current</b>	<b>+1.0%</b>
Town Plan - Net pension liability (asset)	\$ 418,531	\$ 84,658	\$ (200,746)
Board of Education Plan - Net pension liability	1,692,311	1,181,000	739,140
Firefighters' Plan - Net pension liability (asset)	11,780	(31,081)	(65,804)

**Pension Expense and Deferred Outflows/Inflows of Resources**

For the year ended June 30, 2015, the Town recognized pension expense of \$109,369 for the Town Plan, \$332,601 for the Board of Education Plan and \$5,567 for the Volunteer Firefighters' Plan. At June 30, 2015, the Town reported deferred outflows/inflows of resources related to each of the Plans from the following sources:

	<b>Deferred (Inflows) Outflows of Resources</b>		
	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Firefighters' Plan</b>
Net difference between projected and actual earnings on pension plan investments	\$ 6,929	\$ 188,318	\$ (6,006)
Differences between expected and actual experience	-	(37,446)	-
Changes of assumptions	-	-	(369)
<b>Total</b>	<b>\$ 6,929</b>	<b>\$ 150,872</b>	<b>\$ (6,375)</b>

Amounts reported as deferred outflow/inflows of resources related to the Town Plan will be recognized as a component of pension expense in future years as follows:

	<b>Amortization of Deferred (Inflows) Outflows of Resources</b>		
	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Firefighters' Plan</b>
Year ended June 30,			
2016	\$ 1,732	\$ 42,919	\$ (1,540)
2017	1,732	42,919	(1,540)
2018	1,732	42,919	(1,540)
2019	1,733	42,919	(1,542)
2020	-	(4,161)	(39)
Thereafter	-	(16,643)	(174)

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 9 - PENSION PLANS (Continued)**

**DEFINED BENEFIT PLANS (Continued)**

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for each of the Town's defined benefit plans as of and for the year ended June 30, 2015.

	<b>Town Employees' Plan</b>	<b>Board of Education Employees' Plan</b>	<b>Volunteer Firefighters' Incentive Plan</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 121,373	\$ 19,567	\$ 10,238
Investments	2,791,912	3,894,110	324,208
Total assets	<u>2,913,285</u>	<u>3,913,677</u>	<u>334,446</u>
<b>LIABILITIES</b>			
Accounts payable	5,278	-	1,551
Total liabilities	<u>5,278</u>	<u>-</u>	<u>1,551</u>
<b>NET POSITION</b>			
Held in trust for pension benefits	<u>\$ 2,908,007</u>	<u>\$ 3,913,677</u>	<u>\$ 332,895</u>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 131,852	\$ 246,409	\$ 11,577
Plan members	69,948	54,183	-
Total contributions	<u>201,800</u>	<u>300,592</u>	<u>11,577</u>
Investment earnings:			
Interest and dividends	64,382	159,674	7,406
Net change in the fair value of investments, net of investment fees	21,049	(196,684)	6,026
Total investment earnings, net	<u>85,431</u>	<u>(37,010)</u>	<u>13,432</u>
Total additions	<u>287,231</u>	<u>263,582</u>	<u>25,009</u>
<b>DEDUCTIONS</b>			
Benefit payments	47,399	205,769	15,299
Administrative expenses	3,383	6,898	307
Total deductions	<u>50,782</u>	<u>212,667</u>	<u>15,606</u>
Change in net position	236,449	50,915	9,403
Net Position Held in Trust for Pension Benefits:			
Beginning	2,671,558	3,862,762	323,492
Ending	<u>\$ 2,908,007</u>	<u>\$ 3,913,677</u>	<u>\$ 332,895</u>

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 9 - PENSION PLANS (Continued)**

**TEACHERS' RETIREMENT SYSTEM**

The faculty and professional personnel of the Town's Board of Education participate in the Teachers' Retirement System ("TRS"), which is a cost-sharing multiple-employer defined benefit pension plan established under Chapter 167a of the Connecticut General Statutes. The TRS is administered by the Connecticut State Teachers' Retirement Board (the "Board") and is included as a fiduciary pension trust fund in the State of Connecticut's basic financial statements.

Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the Connecticut General Statutes. The plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute one hundred percent of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. For the year ended June 30, 2015, plan members of the Town contributed \$758,981 to the plan and covered payroll for the year was \$10,468,703. The Town has recognized on-behalf payments of \$2,679,988 made by the State of Connecticut into the plan as intergovernmental revenues, and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds.

Administrative costs of the plan are funded by the State.

The total estimated net pension liability of the TRS as of June 30, 2014 was \$10.141 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$27.3 million or approximately 0.27% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The portion of the net pension liability associated with the Town was based on a projection of the long-term share of contributions to the plan related to the Town relative to the projected contributions of all participating employers, actuarially determined. The portion of the pension expense attributed to the Town totaled \$2,047,062 for the year ended June 30, 2015.

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.0%
Salary increases	3.75% - 7.0% (includes inflation)
Investment rate of return	8.5% (includes inflation)
Cost of living adjustments:	
Retirements prior to 9/1/1992	3.0%
Retirements on or after 9/1/1992	2.0%

For healthy retirees and beneficiaries, the RP-2000 Combined Mortality Table projected forward 19 years using scale AA, with a two-year setback for males and females.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 9 - PENSION PLANS (Continued)**

**TEACHERS' RETIREMENT SYSTEM (Continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Large Cap U.S. Equities	21.0%	7.3%
Developed Non-U.S. Equities	18.0%	7.5%
Emerging Markets (Non-U.S.)	9.0%	8.6%
Core Fixed Income	7.0%	1.7%
Inflation Linked Bonds	3.0%	1.3%
Emerging Markets	5.0%	4.8%
High Yield Bonds	5.0%	3.7%
Real Estate	7.0%	5.9%
Private Equity	11.0%	10.9%
Alternative Investment	8.0%	0.7%
Liquidity Fund	6.0%	0.4%

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.50%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.50%) or 1-percentage-point higher (9.50%) than the current rate:

	<u>Discount Rates</u>		
	<u>-1.0%</u>	<u>Current</u>	<u>+1.0%</u>
Town's proportionate share of the net pension liability (expressed in thousands)	\$ 34,817	\$ 27,283	\$ 20,879

Detailed information about the plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Town and Board of Education Plan Description**

The Town of Somers provides healthcare and life insurance benefits for eligible retirees and their spouses through the Town and Board of Education group healthcare and life insurance plans, which cover both active and retired members. Benefit provisions are established through negotiations between the Town, Board of Education, and the union representing the employees and are renegotiated each three-year bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

**Funding Policy**

Contribution requirements of the plan members and the Town, including the Board of Education, are established by and may be amended through negotiations between the Town, Board of Education, and the union. Currently, plan members are required to contribute 100% of their healthcare premiums to the Town, less any reimbursements received by the Town from the State Retirement Board. The Town contributes 100% of the cost of current-year life insurance premiums for eligible retired plan members. The Town finances the plan on a pay-as-you-go basis.

**Annual OPEB Cost and Net OPEB Obligation**

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"), which is an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Town's annual OPEB cost and net OPEB obligation are primarily attributed to an implicit rate subsidy, whereby retirees are considered to be receiving a benefit from the Town for access to insurance rates offered to the Town's active employees.

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

Annual required contribution	\$ 477,785
Interest on net OPEB obligation	85,321
Adjustment to annual required contribution	<u>(130,409)</u>
Annual OPEB cost	432,697
Contributions made	<u>100,766</u>
Increase in net pension obligation	331,931
Net OPEB obligation, beginning of the year	<u>2,440,125</u>
Net OPEB obligation, end of the year	<u><u>\$ 2,772,056</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2015, 2014 and 2013 are as follows:

<b>Year Ended</b>	<b>Annual</b>	<b>Percentage of</b>	<b>Net OPEB</b>
<b>June 30:</b>	<b>OPEB Cost</b>	<b>Annual OPEB</b>	<b>Obligation</b>
<b>2015</b>	<b>\$ 432,697</b>	<b>Cost Contributed</b>	<b>\$ 2,772,056</b>
2014	444,131	23.3%	2,440,125
2013	423,051	38.0%	2,164,794
		31.0%	

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

**Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2012 (the date of the most recent actuarial valuation) was as follows:

Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit Cost Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
\$ -	\$ 6,604,341	\$ 6,604,341	0.0%	\$ 12,480,000	52.9%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in the future, including assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing of benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Valuation date:	July 1, 2012
Actuarial cost method:	Projected Unit Credit
Amortization method:	Level Dollar
Remaining amortization period:	30 years, open
Asset valuation method:	Not applicable
Actuarial assumptions:	
Inflation Rate	2.0%
Discount Rate	3.5%
Healthcare cost trend rate	9% initial 5% final

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 11 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance. Neither the Town nor its insurers have settled any claims, which exceeded the Town's insurance coverage in any of the last three fiscal years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The Town provides dental coverage to employees of the Board of Education through a self-insured plan. The Town retains the risk of loss under the plan. Claims are processed by a third party administrator. The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2015. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

**NOTE 12 - CONTINGENCIES**

There are several lawsuits pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

**NOTE 13 - DEFERRED COMPENSATION PLAN**

The Town offers all employees who are eligible for benefits a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Town is not required to make contributions to this plan. In addition, the Town offers its full-time firefighters a separate deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under terms of the plan, the Town is required to contribute 6.0% of a participant's base wages in addition to accumulated sick time earned up to five days. Amounts contributed by the Town into this plan totaled \$13,333 for the year ended June 30, 2015. Deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. In addition, it is the opinion of the Town's legal counsel that the Town has no liability for losses under the plans. Therefore, the accounts of the deferred compensation plans are not reported in the basic financial statements of the Town.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2015**

---

**NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS**

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements and provides guidance for a) determining a fair value measurement for financial reporting purposes and b) applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2015. The Town does not expect this statement to have a material effect on its financial statements.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions that are provided to the employees of state and local governmental employers and are not within the scope of GASB Statement No. 68. The requirements of this statement that address accounting and financial reporting by employers and governmental non-employer contributing entities for pensions that are not within the scope of GASB Statement No. 68 are effective for the Town's reporting period beginning July 1, 2016, and the requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for the Town's reporting period beginning July 1, 2015. The requirements of this statement for pension plans that are within the scope of GASB Statement No. 67, or for pensions that are within the scope of GASB Statement No. 68, are effective for the Town's reporting period beginning July 1, 2015. The Town does not expect this statement to have a material effect on its financial statements.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*. This statement establishes new accounting and financial reporting requirements for OPEB plans included in the general purpose external financial reports of state and local governmental OPEB plans and replaces the requirements of GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town currently provides other post-employment benefits to certain eligible employees. The Town has not yet determined the impact that this statement will have on its financial statements.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town currently provides other post-employment benefits to certain eligible employees. The Town has not yet determined the impact that this statement will have on its financial statements.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement establishes the hierarchy of GAAP for state and local governments and supersedes GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2015. The Town does not expect this statement to have a material effect on its financial statements.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS - PENSION (Unaudited)**  
**TOWN PLAN**

	2015	2014
<b>Total pension liability</b>		
Service cost	\$ 169,099	\$ 162,595
Interest	190,542	171,627
Changes in assumptions	-	-
Benefit payments, including refunds	(47,364)	(52,004)
Net change in total pension liability	312,277	282,218
Total pension liability - beginning	2,785,628	2,503,410
Total pension liability - ending	3,097,905	2,785,628
<b>Plan net position</b>		
Contributions - employer	131,852	186,330
Contributions - members	69,948	79,388
Net investment income	187,253	377,680
Benefit payments, including refunds	(47,364)	(52,004)
Net change in plan net position	341,689	591,394
Plan net position - beginning	2,671,558	2,080,164
Plan net position - ending	3,013,247	2,671,558
<b>Town's net pension liability (asset)</b>	<b>\$ 84,658</b>	<b>\$ 114,070</b>
<b>Plan net pension as percentage of total pension liability</b>	97.3%	95.9%
<b>Covered employee payroll</b>	\$ 1,367,760	\$ 1,315,154
<b>Town net pension liability as a percentage of covered employee payroll</b>	6.2%	8.7%

**NOTES TO SCHEDULE:**

Benefit Changes: None

Assumption Changes: None

The Town began to report this schedule when it implemented GASB Statement No. 67 in fiscal year 2014.

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS - PENSION (Unaudited)**  
**BOARD OF EDUCATION PLAN**

	2015	2014
<b>Total pension liability</b>		
Service cost	\$ 188,446	\$ 183,963
Interest	285,926	284,622
Changes in assumptions	(41,393)	(165,334)
Benefit payments, including refunds	(205,772)	(179,476)
Net change in total pension liability	227,207	123,775
Total pension liability - beginning	4,867,471	4,743,696
Total pension liability - ending	5,094,678	4,867,471
 <b>Plan net position</b>		
Contributions - employer	246,409	256,031
Contributions - members	54,183	56,031
Net investment income	43,794	386,335
Benefit payments, including refunds	(205,772)	(179,476)
Administrative expenses	(47,697)	(12,516)
Other	208	-
Net change in plan net position	91,125	506,405
Plan net position - beginning	3,822,553	3,316,148
Plan net position - ending	3,913,678	3,822,553
 <b>Town's net pension liability (asset)</b>	<b>\$ 1,181,000</b>	<b>\$ 1,044,918</b>
 <b>Plan net pension as percentage of total pension liability</b>	 76.8%	 78.5%
 <b>Covered employee payroll</b>	 \$ 1,642,588	 \$ 1,558,932
 <b>Town net pension liability as a percentage of covered employee payroll</b>	 71.9%	 67.0%

**NOTES TO SCHEDULE:**

Benefit Changes: None

Assumption Changes: None

The Town began to report this schedule when it implemented GASB Statement No. 67 in fiscal year 2014.

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION ASSET AND RELATED RATIOS - PENSION (Unaudited)**  
**VOLUNTEER FIREFIGHTERS' PLAN**

	2015	2014
<b>Total pension liability</b>		
Service cost	\$ 6,048	\$ 6,092
Interest	18,928	18,377
Changes in assumptions	408	-
Benefit payments, including refunds	(13,996)	(17,836)
Net change in total pension liability	11,388	6,633
Total pension liability - beginning	292,046	285,413
Total pension liability - ending	303,434	292,046
<b>Plan net position</b>		
Contributions - employer	11,577	11,577
Contributions - members	-	-
Net investment income	13,442	72,286
Benefit payments, including refunds	(13,996)	(17,836)
Net change in plan net position	11,023	66,027
Plan net position - beginning	323,492	257,465
Plan net position - ending	334,515	323,492
<b>Town's net pension asset</b>	\$ (31,081)	\$ (31,446)
<b>Plan net pension as percentage of total pension liability</b>	110.2%	110.8%
<b>Covered employee payroll</b>	Not applicable	Not applicable
<b>Town net pension liability as a percentage of covered employee payroll</b>	Not applicable	Not applicable

**NOTES TO SCHEDULE:**

Benefit Changes: None

Assumption Changes: None

The Town began to report this schedule when it implemented GASB Statement No. 67 in fiscal year 2014.

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF TOWN CONTRIBUTIONS AND INVESTMENT RETURNS - PENSION (Unaudited)**  
**TOWN PLAN**

---

	2015	2014
Actuarially determined contribution	\$ 131,852	\$ 186,330
Contributions in relation to actuarially determined contribution	131,852	186,330
Excess (deficiency) of contribution	\$ -	\$ -
Covered payroll	\$ 1,367,760	\$ 1,315,154
Contributions as a percentage of covered employee payroll	9.64%	14.17%
Annual money-weighted rate of return, net of investment expense	6.73%	16.77%

**NOTES TO SCHEDULE:**

<b>Valuation Dates</b>	7/1/2013	7/1/2013
------------------------	----------	----------

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Aggregate Cost Method
Amortization method	Not applicable
Remaining amortization period	Not applicable
Asset valuation method	Market Value
Investment rate of return	6.5%
Salary increases	4.0%
Retirement age	65

The Town began to report the schedule of contributions and investment returns when it implemented GASB Statement No. 67 in fiscal year 2014.

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF TOWN CONTRIBUTIONS AND INVESTMENT RETURNS - PENSION (Unaudited)**  
**BOARD OF EDUCATION PLAN**

---

	2015	2014
Actuarially determined contribution	\$ 246,409	\$ 256,031
Contributions in relation to actuarially determined contribution	246,409	256,031
Excess (deficiency) of contribution	\$ -	\$ -
Covered payroll	\$ 1,642,588	\$ 1,558,932
Contributions as a percentage of covered employee payroll	15.00%	16.42%
Annual money-weighted rate of return, net of investment expense	1.16%	13.80%

**NOTES TO SCHEDULE:**

<b>Valuation Dates</b>	7/1/2014	7/1/2013
------------------------	----------	----------

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Aggregate Cost Method
Amortization method	Not applicable
Remaining amortization period	Not applicable
Asset valuation method	Market Value
Investment rate of return	6.0%
Salary increases	4.0%
Retirement age	65

The Town began to report the schedule of contributions and investment returns when it implemented GASB Statement No. 67 in fiscal year 2014.

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF TOWN CONTRIBUTIONS AND INVESTMENT RETURNS - PENSION (Unaudited)**  
**VOLUNTEER FIREFIGHTERS' PLAN**

---

	2015	2014
Actuarially determined contribution	\$ 11,577	\$ 11,577
Contributions in relation to actuarially determined contribution	11,577	11,577
Excess (deficiency) of contribution	\$ -	\$ -
Covered payroll	Not applicable	Not applicable
Contributions as a percentage of covered employee payroll	Not applicable	Not applicable
Annual money-weighted rate of return, net of investment expense	4.20%	28.48%

**NOTES TO SCHEDULE:**

<b>Valuation Dates</b>	7/1/2013	7/1/2013
------------------------	----------	----------

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Aggregate Cost Method
Amortization method	Not applicable
Remaining amortization period	Not applicable
Asset valuation method	Market Value
Investment rate of return	6.5%
Salary increases	Not applicable
Retirement age	65

The Town began to report the schedule of contributions and investment returns when it implemented GASB Statement No. 67 in fiscal year 2014.

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)**  
**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**  
**(Dollar amounts in thousands)**

---

	2015
Town's proportion of the net pension liability	0.27%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	27,284
Total	\$ 27,284
Town's covered payroll	\$ 10,469
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%

**Notes to Schedule:**

<b>Valuation Date</b>	6/30/2014
<b>Measurement Date</b>	6/30/2014
<b>Reporting Date</b>	6/30/2015

**Methods and assumptions used to**

**determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay, closed
Remaining amortization period	22.4 years
Asset valuation method	4 year smoothed market
Investment rate of return	8.50%
Salary increases	3.75% - 7.00%, including inflation
Inflation	3.00%

The Town began to report this schedule when it implemented GASB Statement No. 68 in fiscal year 2015.

**TOWN OF SOMERS, CONNECTICUT  
SCHEDULE OF FUNDING PROGRESS -  
OTHER POST-RETIREMENT BENEFIT PLAN (UNAUDITED)**

---

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
Town and Board of Education OPEB Plan						
July 1, 2014	\$ -	\$ 4,585,470	\$ 4,585,470	-	\$ 12,776,000	35.9%
July 1, 2012	-	6,604,341	6,604,341	-	12,480,000	52.9%
July 1, 2010	-	5,795,161	5,795,161	-	11,290,000	51.3%
July 1, 2008	-	9,324,241	9,324,241	-	12,766,882	73.0%

*See accompanying Independent Auditor's Report*

# **Combining and Individual Fund Statements and Schedules**

# ***Governmental Funds***

# ***General Fund***

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
<b>PROPERTY TAXES</b>				
Revenues from property taxes	\$ 19,506,789	\$ 19,506,789	\$ 19,802,130	\$ 295,341
Interest and lien fees	46,828	46,828	116,046	69,218
Total property taxes	<u>19,553,617</u>	<u>19,553,617</u>	<u>19,918,176</u>	<u>364,559</u>
<b>INTERGOVERNMENTAL</b>				
Education and transportation grants	6,035,264	6,035,264	6,116,677	81,413
Pequot Indian grant	1,584,929	1,584,929	1,699,850	114,921
Payment in lieu of tax, state property	1,418,069	1,418,069	1,499,575	81,506
School building grants	5,000	5,000	-	(5,000)
Property tax relief grants	80,950	80,950	70,467	(10,483)
Municipal project grant	77,426	77,426	-	(77,426)
Town aid road program	270,096	270,096	-	(270,096)
Local capital improvement grants	-	-	21,615	21,615
Police grants	35,000	35,000	72,439	37,439
Miscellaneous grants	19,200	19,200	2,444	(16,756)
Telephone tax	15,000	15,000	13,138	(1,862)
Total intergovernmental	<u>9,540,934</u>	<u>9,540,934</u>	<u>9,496,205</u>	<u>(44,729)</u>
<b>CHARGES FOR SERVICES</b>				
Building permit fees	86,192	86,192	105,856	19,664
Bulky waste fees	100,000	100,000	94,429	(5,571)
Cell tower rentals	70,000	70,000	90,333	20,333
Conveyance taxes	50,000	50,000	88,986	38,986
Town clerk fees	52,200	52,200	60,582	8,382
Transfer station permit fees	46,245	46,245	51,725	5,480
Recreation fees	35,000	35,000	27,841	(7,159)
Police service fees	25,000	25,000	56,694	31,694
Tuition	25,000	25,000	21,105	(3,895)
Summer camp fees	35,000	35,000	39,619	4,619
Other recycling	20,000	20,000	24,668	4,668
Property sales	2,000	2,000	6,400	4,400
Other revenue	4,850	4,850	83,690	78,840
Sanitarian fees	17,000	17,000	16,260	(740)
Brush and wood fees	7,500	7,500	7,762	262
Fire marshall fees	3,600	3,600	4,695	1,095
Zoning Commission fees	2,500	2,500	5,344	2,844
Metal recycling	7,500	7,500	-	(7,500)
Pistol permit fees	3,500	3,500	4,900	1,400
Camp program fees	5,000	5,000	6,336	1,336
Property rentals	3,000	3,000	3,651	651
Mini bus donations	3,885	3,885	2,924	(961)
Planning Commission fees	2,460	2,460	3,735	1,275
Generator rebate	3,000	3,000	2,503	(497)
Fire watch service fees	1,250	1,250	1,940	690
Other licenses and permit fees	1,200	1,200	353	(847)
Conservation Commission fees	1,000	1,000	2,045	1,045
Zoning Board of Appeals fees	1,000	1,000	900	(100)
Zoning permit fees	2,000	2,000	-	(2,000)
Total charges for services	<u>616,882</u>	<u>616,882</u>	<u>815,276</u>	<u>198,394</u>
<b>INVESTMENT EARNINGS</b>				
Total revenues	<u>12,500</u>	<u>12,500</u>	<u>14,512</u>	<u>2,012</u>
Total revenues	<u>29,723,933</u>	<u>29,723,933</u>	<u>30,244,169</u>	<u>520,236</u>
<b>OTHER FINANCING SOURCES</b>				
Prior year unliquidated encumbrances	-	-	56,286	56,286
Operating transfer in from the Ambulance Fund	175,000	175,000	175,000	-
Total other financing sources	<u>175,000</u>	<u>175,000</u>	<u>231,286</u>	<u>56,286</u>
Total revenues and other financing sources	<u>\$ 29,898,933</u>	<u>\$ 29,898,933</u>	<u>\$ 30,475,455</u>	<u>\$ 576,522</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>GENERAL GOVERNMENT</b>				
Board of Assessment Appeals	\$ 100	\$ 102	\$ 102	\$ -
Board of Finance	48,750	47,703	42,142	(5,561)
Assessor	91,767	94,215	94,215	-
Finance	208,675	213,776	198,942	(14,834)
Selectmen	499,828	445,392	442,107	(3,285)
Building Department	76,335	78,555	77,694	(861)
Conservation	16,372	16,370	16,162	(208)
Election	23,065	24,112	23,965	(147)
Employee Benefits	997,241	921,758	908,171	(13,587)
Information Technology	91,977	91,803	88,594	(3,209)
Land Use	117,257	117,523	116,421	(1,102)
Planning	1,400	3,708	3,232	(476)
Probate Court	7,000	7,000	7,000	-
Tax Collector	78,250	79,990	79,772	(218)
Town Clerk	100,979	103,286	99,482	(3,804)
Zoning Board of Appeals	1,825	2,491	2,346	(145)
Zoning	2,750	2,750	1,331	(1,419)
Total general government	<u>2,363,571</u>	<u>2,250,534</u>	<u>2,201,678</u>	<u>(48,856)</u>
<b>PUBLIC SAFETY</b>				
Fire Marshall	50,907	46,847	45,215	(1,632)
Fire Protection	593,081	602,394	602,223	(171)
Police Protection	731,330	655,353	622,395	(32,958)
Civil Preparedness	10,000	10,042	10,042	-
Total public safety	<u>1,385,318</u>	<u>1,314,636</u>	<u>1,279,875</u>	<u>(34,761)</u>
<b>PUBLIC WORKS</b>				
Town Facilities	495,084	515,641	515,641	-
Highway Department	685,160	807,574	807,574	-
Public Works	716,657	748,475	747,769	(706)
Park and Recreation Maintenance	54,400	54,400	51,132	(3,268)
Total public works	<u>1,951,301</u>	<u>2,126,090</u>	<u>2,122,116</u>	<u>(3,974)</u>
<b>SANITATION</b>				
Water Pollution Control Authority	74,251	76,386	75,108	(1,278)
Transfer Station	425,205	420,818	411,320	(9,498)
Total sanitation	<u>499,456</u>	<u>497,204</u>	<u>486,428</u>	<u>(10,776)</u>
<b>HEALTH AND SOCIAL SERVICES</b>				
Eldery Services	3,601	3,601	3,601	-
Ambulance	74,580	84,444	76,376	(8,068)
Human Services	110,623	112,620	108,650	(3,970)
Total health and social services	<u>188,804</u>	<u>200,665</u>	<u>188,627</u>	<u>(12,038)</u>
<b>LIBRARY</b>	<u>451,205</u>	<u>458,977</u>	<u>457,661</u>	<u>(1,316)</u>
<b>CULTURE AND RECREATION</b>				
Recreation Commission	7,400	7,400	2,350	(5,050)
Senior Services	32,575	32,569	22,191	(10,378)
Senior and Disabled Transportation	54,641	55,436	45,010	(10,426)
Community Services	500	500	203	(297)
Self-support Programs	82,500	82,499	78,099	(4,400)
Total culture and recreation	<u>177,616</u>	<u>178,404</u>	<u>147,853</u>	<u>(30,551)</u>
<b>MISCELLANEOUS</b>	<u>40,000</u>	<u>87,555</u>	<u>57,555</u>	<u>(30,000)</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>EDUCATION</b>				
Administrative salaries	\$ 1,272,402	\$ 1,272,402	\$ 1,283,074	\$ 10,672
Forms and printing	11,500	11,500	9,208	(2,292)
Postage	11,195	11,195	10,983	(212)
Board of education	113,150	113,150	97,245	(15,905)
Instructional dues	21,285	21,285	24,289	3,004
Instructional salaries	9,489,775	9,432,775	9,401,163	(31,612)
Other instructional salaries	438,824	472,824	468,793	(4,031)
Clerical/aides salaries	1,323,573	1,323,573	1,321,795	(1,778)
Textbooks	86,400	101,400	103,839	2,439
Library books and supplies	13,750	13,750	12,962	(788)
Audio visual materials	10,400	10,400	14,922	4,522
Systemwide general supplies	44,800	44,800	41,421	(3,379)
Departmental supplies	113,910	113,910	113,433	(477)
Workbooks and texts	44,940	44,940	38,244	(6,696)
Travel and conferences in-service	31,350	31,350	24,409	(6,941)
Office supplies	9,225	9,225	8,086	(1,139)
Medical Advisor salary	2,000	2,000	1,500	(500)
Nurses' salaries	163,681	171,681	198,398	26,717
Health supplies	7,000	7,000	7,158	158
Regular transportation	648,000	644,000	631,138	(12,862)
Special education transportation	272,480	276,480	280,182	3,702
Athletic/field trip transportation	30,680	30,680	32,256	1,576
Maintenance salaries	693,051	682,051	685,478	3,427
Fuel	219,200	230,200	249,969	19,769
Electricity	347,977	343,977	335,520	(8,457)
Telephone	25,400	29,400	35,596	6,196
Propane gas	9,000	9,000	2,921	(6,079)
Custodial supplies	45,000	45,000	45,248	248
General maintenance	366,571	432,571	468,278	35,707
Equipment replacement	2,800	2,800	2,800	-
Insurance/social security	3,503,074	3,437,074	3,407,172	(29,902)
Equipment rental	52,440	52,440	52,493	53
Coaches	152,481	152,481	147,991	(4,490)
Activity advisors	34,553	34,553	36,927	2,374
Athletic equipment and supplies	74,716	74,716	73,454	(1,262)
Capital outlay and equipment	193,570	193,570	199,444	5,874
Tuition - non special education	135,000	135,000	132,638	(2,362)
Tuition - vocational education	8,000	8,000	-	(8,000)
Tuition - special education	708,200	708,200	706,859	(1,341)
Adult education	12,900	12,900	12,695	(205)
Total education	<u>20,744,253</u>	<u>20,744,253</u>	<u>20,719,981</u>	<u>(24,272)</u>
<b>DEBT SERVICE</b>	<u>1,797,409</u>	<u>1,740,615</u>	<u>1,376,250</u>	<u>(364,365)</u>
<b>TOTAL EXPENDITURES</b>	<u>29,598,933</u>	<u>29,598,933</u>	<u>29,038,024</u>	<u>(560,909)</u>
<b>OTHER FINANCING USES</b>				
Operating transfers out:				
Capital Project Fund	300,000	300,000	300,000	-
Cemetery Fund	-	-	50,000	50,000
Total other financing uses	<u>300,000</u>	<u>300,000</u>	<u>350,000</u>	<u>50,000</u>
Total expenditures and other financing uses	<u>\$ 29,898,933</u>	<u>\$ 29,898,933</u>	<u>\$ 29,388,024</u>	<u>\$ (510,909)</u>

See accompanying Independent Auditor's Report.

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Grand List Year	Balance Uncollected July 1, 2014	Current Levy	Lawful Corrections		Transfers to Suspense	Balance To Be Collected	Collections				Balance Uncollected June 30, 2015
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2013	\$ -	\$19,620,357	\$ 20,711	\$ 55,739	\$ (737)	\$ 19,584,592	\$ 19,353,138	\$ 53,225	\$ 1,488	\$ 19,407,851	\$ 231,454
2012	252,169	-	435	5,242	-	247,362	155,963	30,689	1,889	188,541	91,399
2011	81,439	-	106	2,253	(20,802)	58,490	53,613	15,151	453	69,217	4,877
2010	41,443	-	-	653	(13,683)	27,107	23,517	11,883	81	35,481	3,590
2009	14,965	-	2	442	(9,308)	5,217	5,224	692	27	5,943	(7)
2008	9,653	-	232	396	(8,726)	763	765	29	-	794	(2)
2007	10,311	-	4	162	(10,208)	(55)	71	247	-	318	(126)
2006	13,243	-	-	234	(13,115)	(106)	61	60	-	121	(167)
2005	11,129	-	12	2	(11,137)	2	-	-	-	-	2
2004	11,266	-	4	2	(11,394)	(126)	(3)	-	-	(3)	(123)
2003	10,930	-	2	-	(14,738)	(3,806)	(267)	-	-	(267)	(3,539)
2002	(1,012)	-	-	-	(915)	(1,927)	-	-	-	-	(1,927)
2001	(435)	-	-	-	(246)	(681)	-	-	-	-	(681)
2000	(348)	-	-	-	-	(348)	-	-	-	-	(348)
1999 and prior	490	-	-	-	(283)	207	(37)	-	-	(37)	244
	<u>\$ 455,243</u>	<u>\$ 19,620,357</u>	<u>\$ 21,508</u>	<u>\$ 65,125</u>	<u>\$ (115,292)</u>	<u>\$ 19,916,691</u>	<u>\$ 19,592,045</u>	<u>\$ 111,976</u>	<u>\$ 3,938</u>	<u>\$ 19,707,959</u>	<u>\$ 324,646</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF SOMERS, CONNECTICUT  
SCHEDULE OF DEBT LIMITATION  
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)  
FOR THE YEAR ENDED JUNE 30, 2015**

Total cash collections for the year ended  
June 30, 2015:

Taxes	\$ 19,592,045
Interest and lien fees	115,914
	<u>19,707,959</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	72,425
--------------------------	--------

Base

\$ 19,780,384

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 44,505,864	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	89,011,728	-	-	-
3-3/4 times base	-	-	74,176,440	-	-
3-1/4 times base	-	-	-	64,286,248	-
3 times base	-	-	-	-	59,341,152
Total debt limitation	<u>44,505,864</u>	<u>89,011,728</u>	<u>74,176,440</u>	<u>64,286,248</u>	<u>59,341,152</u>
Indebtedness:					
Bonds payable	5,370,019	10,044,981	-	-	-
Authorized, but unissued	1,000	-	-	-	-
Less: grants to be provided by State	-	-	-	-	-
Total indebtedness	<u>5,371,019</u>	<u>10,044,981</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 39,134,845</u>	<u>\$ 78,966,747</u>	<u>\$ 74,176,440</u>	<u>\$ 64,286,248</u>	<u>\$ 59,341,152</u>
Total capacity of borrowing (7 times base)	\$ 138,462,688				
Total present indebtedness	<u>15,416,000</u>				
Margin for additional borrowing	<u>\$ 123,046,688</u>				

*See accompanying Independent Auditor's Report.*

# ***Combining Statements***

---

## PERMANENT FUND

---

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs, that is, for the benefit of the Town or its citizenry. The nonmajor permanent fund is the following:

**Library Trust Fund** - To account for the activity related to a restricted endowment the income from which may be expended for the Town's library operations.

**TOWN OF SOMERS, CONNECTICUT**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2015**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Fund - Library Trust Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,383,241	\$ 83,584	\$ 93,215	\$ 1,560,040
Investments	682,628	-	570,524	1,253,152
Receivables:				
Assessments and user charges	98,196	-	-	98,196
Grants and contracts	12,230	-	-	12,230
Other	68,684	-	-	68,684
Due from other funds	108,731	-	-	108,731
Total assets	<u>\$ 2,353,710</u>	<u>\$ 83,584</u>	<u>\$ 663,739</u>	<u>\$ 3,101,033</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 116,483	\$ -	\$ -	\$ 116,483
Due to other funds	265,773	-	-	265,773
Unearned revenue	148,499	-	-	148,499
Advances from other fund	30,486	132,912	-	163,398
Total liabilities	<u>561,241</u>	<u>132,912</u>	<u>-</u>	<u>694,153</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	166,832	-	-	166,832
<b>FUND BALANCES</b>				
Nonspendable	-	-	75,000	75,000
Restricted for other purposes	-	-	588,739	588,739
Committed for:				
Capital purposes	-	83,584	-	83,584
Other purposes	1,625,637	-	-	1,625,637
Unassigned	-	(132,912)	-	(132,912)
Total fund balances	<u>1,625,637</u>	<u>(49,328)</u>	<u>663,739</u>	<u>2,240,048</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,353,710</u>	<u>\$ 83,584</u>	<u>\$ 663,739</u>	<u>\$ 3,101,033</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF SOMERS, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Fund - Library Trust Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>				
Intergovernmental	\$ 843,101	\$ -	\$ -	\$ 843,101
Charges for services	828,954	27,641	-	856,595
Investment income (loss)	(6,798)	35	34,349	27,586
Miscellaneous	8,213	-	-	8,213
Total revenues	<u>1,673,470</u>	<u>27,676</u>	<u>34,349</u>	<u>1,735,495</u>
<b>EXPENDITURES</b>				
Current:				
General government	15,065	-	-	15,065
Public safety	65,182	-	-	65,182
Public works	267,000	-	-	267,000
Sanitation	84,571	-	-	84,571
Health and social services	117,833	-	-	117,833
Library	15,398	-	3,100	18,498
Culture and recreation	22,445	-	-	22,445
Education	938,387	-	-	938,387
Total expenditures	<u>1,525,881</u>	<u>-</u>	<u>3,100</u>	<u>1,528,981</u>
Excess (deficiency) of revenues over expenditures	147,589	27,676	31,249	206,514
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000	-	-	50,000
Transfers out	(175,000)	-	-	(175,000)
Total other financing sources (uses)	<u>(125,000)</u>	<u>-</u>	<u>-</u>	<u>(125,000)</u>
Net change in fund balances	22,589	27,676	31,249	81,514
Fund balances - beginning	<u>1,603,048</u>	<u>(77,004)</u>	<u>632,490</u>	<u>2,158,534</u>
Fund balances - ending	<u>\$ 1,625,637</u>	<u>\$ (49,328)</u>	<u>\$ 663,739</u>	<u>\$ 2,240,048</u>

*See accompanying Independent Auditor's Report.*

---

## SPECIAL REVENUE FUNDS

---

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted or committed by the Town for specified purposes. Nonmajor special revenue funds include the following:

**Road Maintenance Fund** - To account for grant revenue that is restricted for road improvements.

**Educational Grants Fund** - To account for grant revenue that is restricted for educational expenditures.

**School Lunch Fund** - To account for revenues that have been committed by the Town to fund the operations of the school lunch program.

**Emergency Fund** - To account for donations and contributions made for individuals in immediate need of financial assistance.

**Dog Fund** - To account for revenues that have been committed by the Town to fund the operations of the animal control department.

**Meals on Wheels Fund** - To account for revenues that have been committed by the Town to fund expenditures related to the delivery of meals to eligible elderly citizens in the Town.

**Economic Development Fund** - To account for revenues that have been committed by the Town to fund expenditures of the Economic Development Committee.

**Water Fund** - To account for operations of the Town's water system.

**Ambulance Fund** - To account for revenues that have been committed by the Town to fund the operations of the Town's ambulance services.

**Cultural Commission Fund** - To account for revenues that have been committed by the Town to fund expenditures of cultural events.

**Cemetery Working Fund** - To account for revenues that have been committed by the Town to fund the operations of all Town cemeteries.

**Library Fund** - To account for donations and contributions to be used for the purchase of books and other library materials.

**Historic & Land Preservation Fund** - To account for grant revenue that is restricted for the maintenance and restoration of historic documents held by the Town Clerk.

**Sewer Fund** - To account for operations of the Town's sewer system.

**Flag Fund** - To account for donations and contributions to be used for the purchase of flags.

**TOWN OF SOMERS, CONNECTICUT  
COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2015**

	<b>Road Maintenance Fund</b>	<b>Educational Grants Fund</b>	<b>School Lunch Fund</b>	<b>Emergency Fund</b>	<b>Dog Fund</b>	<b>Meals on Wheels Fund</b>	<b>Economic Development Fund</b>	<b>Water Fund</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 92,167	\$ 139,311	\$ 56,549	\$ 10,985	\$ -	\$ 20,518	\$ 10,829	\$ 6,227
Investments	-	-	-	-	-	-	-	-
Receivables:								
Assessments and user charges	-	-	-	-	-	-	-	54,600
Grants and contracts	-	10,123	2,107	-	-	-	-	-
Other	-	-	-	-	-	-	-	48
Due from other funds	-	-	-	-	13,503	-	-	29,634
Total assets	<u>\$ 92,167</u>	<u>\$ 149,434</u>	<u>\$ 58,656</u>	<u>\$ 10,985</u>	<u>\$ 13,503</u>	<u>\$ 20,518</u>	<u>\$ 10,829</u>	<u>\$ 90,509</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 80,481	\$ 4,104	\$ -	\$ 6,950	\$ 801	\$ -	\$ -
Due to other funds	12,302	-	-	862	-	6,076	-	-
Unearned revenue	79,546	68,953	-	-	-	-	-	-
Advances from other fund	-	-	-	-	-	-	-	13,086
Total liabilities	<u>91,848</u>	<u>149,434</u>	<u>4,104</u>	<u>862</u>	<u>6,950</u>	<u>6,877</u>	<u>-</u>	<u>13,086</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues	-	-	-	-	-	-	-	54,600
<b>FUND BALANCES</b>								
Committed for other purposes	319	-	54,552	10,123	6,553	13,641	10,829	22,823
Total fund balances	<u>319</u>	<u>-</u>	<u>54,552</u>	<u>10,123</u>	<u>6,553</u>	<u>13,641</u>	<u>10,829</u>	<u>22,823</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 92,167</u>	<u>\$ 149,434</u>	<u>\$ 58,656</u>	<u>\$ 10,985</u>	<u>\$ 13,503</u>	<u>\$ 20,518</u>	<u>\$ 10,829</u>	<u>\$ 90,509</u>

See accompanying Independent Auditor's Report.

**TOWN OF SOMERS, CONNECTICUT**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**JUNE 30, 2015**

	Ambulance Fund	Cultural Commission Fund	Cemetery Working Fund	Library Fund	Historic & Land Preservation Fund	Sewer Fund	Flag Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 316,977	\$ 15,289	\$ 121,766	\$ 6,499	\$ 18,179	\$ 567,945	\$ -	\$ 1,383,241
Investments	-	-	682,628	-	-	-	-	682,628
Receivables:								
Assessments and user charges	-	-	-	-	-	43,596	-	98,196
Grants and contracts	-	-	-	-	-	-	-	12,230
Other	68,636	-	-	-	-	-	-	68,684
Due from other funds	-	-	-	-	65,539	-	55	108,731
Total assets	<u>\$ 385,613</u>	<u>\$ 15,289</u>	<u>\$ 804,394</u>	<u>\$ 6,499</u>	<u>\$ 83,718</u>	<u>\$ 611,541</u>	<u>\$ 55</u>	<u>\$ 2,353,710</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 6,927	\$ -	\$ 4,265	\$ -	\$ 8,608	\$ 4,347	\$ -	\$ 116,483
Due to other funds	-	-	89,691	-	-	156,842	-	265,773
Unearned revenue	-	-	-	-	-	-	-	148,499
Advances from other fund	-	-	-	-	-	17,400	-	30,486
Total liabilities	<u>6,927</u>	<u>-</u>	<u>93,956</u>	<u>-</u>	<u>8,608</u>	<u>178,589</u>	<u>-</u>	<u>561,241</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues	<u>68,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,596</u>	<u>-</u>	<u>166,832</u>
<b>FUND BALANCES</b>								
Committed for other purposes	<u>310,050</u>	<u>15,289</u>	<u>710,438</u>	<u>6,499</u>	<u>75,110</u>	<u>389,356</u>	<u>55</u>	<u>1,625,637</u>
Total fund balances	<u>310,050</u>	<u>15,289</u>	<u>710,438</u>	<u>6,499</u>	<u>75,110</u>	<u>389,356</u>	<u>55</u>	<u>1,625,637</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 385,613</u>	<u>\$ 15,289</u>	<u>\$ 804,394</u>	<u>\$ 6,499</u>	<u>\$ 83,718</u>	<u>\$ 611,541</u>	<u>\$ 55</u>	<u>\$ 2,353,710</u>

See accompanying Independent Auditor's Report.

**TOWN OF SOMERS, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	Road Maintenance Fund	Educational Grants Fund	School Lunch Fund	Emergency Fund	Dog Fund	Meals on Wheels Fund	Economic Development Fund	Water Fund
<b>REVENUES</b>								
Intergovernmental	\$ 267,000	\$ 555,849	\$ 11,668	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	351,585	3,158	11,413	8,211	13,425	13,000
Investment income (loss)	139	-	-	11	-	-	10	124
Miscellaneous	-	-	-	-	-	1,558	-	-
Total revenues	<u>267,139</u>	<u>555,849</u>	<u>363,253</u>	<u>3,169</u>	<u>11,413</u>	<u>9,769</u>	<u>13,435</u>	<u>13,124</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	15,065	-
Public safety	-	-	-	6,166	6,921	-	-	-
Public works	267,000	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	34
Health and social services	-	-	-	-	-	11,491	-	-
Library	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Education	-	555,849	382,538	-	-	-	-	-
Total expenditures	<u>267,000</u>	<u>555,849</u>	<u>382,538</u>	<u>6,166</u>	<u>6,921</u>	<u>11,491</u>	<u>15,065</u>	<u>34</u>
Excess (deficiency) of revenues over expenditures	139	-	(19,285)	(2,997)	4,492	(1,722)	(1,630)	13,090
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	139	-	(19,285)	(2,997)	4,492	(1,722)	(1,630)	13,090
Fund balances - beginning	<u>180</u>	<u>-</u>	<u>73,837</u>	<u>13,120</u>	<u>2,061</u>	<u>15,363</u>	<u>12,459</u>	<u>9,733</u>
Fund balances - ending	<u>\$ 319</u>	<u>\$ -</u>	<u>\$ 54,552</u>	<u>\$ 10,123</u>	<u>\$ 6,553</u>	<u>\$ 13,641</u>	<u>\$ 10,829</u>	<u>\$ 22,823</u>

See accompanying Independent Auditor's Report.

**TOWN OF SOMERS, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2015**

	Ambulance Fund	Cultural Commission Fund	Cemetery Working Fund	Library Fund	Historic & Land Preservation Fund	Sewer Fund	Flag Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,584	\$ 5,000	\$ -	\$ -	\$ 843,101
Charges for services	242,752	13,901	65,924	7,897	8,328	89,360	-	828,954
Investment income (loss)	301	6	(7,939)	-	27	523	-	(6,798)
Miscellaneous	-	-	-	6,600	-	-	55	8,213
Total revenues	<u>243,053</u>	<u>13,907</u>	<u>57,985</u>	<u>18,081</u>	<u>13,355</u>	<u>89,883</u>	<u>55</u>	<u>1,673,470</u>
<b>EXPENDITURES</b>								
Current:								
Government	-	-	-	-	-	-	-	15,065
Public safety	52,095	-	-	-	-	-	-	65,182
Public works	-	-	-	-	-	-	-	267,000
Sanitation	-	-	-	-	-	84,537	-	84,571
Health and social services	-	-	106,342	-	-	-	-	117,833
Library	-	-	-	15,398	-	-	-	15,398
Culture and recreation	-	9,331	-	-	13,114	-	-	22,445
Education	-	-	-	-	-	-	-	938,387
Total expenditures	<u>52,095</u>	<u>9,331</u>	<u>106,342</u>	<u>15,398</u>	<u>13,114</u>	<u>84,537</u>	<u>-</u>	<u>1,525,881</u>
Excess (deficiency) of revenues over expenditures	190,958	4,576	(48,357)	2,683	241	5,346	55	147,589
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	50,000	-	-	-	-	50,000
Transfers out	(175,000)	-	-	-	-	-	-	(175,000)
Total other financing sources (uses)	<u>(175,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,000)</u>
Net change in fund balances	15,958	4,576	1,643	2,683	241	5,346	55	22,589
Fund balances - beginning	<u>294,092</u>	<u>10,713</u>	<u>708,795</u>	<u>3,816</u>	<u>74,869</u>	<u>384,010</u>	<u>-</u>	<u>1,603,048</u>
Fund balances - ending	<u>\$ 310,050</u>	<u>\$ 15,289</u>	<u>\$ 710,438</u>	<u>\$ 6,499</u>	<u>\$ 75,110</u>	<u>\$ 389,356</u>	<u>\$ 55</u>	<u>\$ 1,625,637</u>

See accompanying Independent Auditor's Report.

---

## CAPITAL PROJECTS FUNDS

---

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure projects, other than those financed by proprietary funds. Nonmajor capital projects funds consist of the following:

**School Construction Fund** - To account for revenues and expenditures associated with the construction of the Town's educational facilities.

**Municipal Open Space Fund** - To account for the revenues and expenditures associated with the purchase and preservation of open space land in the Town.

**TOWN OF SOMERS, CONNECTICUT  
COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2015**

	<b>School Construction Fund</b>	<b>Municipal Open Space Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 83,584	\$ 83,584
Total assets	<u>\$ -</u>	<u>\$ 83,584</u>	<u>\$ 83,584</u>
<b>LIABILITIES</b>			
Advances from other fund	\$ 132,912	\$ -	\$ 132,912
Total liabilities	<u>132,912</u>	<u>-</u>	<u>132,912</u>
<b>FUND BALANCES</b>			
Committed for capital purposes	-	83,584	83,584
Unassigned	(132,912)	-	(132,912)
Total fund balances (deficit)	<u>(132,912)</u>	<u>83,584</u>	<u>(49,328)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 83,584</u>	<u>\$ 83,584</u>

**TOWN OF SOMERS, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICIT) -  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015**

	<u>School Construction Fund</u>	<u>Municipal Open Space Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>REVENUES</b>			
Charges for services	\$ -	\$ 27,641	\$ 27,641
Investment income	-	35	35
Total revenues	<u>-</u>	<u>27,676</u>	<u>27,676</u>
<b>EXPENDITURES</b>			
Capital outlays	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	27,676	27,676
Fund balances (deficit) - beginning	<u>(132,912)</u>	<u>55,908</u>	<u>(77,004)</u>
Fund balances (deficit) - ending	<u>\$ (132,912)</u>	<u>\$ 83,584</u>	<u>\$ (49,328)</u>

*See accompanying Independent Auditor's Report.*

***Fiduciary  
Funds***

---

## PENSION TRUST FUNDS AND AGENCY FUNDS

---

### PENSION TRUST FUNDS

Pension trust funds are used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. Pension trust funds include the Town Employees' Plan, the Board of Education Employees' Plan, and the Volunteer Firefighters' Incentive Plan.

### AGENCY FUNDS

Agency funds are used to report resources held by the Town in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds include the following:

**Student Activities Funds** - To account for monies generated by student activities in the Town's school system.

**Bond Deposit Fund** - To account for monies received to ensure that driveways and lawns are installed to correct specifications for new home construction.

**TOWN OF SOMERS, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION -**  
**PENSION TRUST FUNDS**  
**JUNE 30, 2015**

	<b>Town Employees' Plan</b>	<b>Board of Education Employees' Plan</b>	<b>Volunteer Firefighters' Incentive Plan</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 121,373	\$ 19,567	\$ 10,238	\$ 151,178
Investments:				
Fixed income securities	211,595	1,273,152	-	1,484,747
Certificate of deposit	275,022	260,096	-	535,118
Mutual funds	16,027	1,241,899	324,208	1,582,134
Common stock	2,289,268	1,118,963	-	3,408,231
Total assets	<u>2,913,285</u>	<u>3,913,677</u>	<u>334,446</u>	<u>7,161,408</u>
<b>LIABILITIES</b>				
Accounts payable	<u>5,278</u>	<u>-</u>	<u>1,551</u>	<u>6,829</u>
Total liabilities	<u>5,278</u>	<u>-</u>	<u>1,551</u>	<u>6,829</u>
<b>NET POSITION</b>				
Held in trust for pension benefits	<u>\$ 2,908,007</u>	<u>\$ 3,913,677</u>	<u>\$ 332,895</u>	<u>\$ 7,154,579</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF SOMERS, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Town Employees' Plan</b>	<b>Board of Education Employees' Plan</b>	<b>Volunteer Firefighters' Incentive Plan</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 131,852	\$ 246,409	\$ 11,577	\$ 389,838
Plan members	69,948	54,183	-	124,131
Total contributions	<u>201,800</u>	<u>300,592</u>	<u>11,577</u>	<u>513,969</u>
Investment earnings:				
Interest and dividends	64,382	159,674	7,406	231,462
Net change in the fair value of investments, net of investment fees	21,049	(196,684)	6,026	(169,609)
Total investment earnings, net	<u>85,431</u>	<u>(37,010)</u>	<u>13,432</u>	<u>61,853</u>
Total additions	<u>287,231</u>	<u>263,582</u>	<u>25,009</u>	<u>575,822</u>
<b>DEDUCTIONS</b>				
Benefit payments	47,399	205,769	15,299	268,467
Administrative expenses	3,383	6,898	307	10,588
Total deductions	<u>50,782</u>	<u>212,667</u>	<u>15,606</u>	<u>279,055</u>
Change in net position	236,449	50,915	9,403	296,767
Net Position Held in Trust for				
Pension Benefits:				
Beginning	<u>2,671,558</u>	<u>3,862,762</u>	<u>323,492</u>	<u>6,857,812</u>
Ending	<u>\$ 2,908,007</u>	<u>\$ 3,913,677</u>	<u>\$ 332,895</u>	<u>\$ 7,154,579</u>

*See accompanying Independent Auditor's Report.*

**TOWN OF SOMERS, CONNECTICUT  
 COMBINING STATEMENT OF FIDUCIARY  
 ASSETS AND LIABILITIES - AGENCY FUNDS  
 JUNE 30, 2015**

---

	<b>Student Activities Funds</b>	<b>Bond Deposit Fund</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 217,119	\$ 36,932	\$ 254,051
Total assets	\$ 217,119	\$ 36,932	\$ 254,051
<b>LIABILITIES</b>			
Due to others	\$ 217,119	\$ 36,932	\$ 254,051
Total liabilities	\$ 217,119	\$ 36,932	\$ 254,051

*See accompanying Independent Auditor's Report.*

**TOWN OF SOMERS, CONNECTICUT  
COMBINING STATEMENT OF CHANGES IN  
FIDUCIARY ASSETS AND LIABILITIES -  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance, July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2015</u>
<b>Student Activities Funds</b>				
Assets				
Cash and cash equivalents	\$ 200,783	\$ 809,285	\$ 792,949	\$ 217,119
Liabilities				
Due to others	\$ 200,783	\$ 809,285	\$ 792,949	\$ 217,119
<b>Bond Deposit Fund</b>				
Assets				
Cash and cash equivalents	\$ 34,432	\$ 2,500	\$ -	\$ 36,932
Liabilities				
Due to others	\$ 34,432	\$ 2,500	\$ -	\$ 36,932
<b>Total All Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 235,215	\$ 811,785	\$ 792,949	\$ 254,051
Liabilities				
Due to others	\$ 235,215	\$ 811,785	\$ 792,949	\$ 254,051

*See accompanying Independent Auditor's Report.*

# **STATISTICAL SECTION**

---

## STATISTICAL SECTION

---

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

<b>CONTENTS</b>	<b><u>Page</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	85
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property taxes.	91
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	94
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	97
<b>Operating Information</b>	
These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.	99

**Sources:** Unless otherwise noted, the information in the accompanying tables is derived from the comprehensive annual financial reports for the relevant year.

Table 1

**TOWN OF SOMERS, CONNECTICUT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting - Unaudited)**

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental activities					
Net investment in capital assets	\$ 34,091,150	\$ 35,304,308	\$ 36,774,384	\$ 38,094,992	\$ 39,619,014
Restricted	278,884	316,030	298,815	345,544	375,142
Unrestricted	5,663,831	7,664,624	7,953,501	7,095,822	6,224,532
Total governmental activities net position	<u>\$ 40,033,865</u>	<u>\$ 43,284,962</u>	<u>\$ 45,026,700</u>	<u>\$ 45,536,358</u>	<u>\$ 46,218,688</u>
	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	\$ 38,972,295	\$ 39,544,160	\$ 39,917,453	\$ 41,657,339	\$ 42,583,307
Restricted	467,790	685,697	552,290	632,490	663,739
Unrestricted	4,497,207	4,406,532	5,666,268	6,129,427	5,400,289 *
Total governmental activities net position	<u>\$ 43,937,292</u>	<u>\$ 44,636,389</u>	<u>\$ 46,136,011</u>	<u>\$ 48,419,256</u>	<u>\$ 48,647,335</u>

\* The Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*. The implementation of GASB No. 68 resulted in a cumulative effect adjustment on unrestricted net position in the amount of \$(1,055,455).

**TOWN OF SOMERS, CONNECTICUT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting - Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,441,569	\$ 2,647,209	\$ 2,850,726	\$ 3,355,461	\$ 2,400,957	\$ 2,671,986	\$ 1,847,141	\$ 2,157,177	\$ 2,325,664	\$ 2,331,088
Public safety	1,153,585	1,265,878	1,477,575	1,511,369	1,572,666	1,710,710	1,737,616	1,780,489	1,798,758	1,533,228
Public works	981,652	1,317,306	1,797,973	1,512,162	1,465,614	1,647,722	3,593,895	2,225,255	2,545,433	3,052,927
Sanitation (1)	913,546	903,235	855,350	941,549	793,200	829,323	815,396	713,943	716,871	575,329
Health and social services	114,724	111,926	123,753	79,031	311,741	175,649	159,253	144,374	170,823	324,383
Library	383,706	401,716	398,753	459,413	596,090	497,825	485,491	482,812	476,667	596,012
Culture and recreation	113,382	118,581	155,661	191,635	450,294	173,635	234,757	264,883	288,716	172,374
Education	19,537,153	20,560,330	27,443,607	23,493,123	23,336,796	23,864,113	24,187,619	24,225,731	25,147,599	25,355,643
Interest expense	948,729	887,476	985,345	866,922	760,415	679,951	600,495	605,379	405,209	474,218
Total governmental activities expenses	27,588,046	28,213,657	36,088,743	32,410,665	31,687,773	32,250,914	33,661,663	32,600,043	33,875,740	34,415,202
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	515,371	592,586	875,576	461,600	427,882	480,114	469,503	926,179	576,834	\$ 647,983
Public safety	177,044	270,742	253,105	260,037	316,922	263,266	292,985	282,149	307,782	345,569
Sanitation (1)	579,378	526,047	346,233	620,878	408,709	349,593	311,334	181,864	133,313	105,876
Health and social services	-	-	-	-	65,203	79,088	74,751	63,045	58,282	77,059
Library	-	-	-	-	-	-	-	16,873	9,411	7,897
Culture and recreation	98,666	81,799	106,933	65,084	184,493	136,993	148,914	123,409	93,661	96,025
Education	579,755	470,413	475,982	478,530	449,219	444,099	438,616	397,739	395,133	372,690
Operating grants and contributions	7,045,047	7,305,431	14,756,945	9,191,247	9,183,208	9,458,832	10,797,450	9,546,817	10,288,334	9,678,492
Capital grants and contributions	3,487,629	2,348,475	660,135	1,018,766	1,376,142	794,874	736,754	134,708	1,573,883	1,473,996
Total governmental activities program revenues	12,482,890	11,595,493	17,474,909	12,096,142	12,411,778	12,006,859	13,270,307	11,672,783	13,436,633	12,805,587
<b>Net (Expense)/Revenue</b>										
Governmental activities	(15,105,156)	(16,618,164)	(18,613,834)	(20,314,523)	(19,275,995)	(20,244,055)	(20,391,356)	(20,927,260)	(20,439,107)	(21,609,615)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes, levied for general purposes	14,696,138	15,488,458	16,021,551	16,648,953	17,000,499	17,172,881	18,015,130	19,129,203	19,488,998	19,562,114
Grants and contributions not restricted to specific programs	3,356,909	3,780,097	3,900,091	4,117,089	2,857,667	2,799,849	2,990,206	3,193,542	3,049,172	3,285,474
Unrestricted investment earnings	401,087	600,706	433,930	58,139	100,159	205,679	85,117	124,247	184,182	45,561
Miscellaneous	82,033	-	-	-	-	-	-	-	-	-
Total governmental activities	18,536,167	19,869,261	20,355,572	20,824,181	19,958,325	20,178,409	21,090,453	22,446,992	22,722,352	22,893,149
<b>Special items - loss on sale of capital assets</b>	-	-	-	-	-	2,215,750	-	-	-	-
<b>Change in Net Position</b>										
Governmental activities	\$ 3,431,011	\$ 3,251,097	\$ 1,741,738	\$ 509,658	\$ 682,330	\$ (2,281,396)	\$ 699,097	\$ 1,519,732	\$ 2,283,245	\$ 1,283,534

(1) Sanitation includes recycling/transfer station and water/sewer sanitation.

Table 3

**TOWN OF SOMERS, CONNECTICUT**  
**PROGRAM REVENUES BY FUNCTION / PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting - Unaudited)**

Function/Program	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental activities:					
General government	\$ 898,930	\$ 848,865	\$ 1,483,196	\$ 1,330,462	\$ 429,478
Public safety	396,797	293,221	453,624	408,559	335,999
Public works	135,281	278,406	118,329	107,462	975,690
Sanitation	579,378	526,047	346,233	620,878	408,709
Health and social services	22,303	5,335	6,559	5,335	227,570
Library	18,956	21,747	24,975	252,980	382,459
Culture and recreation	98,666	81,799	109,238	65,084	338,773
Education	10,332,579	9,540,073	14,932,755	9,305,382	9,313,100
Total governmental activities	<u>\$ 12,482,890</u>	<u>\$ 11,595,493</u>	<u>\$ 17,474,909</u>	<u>\$ 12,096,142</u>	<u>\$ 12,411,778</u>
Function/Program	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities:					
General government	\$ 626,782	\$ 486,206	\$ 934,326	\$ 576,834	\$ 647,983
Public safety	365,841	310,172	316,560	479,391	418,008
Public works	514,350	1,929,980	410,069	1,459,630	1,972,328
Sanitation	561,770	345,901	181,864	141,088	105,876
Health and social services	79,088	77,641	63,045	75,447	78,617
Library	86,966	77,083	20,185	21,484	18,081
Culture and recreation	293,610	131,671	123,409	543,661	101,025
Education	9,478,452	9,911,653	9,623,325	10,139,098	9,463,669
Total governmental activities	<u>\$ 12,411,778</u>	<u>\$ 13,270,307</u>	<u>\$ 11,672,783</u>	<u>\$ 13,436,633</u>	<u>\$ 12,805,587</u>

Table 4

**TOWN OF SOMERS, CONNECTICUT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting - Unaudited)**

	Fiscal Year			Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ 329,886	\$ 329,886	\$ 416,886	\$ 549,764	\$ 421,071	\$ 401,863	\$ 93,474	\$ 74,786	\$ 185,098	\$ 163,398
Unassigned	3,282,190	3,236,028	4,011,387	-	-	-	194,587	-	-	-
Total general fund	<u>\$ 3,612,076</u>	<u>\$ 3,565,914</u>	<u>\$ 4,428,273</u>	<u>\$ 5,373,042</u>	<u>\$ 5,367,907</u>	<u>\$ 4,497,360</u>	<u>\$ 5,114,749</u>	<u>\$ 6,100,866</u>	<u>\$ 6,816,289</u>	<u>\$ 7,771,893</u>
All Other Governmental Funds										
Nonspendable	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Restricted	242,052	203,884	289,162	-	-	-	-	-	-	-
Committed	2,402,839	1,897,645	2,229,468	-	780,737	780,737	840,737	900,737	846,845	814,624
Unassigned	(252,444)	(1,846,852)	(517,590)	-	-	-	179,364	246,729	160,167	611,645
Total all other governmental funds	<u>\$ 2,467,447</u>	<u>\$ 329,677</u>	<u>\$ 2,076,040</u>	<u>\$ 4,823,278</u>	<u>\$ 4,166,099</u>	<u>\$ 3,314,760</u>	<u>\$ 3,806,587</u>	<u>\$ 4,878,614</u>	<u>\$ 5,624,179</u>	<u>\$ 6,182,226</u>
General Fund										
Nonspendable				\$ 549,764	\$ 421,071	\$ 401,863	\$ 93,474	\$ 74,786	\$ 185,098	\$ 163,398
Restricted				-	-	-	194,587	-	-	-
Committed				-	780,737	780,737	840,737	900,737	846,845	814,624
Assigned				-	-	-	179,364	246,729	160,167	611,645
Unassigned				4,823,278	4,166,099	3,314,760	3,806,587	4,878,614	5,624,179	6,182,226
Total general fund				<u>\$ 5,373,042</u>	<u>\$ 5,367,907</u>	<u>\$ 4,497,360</u>	<u>\$ 5,114,749</u>	<u>\$ 6,100,866</u>	<u>\$ 6,816,289</u>	<u>\$ 7,771,893</u>
All Other Governmental Funds										
Nonspendable	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Restricted	301,324	321,957	392,790	-	-	-	-	-	-	-
Committed	2,958,702	2,561,501	2,451,887	-	780,737	780,737	840,737	900,737	846,845	814,624
Unassigned	(247,351)	(245,285)	(209,695)	-	-	-	179,364	246,729	160,167	611,645
Total all other governmental funds	<u>\$ 3,087,675</u>	<u>\$ 2,713,173</u>	<u>\$ 2,709,982</u>	<u>\$ 2,766,768</u>	<u>\$ 3,062,577</u>	<u>\$ 3,351,838</u>	<u>\$ 6,683,714</u>	<u>\$ 6,683,714</u>	<u>\$ 6,683,714</u>	<u>\$ 6,683,714</u>

**TOWN OF SOMERS, CONNECTICUT**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting - Unaudited)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>										
Property taxes	\$ 14,828,059	\$ 15,478,254	\$ 16,063,571	\$ 16,722,954	\$ 17,017,421	\$ 17,058,185	\$ 18,065,407	\$ 19,088,274	\$ 19,400,489	\$ 19,918,176
Intergovernmental	14,420,750	13,957,041	19,775,405	14,627,317	12,930,223	13,473,047	14,775,994	13,056,442	14,911,608	14,853,013
Charges for services	836,692	653,611	687,299	1,580,755	1,902,923	1,774,242	1,757,373	1,848,530	1,562,816	1,645,771
Investment income	401,087	600,706	433,869	58,139	100,159	205,679	85,117	124,247	184,182	45,561
Miscellaneous	1,344,801	1,358,499	1,626,222	344,259 *	422,446	127,551	81,710	123,225	25,107	8,213
Total revenues	<u>31,831,389</u>	<u>32,048,111</u>	<u>38,586,366</u>	<u>33,333,424</u>	<u>32,373,172</u>	<u>32,638,704</u>	<u>34,765,601</u>	<u>34,240,718</u>	<u>36,084,202</u>	<u>36,470,734</u>
<b>Expenditures</b>										
General government	2,041,117	2,092,107	2,452,665	2,353,643	2,370,322	2,454,899	1,777,569	2,186,516	2,240,095	2,295,288
Public safety	1,054,426	1,152,176	1,311,287	1,231,913	1,314,825	1,440,640	1,468,427	1,481,217	1,553,050	1,352,487
Public works	994,425	1,088,571	1,089,718	1,107,129	1,109,644	1,209,961	2,876,181	1,808,620	1,978,226	2,402,320
Sanitation	782,095	824,962	680,408	714,259	671,790	897,332	665,016	570,221	564,017	569,211
Health and social services	102,010	114,300	113,831	68,742	302,112	162,032	149,363	134,885	160,785	310,116
Library	352,409	371,440	366,299	398,098	417,900	468,247	458,881	457,280	458,579	478,247
Culture and recreation	111,326	105,968	137,518	174,799	480,064	149,018	216,937	247,785	261,706	170,633
Education	18,485,172	19,281,192	26,539,838	21,837,453	21,885,472	22,743,734	23,154,419	23,333,131	24,318,652	25,011,634
Miscellaneous	424,465	465,323	390,195	924,141	- **	120,000	-	-	-	-
Debt service:										
Principal payments	1,868,070	1,889,742	2,128,567	2,450,664	2,321,091	2,224,578	1,747,369	1,594,800	1,439,865	1,233,884
Interest and fiscal charges	1,036,292	875,516	903,767	865,591	761,087	668,650	591,562	593,658	415,770	473,253
Capital outlays	<u>7,426,706</u>	<u>4,496,287</u>	<u>2,130,356</u>	<u>3,779,384</u>	<u>1,118,502</u>	<u>1,147,252</u>	<u>1,461,154</u>	<u>748,455</u>	<u>3,438,773</u>	<u>2,354,344</u>
Total expenditures	<u>34,678,513</u>	<u>32,757,584</u>	<u>38,244,449</u>	<u>35,905,816</u>	<u>32,752,809</u>	<u>33,686,343</u>	<u>34,566,878</u>	<u>33,156,568</u>	<u>36,829,518</u>	<u>36,651,417</u>
Excess of revenues over (under) expenditures	<u>(2,847,124)</u>	<u>(709,473)</u>	<u>341,917</u>	<u>(2,572,392)</u>	<u>(379,637)</u>	<u>(1,047,639)</u>	<u>198,723</u>	<u>1,084,150</u>	<u>(745,316)</u>	<u>(180,683)</u>

\* - Beginning in FY 2009, charges for ambulance services have been presented as charges for services instead of as miscellaneous revenue.

\*\* - Beginning in FY 2010, miscellaneous expenditures have been classified into one of the other specific expenditure categories.

**TOWN OF SOMERS, CONNECTICUT**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS (Continued)**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting - Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Other Financing Sources (Uses)</b>										
Issuance of bonds	\$ -	\$ -	\$ 7,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,320,000
Issuance of refunding bonds	5,700,000	-	-	-	-	-	-	7,610,000	-	-
Premium on issuance of bonds	-	-	5,417	-	-	-	-	462,953	-	271,122
Payment to refunded bond escrow agent	(5,642,000)	-	-	-	-	-	-	(7,875,166)	-	-
Issuance of bond anticipation note	-	3,200,000	-	-	-	-	-	-	1,750,000	-
Premium on issuance of bond anticipation note	26,336	-	-	-	-	-	-	-	-	-
Payment of bond anticipation note	-	-	(3,200,000)	-	-	-	-	-	-	(1,750,000)
Capital leases	578,856	118,195	105,000	176,462	-	173,902	475,452	-	-	417,324
Other proceeds	-	-	-	-	-	-	-	-	-	209,717
Transfers in	1,727,571	1,012,799	1,621,153	685,899	714,504	455,000	784,203	1,104,768	635,246	525,000
Transfers out	(1,727,571)	(1,012,799)	(1,621,153)	(685,899)	(714,504)	(455,000)	(784,203)	(1,104,768)	(635,246)	(525,000)
Total other financing sources (uses)	<u>663,192</u>	<u>3,318,195</u>	<u>4,010,417</u>	<u>176,462</u>	<u>-</u>	<u>173,902</u>	<u>475,452</u>	<u>197,787</u>	<u>1,750,000</u>	<u>4,468,163</u>
Net change in fund balances	<u>\$ (2,183,932)</u>	<u>\$ 2,608,722</u>	<u>\$ 4,352,334</u>	<u>\$ (2,395,930)</u>	<u>\$ (379,637)</u>	<u>\$ (873,737)</u>	<u>\$ 674,175</u>	<u>\$ 1,281,937</u>	<u>\$ 1,004,684</u>	<u>\$ 4,287,480</u>
Debt service as a percentage of noncapital expenditures	<u>10.2%</u>	<u>10.5%</u>	<u>8.9%</u>	<u>10.3%</u>	<u>10.6%</u>	<u>8.9%</u>	<u>7.0%</u>	<u>6.8%</u>	<u>5.6%</u>	<u>5.0%</u>

Table 6

**TOWN OF SOMERS, CONNECTICUT**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Total Real Estate Assessment	Less: Tax Exempt Property	Total Taxable Assessed Value	(1)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
							Total Direct Tax Rate		
2006	* \$ 623,959,770	\$ 179,788,170	\$ 5,837,040	\$ 809,584,980	\$ 156,058,690	\$ 653,526,290	20.25	\$ 933,608,986	70.00%
2007	628,363,625	179,343,800	6,322,760	814,030,185	156,002,450	658,027,735	21.01	940,039,621	70.00%
2008	638,193,495	180,135,170	6,340,570	824,669,235	156,435,960	668,233,275	21.56	954,618,964	70.00%
2009	649,716,283	180,995,220	5,857,980	836,569,483	156,910,410	679,659,073	21.91	970,941,533	70.00%
2010	661,434,443	184,674,110	5,958,700	852,067,253	159,272,590	692,794,663	22.11	989,706,661	70.00%
2011	* 698,819,380	210,411,680	9,353,100	918,584,160	179,451,980	739,132,180	21.12	1,055,903,114	70.00%
2012	698,734,360	212,161,650	9,248,700	920,144,710	182,170,580	737,974,130	22.12	1,054,248,757	70.00%
2013	699,832,510	207,140,950	9,271,500	916,244,960	175,972,280	740,272,680	23.12	1,057,532,400	70.00%
2014	702,215,059	208,843,550	9,404,600	920,463,209	175,641,180	744,822,029	23.37	1,064,031,470	70.00%
2015	705,017,950	211,635,250	9,404,600	926,057,800	178,389,480	747,668,320	23.37	1,068,097,600	70.00%

(1) The Total Direct Tax Rate shown above is the mill rate. The mill rate is divided by 1,000 and then multiplied by the taxable assessed value in arriving at the current property tax levy.

\* Revaluation completed.

**Note:** Fiscal year 2006 was the first year after a property revaluation was performed, which caused the Total Taxable Assessed Value to increase significantly and the mill rate to decrease significantly. The basis of taxable assessed value is 70% of the estimated actual value.

**Source:** Town of Somers, Office of the Assessor.

Table 7

**TOWN OF SOMERS, CONNECTICUT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO  
(Unaudited)**

Taxpayer	2015		2006	
	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value
Somers Solar Center LLC	9,504,930	1.12%	-	0.00%
Connecticut Light & Power	7,622,260	0.89%	4,382,432	0.60%
Grower Direct Inc	3,848,430	0.45% (1)	2,087,460	0.29%
Conval Inc	2,621,630	0.31%	504,030	0.07%
The CT Water Company	2,229,540	0.26% (1)	1,314,872	0.18%
Somers Crossing LLC	2,425,400	0.28%	-	0.00%
Somers Recreation Inc	1,755,460	0.21%	1,557,314	0.21%
Birkenshaw, David	1,648,660	0.19%	1,511,640	0.21%
Driving Range 349 Main Street LLC	1,457,380	0.17%	-	0.00%
Hazardville Water Company	1,414,400	0.17%	56,970	0.01%
<b>Total</b>	<b>\$ 34,528,090</b>	<b>4.05%</b>	<b>\$ 11,414,718</b>	<b>1.57%</b>
<b>Total Taxable Assessed Real Estate Value *</b>	<b>\$ 851,728,169</b>		<b>\$ 726,663,974</b>	

\* Total Taxable Assessed Real Estate Value before Exempt Property

(1) Taxable assessed value before Manufacturing Machinery & Equipment State exemptions

**Note:** A property revaluation was performed in 2009.

**Source:** Town of Somers, Office of the Assessor.

Table 8

**TOWN OF SOMERS, CONNECTICUT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 14,677,342	\$ 14,495,007	98.76%	\$ 67,976	\$ 14,562,986	99.22%
2007	15,438,818	15,258,285	98.83%	126,591	15,384,876	99.65%
2008	15,985,836	15,781,620	98.72%	162,991	15,944,550	99.74%
2009	16,622,495	16,457,607	99.01%	131,462	16,588,998	99.80%
2010	16,790,911	16,646,987	99.14%	113,715	16,759,937	99.82%
2011	17,038,590	16,827,615	98.76%	164,250	16,986,641	99.70%
2012	17,736,719	17,523,381	98.80%	166,701	17,666,565	99.60%
2013	18,591,286	18,369,471	98.81%	180,970	18,496,828	99.49%
2014	19,288,638	19,038,264	98.70%	155,963	19,038,264	98.70%
2015	19,620,357	19,353,138	98.64%	-	19,353,138	98.64%

**Source:** Town of Somers, Office of the Tax Collector.

Table 9

**TOWN OF SOMERS, CONNECTICUT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Actual Property Value	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Bond Anticipation Notes	Capital Leases				
2006	\$ 18,185,000	\$ -	\$ -	\$ 18,185,000	1.95%	6.49%	\$ 1,684
2007	16,500,000	3,200,000	-	19,700,000	2.10%	7.01%	1,819
2008	21,680,000	3,200,000	-	24,880,000	2.61%	8.84%	2,293
2009	19,445,000	-	-	19,445,000	2.00%	6.88%	1,785
2010	17,325,000	-	-	17,325,000	1.75%	6.10%	1,582
2011	15,215,000	-	225,913	15,440,913	1.46%	4.35%	1,367
2012	13,595,000	-	573,996	14,168,996	1.34%	3.88%	1,220
2013	12,956,060	-	464,196	13,420,256	1.27%	3.34%	1,173
2014	11,537,141	1,750,000	384,331	13,671,472	1.28%	3.52%	1,179
2015	16,012,613	-	612,771	16,625,384	1.56%	4.36%	1,471

**Note:** Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Table 10

**TOWN OF SOMERS, CONNECTICUT  
RATIOS OF NET GENERAL BONDED DEBT  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year	Governmental Activities General Obligation Bonds	Total Primary Government	Percentage of Actual Property Value	Percentage of Personal Income	Per Capita
2006	\$ 18,185,000	\$ 18,185,000	1.95%	6.49%	\$ 1,684
2007	16,500,000	16,500,000	1.76%	5.87%	1,523
2008	21,680,000	21,680,000	2.27%	7.70%	1,998
2009	19,445,000	19,445,000	2.00%	6.88%	1,785
2010	17,325,000	17,325,000	1.75%	6.10%	1,582
2011	15,215,000	15,215,000	1.44%	4.28%	1,347
2012	13,595,000	13,595,000	1.29%	3.72%	1,170
2013	12,956,060	12,956,060	1.23%	3.22%	1,132
2014	11,537,141	11,537,141	1.08%	2.97%	995
2015	16,012,613	16,012,613	1.50%	4.20%	1,417

**Note:** Details regarding the Town's outstanding debt can be found in the notes to the financial statement

**TOWN OF SOMERS, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Legal Debt Margin Calculation:										
Total capacity of borrowing (7 times base)	\$ 108,045,455	\$ 108,174,374	\$ 112,256,683	\$ 117,329,933	\$ 118,436,023	\$ 119,578,025	\$ 124,784,597	\$ 130,596,214	\$ 135,638,237	\$ 138,462,688
Total present indebtedness	<u>21,249,123</u>	<u>24,039,136</u>	<u>19,153,094</u>	<u>17,561,812</u>	<u>16,051,164</u>	<u>14,545,068</u>	<u>13,250,809</u>	<u>12,337,184</u>	<u>16,323,510</u>	<u>15,416,000</u>
Margin for additional borrowing	<u>\$ 86,796,332</u>	<u>\$ 84,135,238</u>	<u>\$ 93,103,589</u>	<u>\$ 99,768,121</u>	<u>\$ 102,384,859</u>	<u>\$ 105,032,957</u>	<u>\$ 111,533,788</u>	<u>\$ 118,259,030</u>	<u>\$ 119,314,727</u>	<u>\$ 123,046,688</u>
Total net debt applicable to the debt limit as a percentage of the debt limit	19.67%	22.22%	17.06%	14.97%	13.55%	12.16%	10.62%	9.45%	12.03%	11.13%

**Note:** Connecticut General Statutes, Section 7-374(b) limits the amount of general obligation debt a government entity may use to 7 times total tax collections, including interest and lien fees and the tax relief for the elderly freeze grant.

Table 12

**TOWN OF SOMERS, CONNECTICUT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS  
(Unaudited)**

Year	(1) Population	Personal Income	(1) Per Capita Personal Income	(1) Median Age	Education Level in Years of Schooling	(2) School Enrollment	(3) Unemployment Rate
2006	10,797	\$ 280,203,744	\$ 25,952	37.4	12.0	1,738	4.7%
2007	10,831	281,086,112	25,952	37.4	12.0	1,732	5.0%
2008	10,850	281,579,200	25,952	37.4	12.0	1,785	4.6%
2009	10,894	282,721,088	25,952	37.4	12.0	1,739	8.2%
2010	10,950	284,174,400	25,952	37.4	12.0	1,650	9.9%
2011	11,297	355,268,056	31,448	45.4	12.0	1,632	8.2%
2012	11,617	365,331,416	31,448	45.4	12.0	1,615	8.3%
2013	11,444	402,073,496	35,134	42.0	12.0	1,522	7.2%
2014	11,598	388,243,050	33,475	42.2	12.0	1,507	6.7%
2015	11,303	380,911,100	33,700	41.8	12.0	1,473	4.5%

- (1) U.S. Department of Commerce, Bureau of Census, 2013 Estimate Update  
(2) Town of Somers, Board of Education  
(3) State of Connecticut, Labor Department, Office of Research and Statistics

**TOWN OF SOMERS, CONNECTICUT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR  
(Unaudited)**

<u>Employer</u>	<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Town Employment</u>
CT Department of Corrections	736	28.38%
Town of Somers	294	11.34%
Grower Direct	120	4.63%
Conval Inc	100	3.86%
Geisslers Supermarket	68	2.62%
New England Tractor Trailer	40	1.54%
Lindy Farms	30	1.16%
South Road Donuts	28	1.08%
First Student Inc	23	0.89%
Power Specialists Assoc.	20	0.77%
Total	<u>1,459</u>	<u>56.27%</u>
Total Somers Based Employment	2,593	

Note: The total employment is not available within the Town of Somers and therefore the percentage of total town employment cannot be calculated.

Table 14

**TOWN OF SOMERS, CONNECTICUT**  
**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function/Program										
General government										
Finance	2	2	2	2	2	2	2	2	3	3
Planning	1	1	1	-	-	-	-	-	-	-
Building	2	2	2	2	2	2	2	2	2	2
Other	9	9	10	10	9	9	9	7	7	8
Police										
Officers	2	2	1	1	1	1	2	2	4	4
State Troopers	-	-	-	-	-	-	-	-	3	2
Civilians	1	1	1	1	1	1	-	-	-	-
Fire										
Firefighters and officers	6	7	7	7	7	7	7	7	8	11
Refuse collection	4	4	3	3	3	3	2	-	2	2
Public works	11	11	9	8	8	8	9	13	8	8
Parks and recreation	2	2	3	3	2	2	1	2	4	5
Library	9	9	9	9	9	9	8	8	10	10
Sanitation	1	1	2	2	2	2	2	2	2	2
Transit	2	2	2	2	2	2	2	2	2	3
Total	<u>52</u>	<u>53</u>	<u>52</u>	<u>50</u>	<u>48</u>	<u>48</u>	<u>46</u>	<u>47</u>	<u>50</u>	<u>57</u>

**Note:** A full-time Town Hall and Library employee is scheduled to work 35.0 hours per week (including vacation and sick leave). A full-time Public Works, Police and Fire Department employee works 40.0 hours per week (including vacation and sick leave).

Full-time equivalent employment is calculated by dividing total labor hours by 35 or 40 whichever is applicable.

**Source:** Town of Somers, Treasurer's Office.

**TOWN OF SOMERS, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Criminal investigations	228	252	277	233	276	296	266	292	247	297
Motor vehicle accidents	131	109	144	150	140	127	133	130	130	133
DWI Arrests	20	42	28	17	19	24	33	36	29	34
Fire										
Emergency responses	440	528	522	907	932	1,058	1,225	999	929	1,046
Fires extinguished	33	29	41	26	15	23	25	21	28	12
Inspections	(1) 33	128	144	203	251	240	234	252	246	317
Refuse collection										
Refuse collected (tons per year)	3,900	4,041	3,943	3,794	2,810	4,345 (2)	3,733 (2)	4,693 (2)	3,053 (2)	3,598
Bulky waste (tons per year)	1,350	1,112	1,078	944	823	975	1,045	779	803	786
Recycling (tons per year)	-	-	-	-	-	-	(2) 490 (2)	666 (2)	2,310 (2)	3,820
Other public works (miles)										
Street resurfacing	12	12	9	8	8	8	4	7	7	11
Paved surface	1	-	-	1	-	-	1	1	1	1
Crack sealing	-	-	-	-	3	3	6	2	3	1
Library										
Volumes in collection	48,324	56,930	57,218	54,605	51,305	53,698	56,139	57,822	59,488	65,409
Total volumes circulated	62,505	57,632	81,639	53,680	59,155	60,085	60,468	63,111	58,206	74,435
Water										
New connections	7	18	23	13	4	1	-	2	2	5
New well permits	34	16	19	15	9	13	7	7	6	7
Wastewater										
New septic permits	64	46	53	47	38	28	49	11	10	10
New sewer connections	1	25	17	11	14	2	2	6	4	4
Average yearly sewage treatment (thousands of gallons)/day	45	40	38	41	38	39	31	28	29	28
Transit (senior bus)										
Total route miles	21,500	24,000	25,732	24,732	21,200	28,596	25,486	23,039	25,383	26,746
Passengers	1,784	1,896	1,805	1,218	2,405	3,405	4,136	3,917	4,545	3,808

(1) Fire Marshall Inspections included "school construction inspections" as follows: 143 in 2005 year and 20 in 2006 year.

(2) Transitioned to single stream recycling

**Source:** Various Town departments.

Table 16

**TOWN OF SOMERS, CONNECTICUT**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	4	6	6	5	5	5	5	5	3	4
State patrol units	-	-	-	-	-	-	-	-	3	2
Fire stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	84.9	85.0	84.0	84.0	87.0	89.3	89.4	89.6	89.6	89.6
Highways (miles)	7.5	7.5	7.5	7.5	7.5	7.5	7.8	8.0	8.0	8.0
Streetlights	3	3	3	3	3	30 (2)	450 (2)	450 (2)	450 (2)	431
Traffic signals	5	5	5	5	5	5	5	5	9	8
Parks and recreation										
Acreage	45.5	45.5	45.5	45.5	45.5	45.5	58.8	118.2	118.2	118.0
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	9	9	9	9	9	9	9	9	9	10
Soccer/football fields	9	9	9	9	9	9	10	11	11	11
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	12.9	12.9	12.9	12.9	12.9	4.8 (1)	4.8 (1)	4.8 (1)	4.8 (1)	4.8
Fire hydrants	82	82	116	116	116	193	195	200	200	193
Storage capacity (thousands of gallons)	345	345	345	345	345	- (1)	- (1)	- (1)	- (1)	-
Wastewater										
Sanitary sewers (miles)	4.1	4.1	4.3	4.3	4.3	4.3	4.3	3.8	3.8	3.8
Storm sewers (miles)	41	41	41	41	41	41	41	41	41	35
Treatment capacity (thousands of gallons)	65	65	100	100	100	100	100	97	97	97.2
Transit—minibuses	2	2	2	2	2	2	2	2	3	2

(1) Per contract termination water system sold to Hazardville Water Company

(2) Includes streetlights leased from CL&P

**Source:** Various Town departments.