

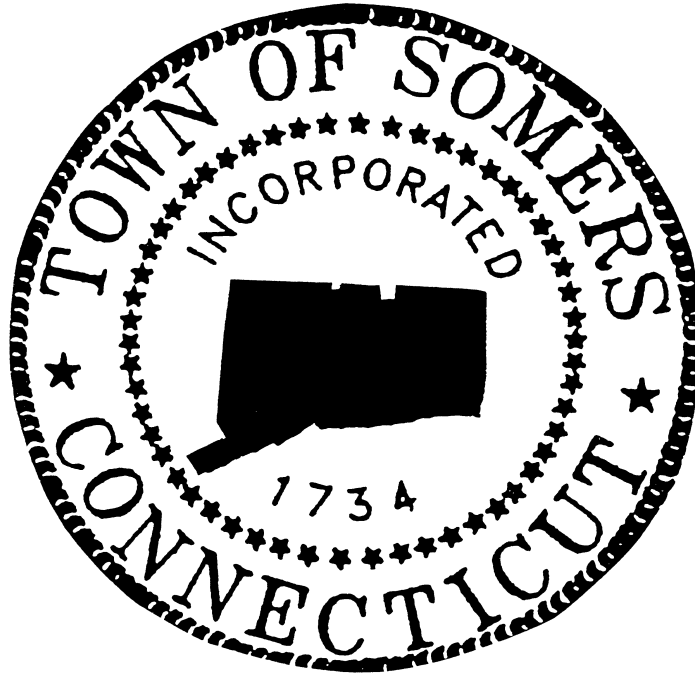
**TOWN OF SOMERS,  
CONNECTICUT**



**Annual Comprehensive  
Financial Report**

**For The Year Ended  
June 30, 2025**

**TOWN OF SOMERS,  
CONNECTICUT**



**Annual Comprehensive  
Financial Report**

**For The Year Ended  
June 30, 2025**

**Prepared by:**

**Finance & Treasury Department**

**TOWN OF SOMERS, CONNECTICUT**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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# **INTRODUCTORY SECTION**

# TOWN OF SOMERS

600 Main Street  
Somers, Connecticut 06071

[www.somersct.gov](http://www.somersct.gov)

TEL (860) 763-8200

FAX (860) 763-8228

FIRST SELECTMAN  
Timothy R. E. Keeney

SELECTMEN  
William Meier III  
Robert Schmidt

December 10, 2025

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 *Annual Comprehensive Financial Report* (ACFR) of the Town of Somers, Connecticut, (the Town) for the fiscal year ended June 30, 2025.

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, 2025, 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 unmodified opinions that the Town's basic financial statements as of and for the fiscal year ended June 30, 2025. 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 audits" designed to meet the special needs of federal and state grantor agencies. The Federal and State Single Audit reports are available in the Town's separately issued Single Audit reporting package.

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 independent auditors report.

## **Profile of the Government**

The Town of Somers, incorporated in 1734, is located in north central Connecticut. It is bordered on the north by the Commonwealth of Massachusetts, on the south by the Town of Ellington, on the east by the Town of Stafford and on the west by the Town of Enfield.

The Town is traversed by State routes 83, 186 and 190 and has easy access to routes 5, 30, and Interstate 91, a major north-south highway approximately eight miles from the center of Town. Motor common carriers provide freight service to the Town. Intrastate buses provide passenger transportation. Bradley International Airport is located approximately 18 miles away in Windsor Locks, Connecticut.

Covering an area of 28.7 square miles, Somers is a growing suburban residential community in the Hartford, Connecticut and Springfield, Massachusetts area with a 2025 population of 10,950. The Town's proximity to both Hartford, 25 miles to the south, and Springfield, 10 miles to the north, has been a major factor in its advance from a rural area to a residential suburb.

## **Form of Government**

Somers has a Town Meeting form of government with a three-member Board of Selectmen (two-year terms) and a six-member Board of Finance (two positions are filled every two years). Elections are held biennially in November in every odd-numbered year. The citizens also have the powers and privileges conferred and granted to towns and cities under the Constitution and the General Statutes of the State of Connecticut.

The First Selectman is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. The First Selectman presides over the Board of Selectmen and has full voting privileges on the Board. The First Selectman, with the approval of the Board of Selectmen, appoints members to various commissions and boards. The Board of Finance is responsible for proposing annual budgets and special appropriations at Town Meetings.

Somers' full-time professional staff includes a Treasurer/Chief Financial Officer who is appointed by the Board of Selectman after being nominated in accordance with the Town's charter by a panel comprised of one member of the Board of Finance, one member of the Board of Selectmen and one non-elected resident with a finance background. The Treasurer acts as both the Director of Finance and the Chief Financial Officer of the Town pursuant to the Town's charter. The Treasurer is responsible for the coordination of the activities of the accounting/assessor/tax collector staff and treasury management functions of the Town. In addition, the Treasurer is responsible for assisting the Board of Finance in the preparation of the annual budget; the day-to-day administration of the adopted budget; the maintenance of the general ledgers of the various funds and account groups of the Town; financial planning and cost accounting; information technology services; financial report preparation; receipt and disbursement of revenues and expenses; and supervision of the annual independent audit of the financial statements. The Treasurer is also responsible for the investment of all Town Funds.

## **Summary of Municipal Services**

**Police:** The Town is served by one supervising Resident State Trooper with additional support from State Police Troop C barracks based out of Tolland, Connecticut. The Town employs two full-time officers, an Administrator, and eight part-time officers to supplement the coverage provided by the State Troopers. Two of the part-time officers serve as school resource officers during the school year.

**Fire and Emergency Service:** The Somers Fire Department (SFD) provides all fire, medical and rescue services (EMS) to the community. SFD is a combination department with both career and volunteer members. The department operates out of a centrally located station with two fire engines, two tanker trucks, three Basic Life Support (BLS) ambulances, and three Advanced Life Support (ALS) Paramedic Intercept Vehicles. Most of the members are cross trained for both fire and medical responses. There is a minimum of one paramedic on duty 24 hours per day, 7 days per week, with three more career staff members on duty between 6:00 AM and 6:00 PM during the week. Volunteers primarily staff the department on nights and weekends. For larger incidents, all members assist. Currently there are seven full-time staff, including the Chief. There are also eleven part-time firefighters, and the department has a roster of 32 volunteers. The department responds to an average of 2,600 incidents per year with approximately 70% of those being for medical calls. The Town does bill for Emergency Medical Services (EMS) and those payments are held in the Ambulance Special Revenue Fund. The department also houses the Fire Marshal's Office and members are active in fire safety inspections and community outreach activities year-round.

**Health:** Services are provided by the Home and Community Health Service of Enfield. Services provided include:

- Wellness which offers services at home to those in need who are without adequate insurance;
- Community Services which provide elders wellness such as blood pressure testing and similar services at a center location; and
- Support Services which provide a homemaker for a limited time.

**Library:** The Somers Public Library offers over 70,000 physical items for borrowing including books, movies, music, magazines, and more. Also available are free downloads of e-books, audio books, movies, comics, music, TV shows, and articles for research purposes through well respected databases. A wide variety of entertaining and educational events for children, teens, and adults are offered year-round. The library has computers with full internet access and Microsoft Office products for patrons to use with technology help as needed. Wi-Fi is available throughout the building. Four study rooms can be used for those who request them with plenty of other quiet spaces available as well. Library users can access the on-line catalog and other resources from their home computers through the library's web page.

**Sewers:** Limited sewer service is currently available to 9% of the Town's residents. The remainder of residents have private septic systems.

**Solid Waste:** The Somers Transfer Station/Recycling Center is open four days a week. The Town has transitioned to single stream recycling. The Center also accepts waste oil, auto batteries, tires, refrigerators and air conditioners, brush, woody debris, and other bulky wastes for a fee. The Transfer Station requires a \$65 annual residential permit. Homeowners can contract, at their expense, for curbside waste transportation. The Town contracts for the transport and disposal of all solid waste from Somers.

**Highway:** The Highway division is responsible for maintaining 90 miles of roadway, 35 miles of drainage pipes, 1,800 catch basins, all Town-owned detention ponds, and waterways, five miles of guide rail as well as parking lots and roadways of all Town facilities.

**Recreation:** The Town's Recreation Department is responsible for offering and supervising activities and running recreation programs. The Parks division of the Public Works Department is responsible for maintaining 305 acres of Town property, as well as maintenance, repair, and landscaping of all playing surfaces of baseball, softball, soccer, football, and lacrosse fields. Additionally, they are responsible for playgrounds, splash pad, volleyball, tennis, pickleball, and basketball courts along with the Somersville Mill Pond Park and Camp Aya-Po recreation areas.

**Facilities:** The Facilities Division maintains and repairs all Town Buildings including: Town Hall, Piedmont Hall, Kibbe Fuller, Memorial Field, Senior Center, Police Station, Fire Station, Library, Mill Pond Park Building, Old Blacksmith Shop, Sewer Plant Building, Animal Control Facility and DPW/Transfer Station facilities.

**Water:** The Connecticut Water Company and The Hazardville Water Company provide water to the Central and Somersville sections of Town. The remaining areas have individual wells.

**Utilities:** Electricity is provided by Eversource Energy.

**Education System:** The Town's school system services grades, pre-kindergarten through 12 and is governed by the local Board of Education. Somers has a nine-member Board of Education elected to 4-year staggered terms. The primary function of the Board is to establish education policy. Some of the areas for which such policies are set include curriculum, budget request submissions, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation. The Town also has an educational campus where its Elementary, Middle, and High Schools are all located.

### **Budgetary Procedures**

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 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 Connecticut 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 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.
- The Board of Education may reassign resources within its department without seeking Board of Finance approval. The legal level of the budget control is the department level.
- 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 between departments.
- Additional appropriations of less than \$20,000 must be approved by the Board of Finance. Appropriations in excess of \$20,000 must be further approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year.
- 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, adopted annual budget.
- All unexpected and unencumbered appropriations lapse at year-end, except those authorized for the capital projects.

### **Local Economy**

The Town is primarily a suburban residential community that derives substantially all of its income from local 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 Connecticut Department of Labor lists the August 2025 unemployment rate at 3.4% (seasonally adjusted), which is lower than the state unemployment rate of 3.8% and lower than the federal unemployment rate of 4.5%. Industry within the Town includes specialty manufacturing, small machine shops, a large-scale wholesale nursery, horse, and livestock breeding and raising, a retail supermarket, an entertainment and event venue, and solar power generation facilities. This industry base provides stable employment; however, the primary employment of Town residents is provided from the business and industry in neighboring communities in the geographic area between Hartford, Connecticut, and Springfield, Massachusetts.

### **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 has formally adopted several relevant Financial Policies approved by its Board of Finance and adopted by the Board of Selectmen. These policies include the following:

- Budget Transfer Policy
- Capital Asset Policy
- Capital Improvement Policy
- Debt Management Policy
- General Fund Balance/Reserve Policy

## **Investment Policy**

In addition to the above 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 as needed into investment accounts. This idle cash is invested in the State Treasurer's Short-Term Investment Fund and competitive bank investment funds including certificates of deposits with maturity dates ranging from 60-180 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), Connecticut's leading provider of municipal risk financing and risk management services. As a not-for-profit association of Connecticut municipalities, school districts and local public agencies, it provides worker's compensation coverage and services to meet the Town's risk financing and risk management needs.

## **Recent Accomplishments and Economic Development**

Somers is primarily a suburban residential community. As previously mentioned, industry within the Town includes specialty manufacturing, small machine shops, a wholesale nursery, horse and livestock breeding and raising, a retail supermarket and a solar power generation facility. This industry base provides stable employment; however, the primary employment of Town residents is provided from the business and industry in neighboring communities in the geographic area between Hartford, Connecticut, and Springfield, Massachusetts. State-owned facilities located within the Town, such as the Osborn and Northern Correctional Institutions, have historically provided a stable revenue base.

The Town continues to have discussions with Winn Development, the exclusive developer of the Somersville Mill site. These talks are expected to lead to the Town negotiating the agreements necessary to proceed with the construction at the site of a proposed mixed-use housing project. As a final step in the ongoing site remediation, the Town has submitted a request for funding under the Connecticut Department of Economic and Community Development (DECD) Municipal Brownfield Grant Program. Successful approval of this application is anticipated, and subsequent funding will be used to remediate and make ready for development the former Somersville Mill site for the mixed-use housing project. Once the grant is approved, the plan will be to move forward with finalizing the execution of the development and control agreements with the developer. Upon completion, this project will expand the tax base and stimulate added commercial development.

In addition, the Town has a robust capital infrastructure portfolio. All of the projects under consideration are eligible for or have already received State and federal grant funding. These projects include: a sidewalk project to improve the walkability and the community connectivity; Hurds Lake Dam repairs; ongoing improvements to the fire station; improvements at state routes 190/83 intersection; 19 Field Road Brownfield remediation project; Maple Street Bridge improvement project; and construction of a 1 mw solar array atop the Town's capped landfill site.

## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) has once again awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Somers for its *Annual Comprehensive Financial Report (ACFR)* for last fiscal year ended June 30, 2024. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the Town and its management. 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 generally accepted accounting principles, governmental accounting standards, and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report for fiscal year ending June 30, 2025, 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 Annual Comprehensive Financial Report.

Sincerely,



Brian Wissinger,  
Treasurer/Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

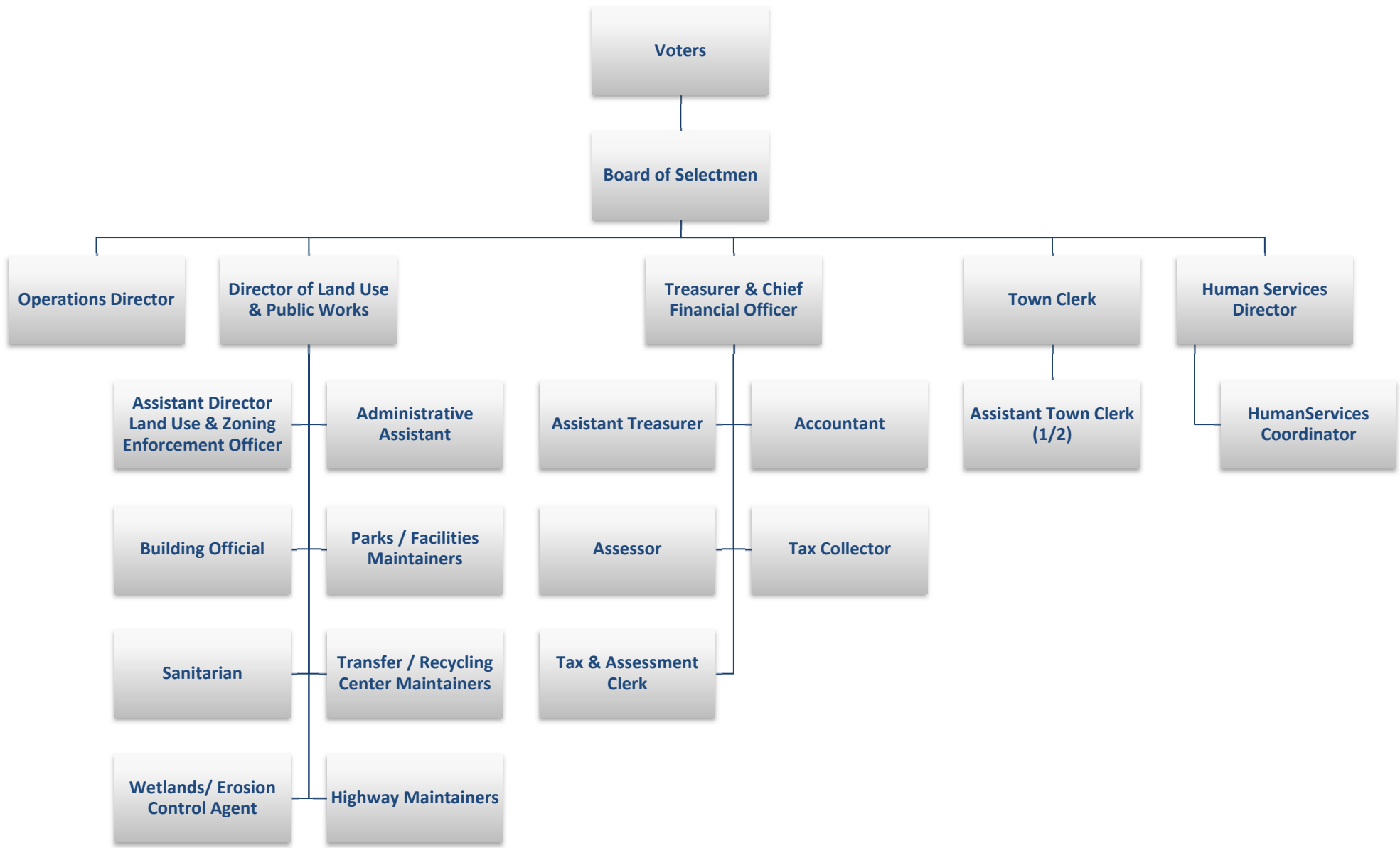
**Town of Somers  
Connecticut**

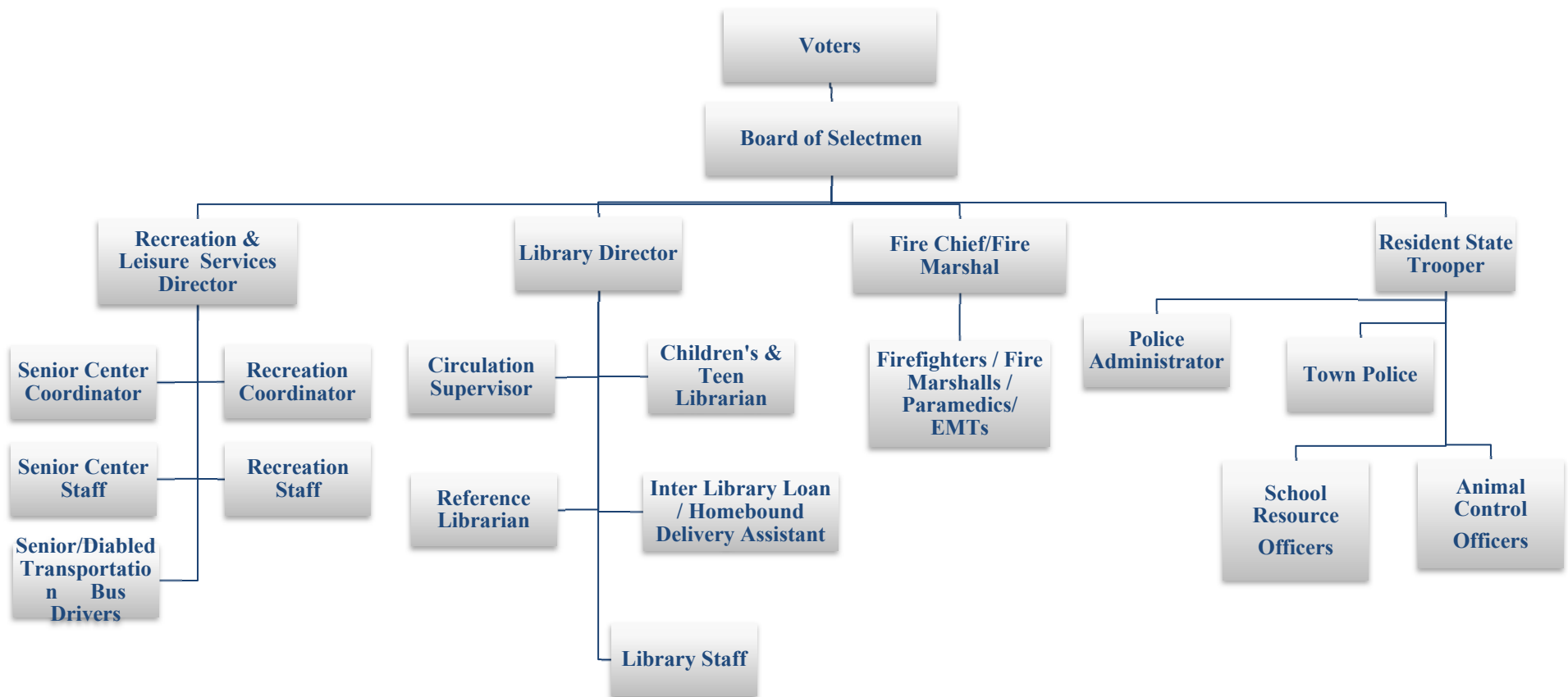
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

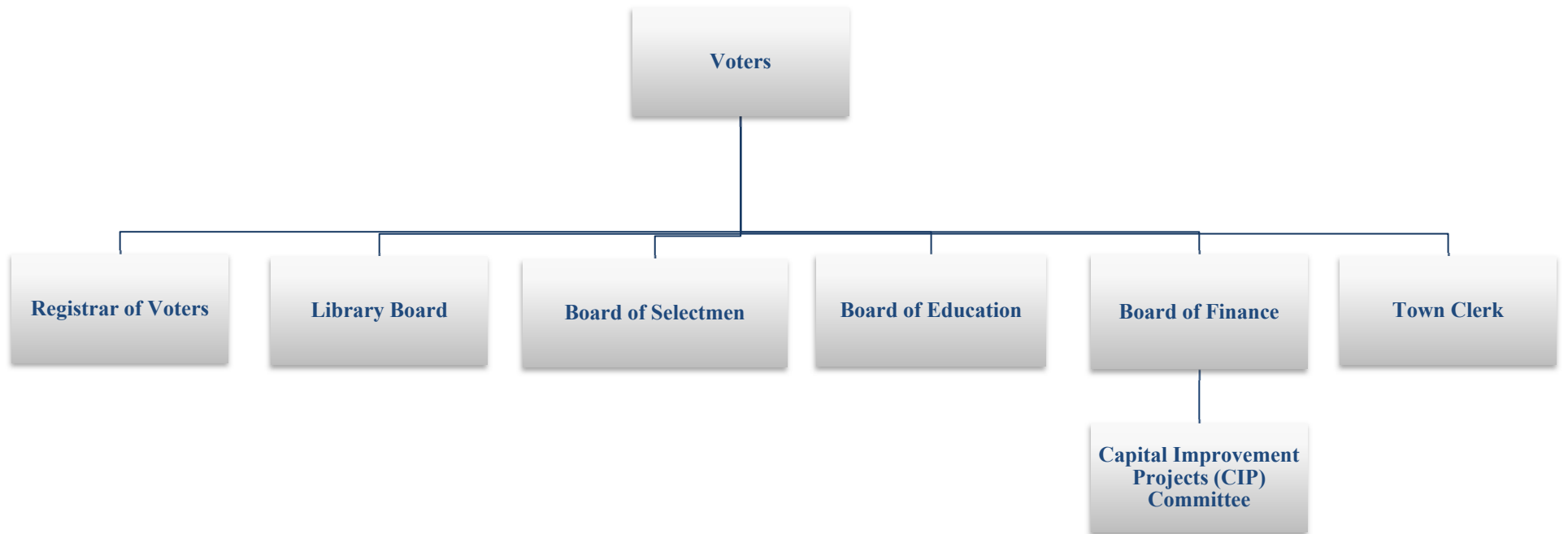
June 30, 2024

*Christopher P. Morill*

Executive Director/CEO







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

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

**BOARD OF SELECTMEN**

Timothy Keeney, First Selectman  
William Meier III, Selectman  
Robert Schmidt, Selectman

Assessor  
Building Official  
Chief Financial Officer/Treasurer  
Chief of Police  
Collector of Taxes  
Director of Land Use & Public Works  
Fire Chief  
Human Services Director  
Superintendent of Schools  
Library Director  
Recreation & Leisure Services  
Town Attorney  
Town Clerk  
Town Sanitarian

Karen Neal  
Michael Anthony  
Brian Wissinger  
Timothy Keeney  
Alissa Hanvey  
Todd Rolland  
David Lenart  
Matthew Cox  
Dr. Sam Galloway  
Joanne Nichting  
Maureen Parsell  
Carl Landolina  
David Marti  
Jeffrey Catlett

**BOARD OF EDUCATION**

Michael Briggs, Chair  
Anne Kirkpatrick, Vice-Chair  
Sharon Goulet, Secretary  
Ed DePeau  
JT Galloway  
Shane Manning  
Gina Olearczyk  
Kim Radziewicz  
Derek Zelek

**BOARD OF FINANCE**

Michael Parker, Chair  
Kathy Devlin, Vice Chair  
William Salka, Clerk  
Bruce Devlin  
Joseph Tolisano  
Paul Hart

# **FINANCIAL SECTION**

# **Independent Auditor's Report**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Finance  
Town of Somers, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinions***

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, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter - Change in Accounting Principle***

As discussed in Note 13 to the financial statements, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which represents a change in accounting principle. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the information on pages 68 through 85 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

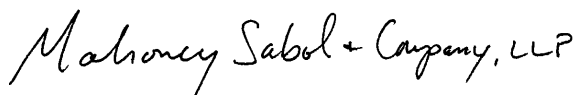
### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's 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.



Certified Public Accountants  
Glastonbury, Connecticut  
December 10, 2025

# **Management's Discussion and Analysis**

**TOWN OF SOMERS, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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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, 2025. 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 - vii of this Annual Comprehensive Financial Report.

**FINANCIAL HIGHLIGHTS**

- 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 \$49,096,803 (net position). Of this amount, \$5,271,092 represents the Town's unrestricted net position, which may be used to meet the Town's ongoing obligations to citizens and creditors. The Town's overall net position decreased by \$105,136.
- The Town's total long-term debt consisting of general obligation bonds and financed purchases of capital assets increased by \$804,682 or 5.9% during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,137,254, a decrease of \$288,668 in comparison with the prior year.
- At the end of the current fiscal year, fund balance of the General Fund was \$7,265,255. Of this amount, \$5,909,347 represents unassigned fund balance that may be appropriated for future spending. Unassigned fund balance was sufficient to cover 1.7 months of and represented 14.1% of the Town's General Fund budgetary expenditure appropriation for fiscal year 2026.

**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 and inflows 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. 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.

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

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

The government-wide financial statements can be found on pages 14 and 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental 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 Ambulance Fund, and the Recreation Commission Fund, all of 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 through 20 of this report.

### ***Proprietary Funds***

The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for dental insurance benefits. Because these services benefit governmental functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

### ***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 24 and 25 of this report.

**TOWN OF SOMERS, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**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 Town's net position totaled \$49,096,803 as of June 30, 2025 and \$49,201,939 as of June 30, 2024 and are summarized as follows. As disclosed in Note 13 to financial statements, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The net position of the Town as of June 30, 2024 has been restated for the implementation of this statement.

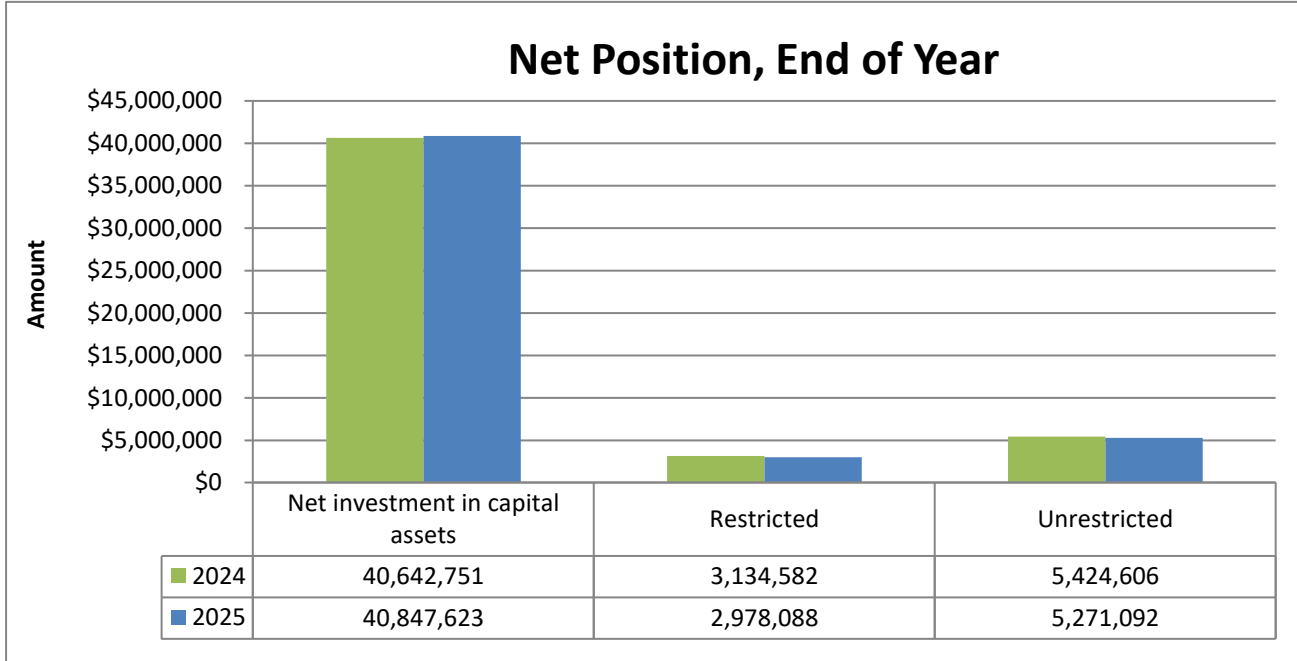
	2025	2024 As Restated	\$ Variance	% Variance
Current and other assets	\$ 15,523,143	\$ 15,619,781	\$ (96,638)	-0.6%
Capital assets, net	56,084,221	54,879,006	1,205,215	2.2%
Total assets	<u>71,607,364</u>	<u>70,498,787</u>	<u>1,108,577</u>	1.6%
Deferred outflows of resources	<u>1,108,750</u>	<u>1,231,413</u>	<u>(122,663)</u>	-10.0%
Current liabilities	2,239,104	1,936,390	302,714	15.6%
Long-term liabilities	18,901,216	19,550,760	(649,544)	-3.3%
Total liabilities	<u>21,140,320</u>	<u>21,487,150</u>	<u>(346,830)</u>	-1.6%
Deferred inflows of resources	<u>2,478,991</u>	<u>1,041,111</u>	<u>1,437,880</u>	138.1%
Net position:				
Net investment in capital assets	40,847,623	40,642,751	204,872	0.5%
Restricted	2,978,088	3,134,582	(156,494)	-5.0%
Unrestricted	5,271,092	5,424,606	(153,514)	-2.8%
Total net position	<u>\$ 49,096,803</u>	<u>\$ 49,201,939</u>	<u>\$ (105,136)</u>	-0.2%

Capital assets increased, reflecting the Town's continued investment in infrastructure, most notably current-year sewer upgrades and road improvement projects. Long-term liabilities reflect a reduction in the Town's net pension liability as a result of strong market performance on pension assets, which was partially offset by the issuance of long-term debt to finance capital improvements. Deferred inflows of resources increased, driven by the deferral of the market gains on pension assets which will be amortized as a component of pension expense in future years. Unrestricted net position decreased, primarily due to the implementation of the new accounting standard on compensated absences, which increased the related liability without a corresponding asset.

**TOWN OF SOMERS, CONNECTICUT**  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Net Position *(Continued)***



83.2% of the Town's net position as of June 30, 2025 reflects 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.

6.1% of the Town's net position as of June 30, 2025 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.

**TOWN OF SOMERS, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Changes in Net Position**

Changes in net position for the years ended June 30, 2025 and 2024 are as follows. As disclosed in Note 13 to financial statements, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The change in net position of the Town for the year ended June 30, 2024 has not been restated for the implementation of this statement.

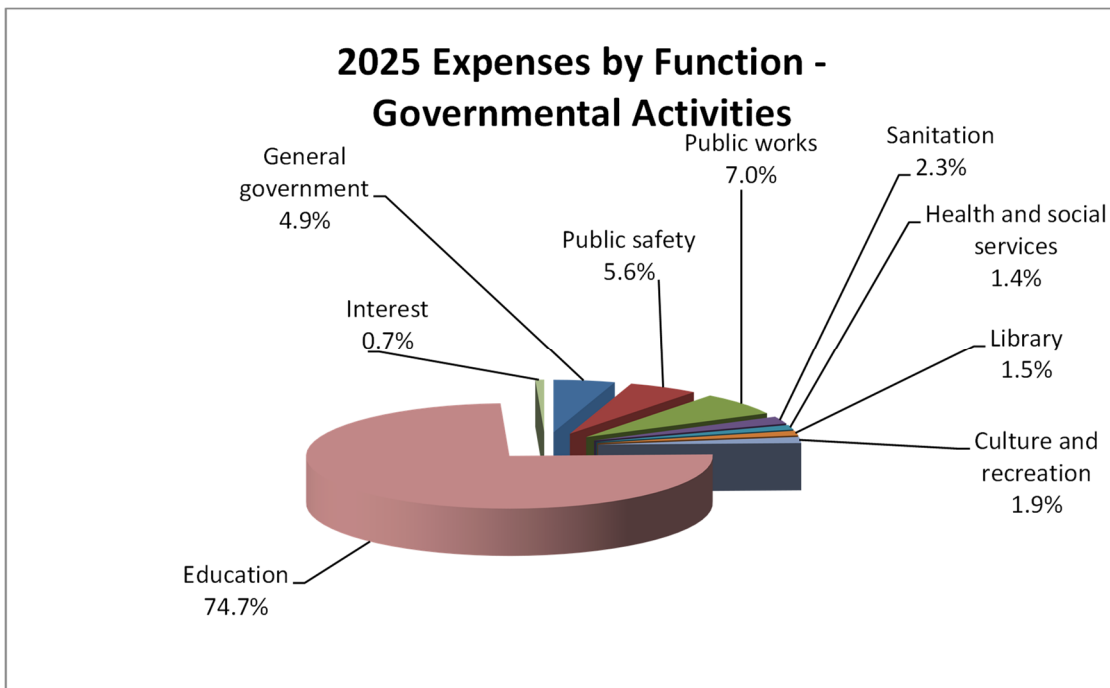
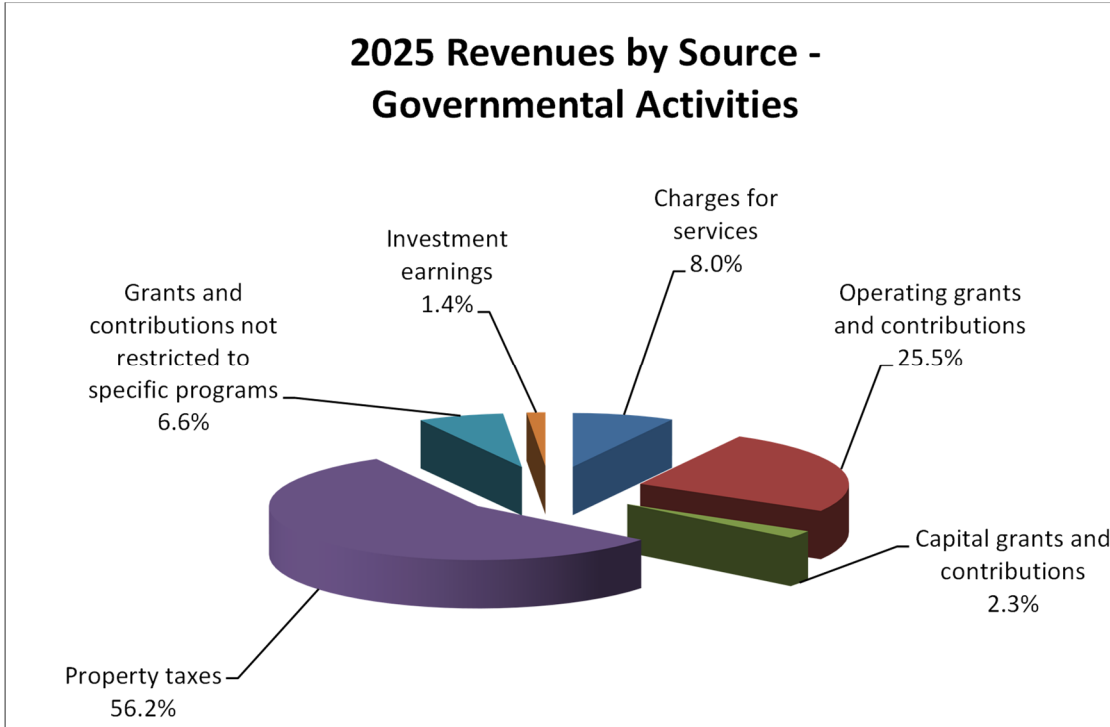
	<u>2025</u>	<u>2024</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues				
Program revenues:				
Charges for services	\$ 3,935,629	\$ 4,039,896	\$ (104,267)	-2.6%
Operating grants and contributions	12,683,561	12,226,860	456,701	3.7%
Capital grants and contributions	1,169,343	236,960	932,383	393.5%
General revenues:				
Property taxes	27,981,608	27,750,059	231,549	0.8%
Grants and contributions not restricted to specific programs	3,304,834	3,522,470	(217,636)	-6.2%
Investment earnings	719,690	819,918	(100,228)	-12.2%
Total revenues	<u>49,794,665</u>	<u>48,596,163</u>	<u>1,198,502</u>	2.5%
Program expenses				
General government	2,439,259	2,607,962	(168,703)	-6.5%
Public safety	2,780,524	3,339,544	(559,020)	-16.7%
Public works	3,514,126	3,514,284	(158)	0.0%
Sanitation	1,122,960	967,519	155,441	16.1%
Health and welfare	708,804	722,377	(13,573)	-1.9%
Library	728,606	736,142	(7,536)	-1.0%
Culture and recreation	948,382	1,293,592	(345,210)	-26.7%
Education	37,305,944	35,138,348	2,167,596	6.2%
Interest expense	351,196	300,190	51,006	17.0%
Total expenses	<u>49,899,801</u>	<u>48,619,958</u>	<u>1,279,843</u>	2.6%
Change in net position	(105,136)	(23,795)	<u>\$ (81,341)</u>	341.8%
Net position - beginning, as restated	<u>49,201,939</u>	<u>50,538,768</u>		
Net position - ending	<u>\$ 49,096,803</u>	<u>\$ 50,514,973</u>		

Capital grants and contributions increased by \$932,383, primarily due to a grant awarded for upgrades to the Somersville sewer system. Capital grants are typically nonrecurring in nature and fluctuate year over year. Public safety expenses decreased by \$559,020, largely the result of lower pension costs associated with the Volunteer Firefighters' Incentive Plan. In the prior year, public safety expenses were elevated due to the recognition of a benefit enhancement that doubled the benefit multiplier for future retirements. Education expenses increased by \$2,167,596, primarily reflecting higher amounts recognized for on-behalf pension and other post-employment benefits related to the Town's participation in the Connecticut Teachers' Retirement System.

**TOWN OF SOMERS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

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

**Changes in Net Position (Continued)**



**TOWN OF SOMERS, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**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 \$12,137,254, a decrease of \$288,668 over the prior year. Approximately 48.7% or \$5,909,337 of this amount is considered to be 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 \$7,265,255. Of this amount, \$5,909,347 represents unassigned fund balance that may be appropriated for future spending and \$1,167,855 represents assigned fund balance for use in the Town's fiscal year 2026 budget. Unassigned fund balance is sufficient to cover 1.7 months of and represents 14.1% of the General Fund budgetary expenditure appropriation for fiscal year 2026. The fund balance of the Town's General Fund decreased by \$564,295. Revenues and transfers in increased by \$647,438, driven primarily by higher property tax collections and modest increases in charges for services, partially offset by lower investment income. Expenditures and transfers out increased by \$1,687,892, most notably a \$1,314,334 or 4.1% increase education. Debt service reported as expenditures in the prior year are currently being transferred to and paid from the Town's Debt Service Fund.

**Ambulance Fund**

The Ambulance Fund accounts for the operations of the Town's emergency medical response and patient transport services. The Town's ambulance service is funded primarily through revenues from transport fees and paramedic intercept services. At the end of the current fiscal year, fund balance of the Ambulance Fund was \$686,706. This was a decrease of \$142,736 from the prior year, which included a transfer out of \$103,607 to the Capital Equipment Fund for the purpose of paying debt service on a financed purchase of a new ambulance.

**Recreation Commission Fund**

The Recreation Fund accounts for the activities of the Town's recreational programs. At the end of the current fiscal year, fund balance of the Recreation Fund was \$96,575. This was an increase of \$52,289 from the prior year. There were no significant changes in activities between the current and prior fiscal years.

**Sewer Fund**

The Sewer Fund accounts for the operations of the Town's sewer system. At the end of the current fiscal year, fund balance of the Sewer Fund was \$115,390. This was a decrease of \$239,283 from the prior year, primarily due to capital improvements made to the Somerville sewer system, which is partially being reimbursed by a federal grant.

**TOWN OF SOMERS, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the year ended June 30, 2025 planned for the utilization of fund balance in the amount of \$420,000. Supplemental appropriations were authorized during the year in the amount of \$114,081, resulting in a planned use of fund balance of \$534,081. The actual change in fund balance of the General Fund on a budgetary basis was an decrease of \$533,731, resulting in an overall favorable budgetary variance of \$350. Revenues and other financing sources were \$365,555 less than expected and expenditures were \$365,905 lower than budgeted. The revenue shortfall was driven by a reduction in State-aid. Education expenditures were \$177,898 lower than budgeted. Overall, expenditures were below budget across all departments.

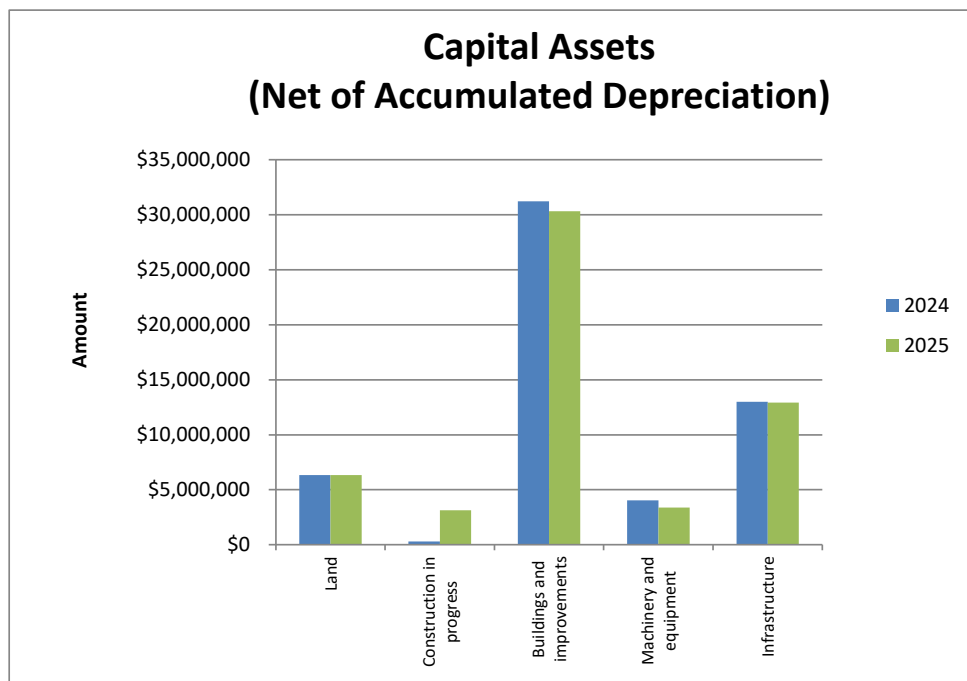
**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental activities (net of accumulated depreciation) as of June 30, 2025 and 2024 totaled \$54,372,288 and \$54,879,006, 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 decrease in the Town's investment in capital assets for the current fiscal year was \$506,718 or .9%. Current year additions totaled \$1,955,636, which was offset by depreciation and amortization of \$2,462,354. The following table is a two-year comparison of the investment in capital assets, net of accumulated depreciation and amortization:

	<u>2025</u>	<u>2024</u>	<u>\$ Variance</u>	<u>% Variance</u>
Land	\$ 6,322,158	\$ 6,322,158	\$ -	0.0%
Construction in progress	3,128,832	307,546	2,821,286	917.4%
Buildings and improvements	30,329,490	31,235,027	(905,537)	-2.9%
Machinery and equipment	3,383,066	4,029,734	(646,668)	-16.0%
Infrastructure	12,920,675	12,984,541	(63,866)	-0.5%
Totals	<u>\$ 56,084,221</u>	<u>\$ 54,879,006</u>	<u>\$ 1,205,215</u>	2.2%

Major capital additions consisted of sewer and road improvements and the purchase of vehicles and equipment for the public works, police and fire departments.



**TOWN OF SOMERS, CONNECTICUT**  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Capital Assets *(Continued)***

Additional information on the Town's capital assets can be found in Note 4 to the basic financial statements beginning on page 38.

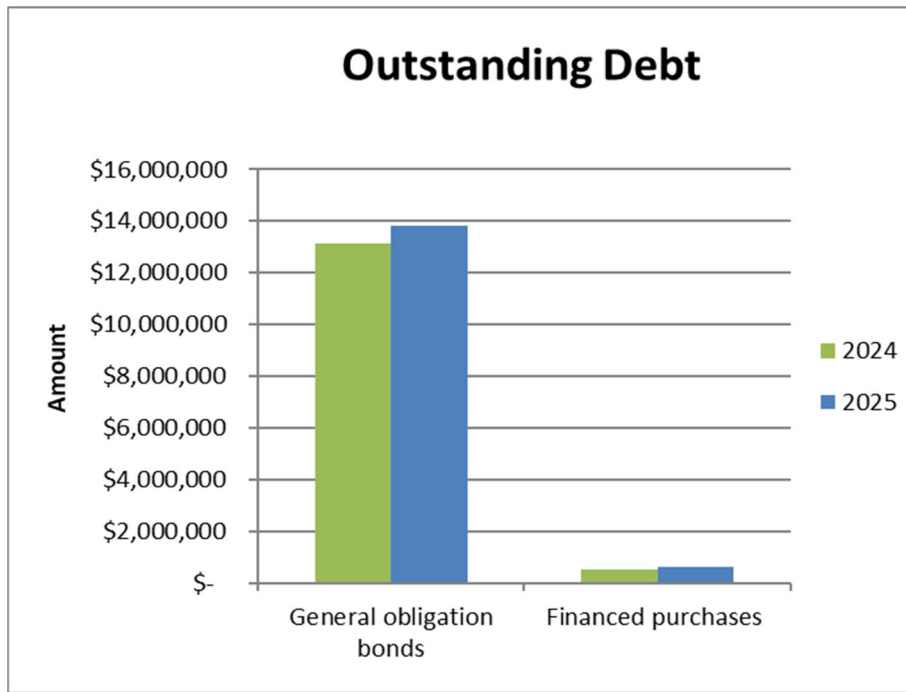
**Long-term Debt**

At the end of the current fiscal year, the Town had total long-term debt, consisting of bonds and financed purchase contracts, outstanding of \$14,442,998. This entire amount is comprised of debt backed by the full faith and credit of the Town.

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:

	<u>2025</u>	<u>2024</u>	<u>\$ Variance</u>	<u>% Variance</u>
General obligation bonds	\$ 13,810,000	\$ 13,110,000	\$ 700,000	5.3%
Financed purchases	632,998	528,316	104,682	19.8%
Total	<u>\$ 14,442,998</u>	<u>\$ 13,638,316</u>	<u>\$ 804,682</u>	5.9%



Additional information on the Town's long-term debt can be found in Note 7 to the basic financial statements beginning on page 39.

**TOWN OF SOMERS, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**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 2026, 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.
  - The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive. The Town's budget for such grants were based on estimates from the State.
  - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Building Department, the Town Clerk and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2026.

The fiscal year 2026 budget was adopted by the Town in May 2025. The fiscal year 2026 budget authorized expenditure appropriations of \$41,816,120, which represents an overall increase of 5.0% over the original fiscal year 2025 budget. The budget has been developed on principles designed to keep the Town financially sound; keep the community safe; support public education; improve and promote economic development; maintain existing facilities and infrastructure and improve the quality of life for all Town residents. The budget contemplates the use of fund balance in the amount of \$1,167,855.

**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**  
**AS OF JUNE 30, 2025**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 9,332,500
Investments	3,789,716
Receivables:	
Property taxes, interest and fees	457,181
Grants and contracts	656,775
Assessments and user charges	30,177
Other	531,126
Other	109,645
Net pension assets	616,023
Capital assets:	
Non-depreciable	9,450,990
Depreciable, net	46,633,231
Total assets	71,607,364
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	370,857
OPEB related	724,196
Deferred charges on refundings	13,697
Total deferred outflows of resources	1,108,750
<b>LIABILITIES</b>	
Accounts payable	993,112
Accrued liabilities	384,373
Deposits payable	69,932
Unearned revenue	791,687
Noncurrent liabilities:	
Due within one year	1,806,789
Due in more than one year	17,094,427
Total liabilities	21,140,320
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	815,614
OPEB related	1,663,377
Total deferred inflows of resources	2,478,991
<b>NET POSITION</b>	
Net investment in capital assets	40,847,623
Restricted for:	
Cemetery - Expendable	1,334,905
Library - Expendable	75,000
Library - Nonexpendable	776,091
Pensions	616,023
Other purposes	176,069
Unrestricted	5,271,092
Total net position	\$ 49,096,803

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

**TOWN OF SOMERS, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position - Governmental Activities</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
Governmental activities:					
General government	\$ 2,439,259	\$ 786,325	\$ 67,342	\$ -	\$ (1,585,592)
Public safety	2,780,524	801,654	161,920	141,480	(1,675,470)
Public works	3,514,126	48,092	339,992	287,730	(2,838,312)
Sanitation	1,122,960	353,076	-	654,406	(115,478)
Health and welfare	708,804	87,585	137,244	-	(483,975)
Library	728,606	12,750	6,987	-	(708,869)
Culture and recreation	948,382	400,544	15,130	5,295	(527,413)
Education	37,305,944	1,445,603	11,954,946	80,432	(23,824,963)
Interest expense	351,196	-	-	-	(351,196)
Total governmental activities	<u>\$ 49,899,801</u>	<u>\$ 3,935,629</u>	<u>\$ 12,683,561</u>	<u>\$ 1,169,343</u>	<u>(32,111,268)</u>
General revenues:					
					27,981,608
					3,304,834
					719,690
					<u>32,006,132</u>
					(105,136)
					49,201,939
					<u>\$ 49,096,803</u>

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

**TOWN OF SOMERS, CONNECTICUT**

BALANCE SHEET -  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2025

	General Fund	Ambulance Fund	Recreation Commission Fund	Sewer Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,026,067	\$ 1,848,320	\$ 1,029,434	\$ 1,007,832	\$ 2,420,346	\$ 9,331,999
Investments	2,245,220	-	-	-	1,544,496	3,789,716
Receivables:						
Property taxes, interest and fees	457,181	-	-	-	-	457,181
Assessments and user charges	-	-	-	30,177	-	30,177
Grants and contracts	-	-	-	368,811	287,964	656,775
Other	400,531	118,544	4,351	-	7,700	531,126
Due from other funds	3,222,817	-	-	26,460	959,953	4,209,230
Prepaid items	109,645	-	-	-	-	109,645
Total assets	<u>\$ 9,461,461</u>	<u>\$ 1,966,864</u>	<u>\$ 1,033,785</u>	<u>\$ 1,433,280</u>	<u>\$ 5,220,459</u>	<u>\$ 19,115,849</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 272,418	\$ 17,037	\$ 13,709	\$ 145,838	\$ 544,110	\$ 993,112
Accrued liabilities	293,363	11,206	-	-	-	304,569
Deposits payable	69,932	-	-	-	-	69,932
Due to other funds	986,413	1,139,121	710,756	1,141,437	231,503	4,209,230
Unearned revenue	107,010	-	212,745	414	471,518	791,687
Total liabilities	<u>1,729,136</u>	<u>1,167,364</u>	<u>937,210</u>	<u>1,287,689</u>	<u>1,247,131</u>	<u>6,368,530</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	467,070	112,794	-	30,201	-	610,065
Total deferred inflows of resources	<u>467,070</u>	<u>112,794</u>	<u>-</u>	<u>30,201</u>	<u>-</u>	<u>610,065</u>
<b>FUND BALANCES</b>						
Nonspendable	109,645	-	-	-	75,000	184,645
Restricted	-	-	-	-	3,191,155	3,191,155
Committed	78,408	686,706	96,575	115,390	707,183	1,684,262
Assigned	1,167,855	-	-	-	-	1,167,855
Unassigned	5,909,347	-	-	-	(10)	5,909,337
Total fund balances	<u>7,265,255</u>	<u>686,706</u>	<u>96,575</u>	<u>115,390</u>	<u>3,973,328</u>	<u>12,137,254</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,461,461</u>	<u>\$ 1,966,864</u>	<u>\$ 1,033,785</u>	<u>\$ 1,433,280</u>	<u>\$ 5,220,459</u>	<u>\$ 19,115,849</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**  
**AS OF JUNE 30, 2025**

Total fund balances for governmental funds	\$	12,137,254
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.		56,084,221
Deferred charges 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.		13,697
Net pension assets are not recognized in the governmental funds. Net pension assets 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.		616,023
Some of the Town's taxes, assessments and fees 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.		610,065
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		(1,383,938)
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	\$	(13,810,000)
Premium on bonds		(669,060)
Financed purchases		(632,998)
Accrued interest		(79,804)
Other long-term liabilities:		
Compensated absences		(2,352,036)
Net pension liability		(700,642)
Net OPEB liability		(736,480)
Total long-term liabilities		(18,981,020)
Internal service funds are used by the Town to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		501
Net position of governmental activities	\$	49,096,803

*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, 2025**

	<b>General Fund</b>	<b>Ambulance Fund</b>	<b>Recreation Commission Fund</b>	<b>Sewer Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Property taxes	\$ 28,457,994	\$ -	\$ -	\$ -	\$ -	\$ 28,457,994
Intergovernmental	13,698,215	135,189	-	654,406	1,897,583	16,385,393
Charges for services	1,102,983	600,921	371,649	188,781	1,479,886	3,744,220
Investment income	446,421	11,383	16,362	26,621	219,644	720,431
Other	-	39,600	-	-	204,252	243,852
Total revenues	<u>43,705,613</u>	<u>787,093</u>	<u>388,011</u>	<u>869,808</u>	<u>3,801,365</u>	<u>49,551,890</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,608,691	-	-	-	22,228	3,630,919
Public safety	1,319,817	826,222	-	-	12,390	2,158,429
Public works	2,122,165	-	-	-	401,128	2,523,293
Sanitation	802,814	-	-	291,083	-	1,093,897
Health and welfare	275,775	-	-	-	374,013	649,788
Library	463,164	-	-	-	12,704	475,868
Culture and recreation	204,392	-	325,722	-	107,362	637,476
Education	33,315,220	-	-	-	2,115,654	35,430,874
Debt service:						
Principal payments	-	-	-	-	1,610,318	1,610,318
Interest and fiscal charges	-	-	-	-	417,341	417,341
Capital outlays	7,332	-	-	818,008	2,932,633	3,757,973
Total expenditures	<u>42,119,370</u>	<u>826,222</u>	<u>325,722</u>	<u>1,109,091</u>	<u>8,005,771</u>	<u>52,386,176</u>
Excess (deficiency) of revenues over expenditures	1,586,243	(39,129)	62,289	(239,283)	(4,204,406)	(2,834,286)
<b>OTHER FINANCING SOURCES (USES)</b>						
Bonds issued	-	-	-	-	2,000,000	2,000,000
Premium on bonds issued	-	-	-	-	130,618	130,618
Financed purchases	-	-	-	-	415,000	415,000
Transfers in	-	-	-	-	2,294,827	2,294,827
Transfers out	(2,150,538)	(103,607)	(10,000)	-	(30,682)	(2,294,827)
Total other financing sources (uses)	<u>(2,150,538)</u>	<u>(103,607)</u>	<u>(10,000)</u>	<u>-</u>	<u>4,809,763</u>	<u>2,545,618</u>
Net change in fund balances	(564,295)	(142,736)	52,289	(239,283)	605,357	(288,668)
Fund balances - beginning, as restated	7,829,550	829,442	44,286	354,673	3,367,971	12,425,922
Fund balances - ending	<u>\$ 7,265,255</u>	<u>\$ 686,706</u>	<u>\$ 96,575</u>	<u>\$ 115,390</u>	<u>\$ 3,973,328</u>	<u>\$ 12,137,254</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, 2025

Net change in fund balances for governmental funds \$ (288,668)

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 difference between depreciation and amortization and capital outlays in the current period is as follows:

Expenditures for capital assets	\$ 3,667,569	
Depreciation and amortization expense	<u>(2,462,354)</u>	
Net adjustment		1,205,215

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	(2,000,000)	
Financed purchases	(415,000)	
Premium on bonds	(130,618)	
Principal repayments:		
Bonds	1,300,000	
Financed purchases	<u>310,318</u>	
Net adjustment		(935,300)

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. (515,510)

Deferred inflows and outflows of resources resulting from changes in the components of net pension and OPEB assets and liabilities are amortized as a component of pension and OPEB expense in the statement of activities. (1,544,830)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of a certain internal service fund is reported with governmental activities. 200

*Continued*

**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, 2025

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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	\$	(77,917)	
Accrued interest		(7,049)	
Amortization of deferred charges on refundings		(15,713)	
Amortization of bond premium		88,907	
Landfill post-closure care costs		14,000	
Net pension assets		411,675	
Net pension liability		235,871	
Net OPEB liability		<u>1,323,983</u>	
			<u>\$ 1,973,757</u>
Change in net position of governmental activities			<u>\$ (105,136)</u> <i>Concluded</i>

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

**TOWN OF SOMERS, CONNECTICUT**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND**  
**AS OF JUNE 30, 2025**

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	<b>Governmental            Activities -            Internal Service Fund -            Dental Benefits Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 501
Total assets	501
<b>LIABILITIES</b>	
Current liabilities:	
Claims payable	-
Total liabilities	-
<b>NET POSITION</b>	
Unrestricted	\$ 501

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

**TOWN OF SOMERS, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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	<b>Governmental Activities - Internal Service Fund - Dental Benefits Fund</b>
<b>OPERATING REVENUES</b>	
Other	\$ 200
Total operating revenues	200
<b>OPERATING EXPENSES</b>	
Claims incurred	-
Total operating expenses	-
Operating loss/Change in net position	200
Net position - beginning	301
Net position - ending	\$ 501

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

**TOWN OF SOMERS, CONNECTICUT**  
**STATEMENT OF CASH FLOWS -**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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	<b>Governmental Activities - Internal Service Fund - Dental Benefits Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Other receipts	\$ 200
Net cash from operating activities	200
Net increase in cash	200
Cash, beginning of year	301
Cash, end of year	\$ 501
<b>Reconciliation of operating income to net cash from operating activities:</b>	
Operating income	\$ 200
Adjustments to reconcile operating income to net cash from in operating activities	-
Net cash from operating activities	\$ 200

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

**TOWN OF SOMERS, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2025**

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	<b>Pension and Other Post-Employment Benefits Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 596,998
Investments:	
U.S. Treasury securities	641,201
U.S. Agency securities	309,390
Fixed income securities	4,029,671
Equity securities	10,870,424
	15,850,686
Accrued income receivable	50,398
Total assets	16,498,082
<b>LIABILITIES</b>	
Payables	294,554
Total liabilities	294,554
<b>NET POSITION</b>	
Restricted for:	
Pensions	14,685,815
Other post-employment benefits	1,517,713
	\$ 16,203,528

*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, 2025**

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	<b>Pension and Other Post-Employment Benefits Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 376,583
Plan members	192,531
Total contributions	569,114
Investment earnings:	
Interest and dividends	522,000
Net change in the fair value of investments, net of investment fees	971,745
Total investment earnings, net	1,493,745
Total additions	2,062,859
<b>DEDUCTIONS</b>	
Benefit payments	709,358
Administrative expenses	24,676
Total deductions	734,034
Change in net position	1,328,825
Net position - beginning	14,874,703
Net position - ending	\$ 16,203,528

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

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

The financial statements of Town of Somers, Connecticut, (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

**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. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

*Fiduciary Component Units* - The Town has established three single-employer defined benefit pension plans and one other post-employment benefit (OPEB) plan to provide retirement and health care benefits to employees and their beneficiaries. The Town performs the duties of a governing board for the pension and OPEB plans and makes contributions to the plans. The financial statements of the fiduciary component units are reported as Pension and OPEB Trust Funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

**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, 2025.

**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, however interfund services provided and used are not eliminated in the process of consolidation. The statements 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)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**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, proprietary 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 funds:

*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.

*Ambulance Fund* - This fund accounts for the revenues and expenditures that have been committed by the Town to fund the operations of the Town's emergency medical response and patient transport services.

*Recreation Commission Fund* - This fund accounts for revenues that have been committed by the Town to fund recreation programs.

*Sewer Fund* - This fund accounts for the operations of the Town's sewer system.

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

*Internal Service Fund* - This fund accounts for the cost of providing dental insurance benefits to employees of the Board of Education.

*Pension and Other Post-Employment Benefits Trust Funds* - These funds are used to account for resources held in trust for the members and beneficiaries of the Town's retirement pension and other post-employment benefits plans. The Town utilizes these funds to account for activities of the following defined and other post-employment benefits (OPEB) plans: the Town Employees' Plan, the Board of Education Employees' Plan, the Volunteer Firefighters' Incentive Plan, and the Board of Education's Other Post-Employment Benefits Plan.

**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 recognition in the financial statements of various kinds of transactions or events.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Measurement Focus and Basis of Accounting *(Continued)***

The government-wide, proprietary, and fiduciary fund 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 when they have been earned and 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 Town 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 principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases 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 either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). 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 either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when the cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund is contributions from the General Fund and premiums charged to employees. Operating expenses for the internal service fund includes the cost of insurance and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance**

**Cash and 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. For purposes of the statement of cash flows, the Town's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)***

**Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are reported at cost or amortized cost. Investments in certain external investment pools that meet specific criteria for measuring its investments at amortized cost are reported at amortized cost. All other investments in external investment pools and investments with maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

**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. Amounts of net appreciation of endowments available for expenditure totaled \$2,110,996 as of June 30, 2025 and is reported as a component of restricted net position and fund balance.

**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. Interest is charged on delinquent amounts at a statutory rate of 1.5% per month. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$5,000 and \$2,000, respectively, as of June 30, 2025.

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 annually on October 1. 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.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)***

**Capital Assets *(Continued)***

As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Land and construction in progress are not depreciated. Other tangible and intangible property and equipment are depreciated/amortized 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

**Deferred Outflows and Inflows of Resources**

Deferred outflows and inflows of resources represent an acquisition or consumption of net assets 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 and inflows of resources consists of deferred charges on refundings and deferred pension and OPEB expenses reported in the government-wide statement of net position. Deferred charges on refundings resulted from the difference in the carrying value of previously refunded debt and the reacquisition price of the debt and are being amortized to interest expense using the effective-interest method over the life of the related bonds. Deferred pension and OPEB expenses resulted from changes in the components of the Town's net pension and OPEB liabilities and are being amortized as a component of pension and OPEB expenses on a systematic and rational basis.

Deferred inflows of resources also include unavailable revenues from property taxes and related interest 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.

**Unearned Revenue**

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

**Long-term Obligations**

***Long-term Debt***

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle and amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying assets.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)***

**Long-term Obligations *(Continued)***

***Long-term Debt (Continued)***

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Premiums and discounts on long-term debt are deferred and amortized over the life of the related debt using the effective interest rate method and the debt is reported net of any unamortized premium or discount. In the governmental fund financial statements, premiums and discounts are recognized in the current period. In the governmental fund financial statements, debt premiums and discounts are recognized during the current period. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***Leases (as Lessee)***

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$20,000 or more. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

***Compensated Absences***

Compensated absences represent leave for which employees are entitled to receive payment. This includes cash payments for leave taken, payouts for unused leave upon termination of employment, and noncash settlements. Liabilities for compensated absences, including salary related payments, are reported in the government-wide financial statements for leave that is more likely than not to be used or otherwise paid or settled, and for leave that has been taken but not yet paid or settled. The Town considers benefits earned in the current year to be used before any benefits that have been carried forward from prior years.

**Net Position**

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* - This component of net position 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 those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

*Restricted net position* - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on the use of those assets either by external parties or by law through constitutional provision or enabling legislation.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)***

**Net Position *(Continued)***

*Unrestricted net position* - This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's practice to consider restricted net position to have been depleted before unrestricted net position is applied.

**Fund Balance**

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

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 citizens of the Town (the highest level of decision making authority) specified by charter or ordinance 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 to commit fund balance includes formal voting procedures regulated by the Town Charter.

*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. 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 General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, a negative unassigned fund balance will be reported in that fund.

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)***

**Fund Balance *(Continued)***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. In accordance with the Town’s policy, the Town uses restricted resources first, then unrestricted resources as needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Interfund Activity**

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**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.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits**

A reconciliation of the Town’s cash deposits as of June 30, 2025 is as follows:

Government-wide statement of net position:		
Cash and cash equivalents	\$	9,332,500
Statement of fiduciary net position:		
Cash and cash equivalents		596,998
		9,929,498
Add: investments considered cash deposits for disclosure purposes		2,245,220
Less: cash equivalents considered investments for disclosure purposes		(3,251,824)
	\$	8,922,894

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits (Continued)**

**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, 2025, the carrying amount of the Town's cash deposits was \$8,922,894. As of June 30, 2025, \$8,407,517 of the Town's bank balance of \$9,862,437 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	7,566,765
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name		840,752
		8,407,517
	\$	8,407,517

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.

**Investments**

A reconciliation of the Town's investments as of June 30, 2025 is as follows:

Government-wide statement of net position:		
Investments	\$	3,789,716
Statement of fiduciary net position:		
Investments		15,850,686
		19,640,402
Add: cash equivalents considered investments for disclosure purposes		3,251,824
Less: investments considered cash deposits for disclosure purposes		(2,245,220)
	\$	20,647,006

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Investments *(Continued)***

As of June 30, 2025, the Town's investments consisted of the following:

Investment type	Valuation Basis	Value	Investment Maturities (In Years)			
			Less Than 1	1 to 5	6 to 10	More Than 10
<b>Debt Securities:</b>						
<b><i>Governmental Activities (excluding Permanent Funds):</i></b>						
Short-term Investment Fund	Amortized cost	\$ 2,360,633	\$ 2,360,633	\$ -	\$ -	\$ -
<b><i>Permanent Funds:</i></b>						
Money market mutual funds	Amortized cost	607,008	607,008	-	-	-
Fixed income securities	Fair value	65,275	58,488	6,787	-	-
<b><i>Fiduciary Funds:</i></b>						
Money market mutual funds	Amortized cost	284,183	284,183	-	-	-
U.S. Treasury securities	Fair value	641,201	-	414,690	226,511	-
U.S. Agency securities	Fair value	309,390	-	-	-	309,390
Fixed income securities	Fair value	4,029,671	1,035,697	2,577,571	49,091	367,312
		8,297,361	<u>\$ 4,346,009</u>	<u>\$ 2,999,048</u>	<u>\$ 275,602</u>	<u>\$ 676,702</u>
<b>Other investments:</b>						
<b><i>Permanent Funds:</i></b>						
Equity securities	Fair value	1,479,221				
<b><i>Fiduciary Funds:</i></b>						
Equity securities	Fair value	10,870,424				
		<u>\$ 20,647,006</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.

**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. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

**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.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)***

***Investments (Continued)***

***Credit Risk (Continued)***

The Town's investment policy for its pension trust funds 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.

The Town's investments in debt securities were rated as follows at June 30, 2025:

Investment type	AAA	AA	A	BB	BBB	Unrated	Total
<b>Debt Securities:</b>							
<i>Governmental Activities</i>							
<i>(excluding Permanent Funds):</i>							
Short-term Investment Fund	\$ 2,360,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,360,633
<i>Permanent Funds:</i>							
Money market mutual funds	-	-	-	-	-	607,008	607,008
Fixed income securities	-	12,800	23,526	28,950	-	-	65,275
<i>Fiduciary Funds:</i>							
Money market mutual funds	-	-	-	-	-	284,183	284,183
U.S. Agency securities	-	309,390	-	-	-	-	309,390
Fixed income securities	-	41,635	1,702,186	2,206,212	79,638	-	4,029,671
	<u>\$ 2,360,633</u>	<u>\$ 363,825</u>	<u>\$ 1,725,712</u>	<u>\$ 2,235,162</u>	<u>\$ 79,638</u>	<u>\$ 891,191</u>	<u>7,656,160</u>
					U.S. Treasury securities		641,201
							<u>\$ 8,297,361</u>

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), 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 does not have a policy for custodial credit risk. At June 30, 2025, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. As of June 30, 2025, none of the Town's investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5.0% or more of the total investments reported for the Town's governmental activities or fiduciary funds.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 3 - FAIR VALUE MEASUREMENTS**

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2025, by level within the fair value hierarchy are presented in the table below:

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b><i>Permanent Funds:</i></b>				
Fixed income securities	\$ -	\$ 65,275	\$ -	\$ 65,275
Equity securities	1,479,221	-	-	1,479,221
<b><i>Fiduciary Funds:</i></b>				
U.S. Treasury securities	641,201	-	-	641,201
U.S. Agency securities	309,390	-	-	309,390
Fixed income securities	-	4,029,671	-	4,029,671
Equity securities	10,870,424	-	-	10,870,424
	<u>\$ 13,300,236</u>	<u>\$ 4,094,946</u>	<u>\$ -</u>	<u>17,395,182</u>
		Investments measured at amortized cost		3,251,824
				<u><u>\$ 20,647,006</u></u>

U.S. government and agency securities are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. U.S. government and agency securities are categorized in level 1 or level 2 of the fair value hierarchy depending on the inputs and market activity levels for specific securities.

Fixed income securities, consisting of corporate and municipal bonds, are estimated using various techniques, which may consider the recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, and fundamental data relating to the issuer. To the extent the inputs are observable and timely, the values have been categorized in level 2 of the valuation hierarchy.

Equity securities consists of stocks, mutual funds and exchange traded funds that are traded on a national securities exchange and are valued at the last reported sales price on the day of valuation. To the extent these securities are actively trade and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy.

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2025 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases &amp; Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 6,322,158	\$ -	\$ -	\$ 6,322,158
Construction in progress	307,546	3,128,832	(307,546)	3,128,832
Total capital assets, not being depreciated	<u>6,629,704</u>	<u>3,128,832</u>	<u>(307,546)</u>	<u>9,450,990</u>
Capital assets, being depreciated:				
Buildings and improvements	67,495,498	374,124	-	67,869,622
Vehicles, machinery and equipment	13,080,608	164,613	-	13,245,221
Infrastructure	25,163,569	-	307,546	25,471,115
Total capital assets, being depreciated	<u>105,739,675</u>	<u>538,737</u>	<u>307,546</u>	<u>106,585,958</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(36,260,471)	(1,279,661)	-	(37,540,132)
Vehicles, machinery and equipment	(9,050,874)	(811,281)	-	(9,862,155)
Infrastructure	(12,179,028)	(371,412)	-	(12,550,440)
Total accumulated depreciation and amortization	<u>(57,490,373)</u>	<u>(2,462,354)</u>	<u>-</u>	<u>(59,952,727)</u>
Total capital assets, being depreciated, net	<u>48,249,302</u>	<u>(1,923,617)</u>	<u>307,546</u>	<u>46,633,231</u>
Governmental activities capital assets, net	<u>\$ 54,879,006</u>	<u>\$ 1,205,215</u>	<u>\$ -</u>	<u>\$ 56,084,221</u>

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

Governmental Activities:	
General government	\$ 79,347
Public safety	264,486
Public works	584,466
Sanitation	11,761
Health and social services	21,793
Library	117,765
Culture and recreation	135,803
Education	1,246,933
Total depreciation and amortization expense - governmental activities	<u>\$ 2,462,354</u>

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2025 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds:</b>		
General Fund	Ambulance Fund	\$ 1,139,121
	Recreation Commission Fund	710,756
	Sewer Fund	1,141,437
	Nonmajor Governmental Funds	<u>231,503</u>
		3,222,817
Sewer Fund	General Fund	26,460
Nonmajor Governmental Funds	General Fund	959,953
		<u>\$ 4,209,230</u>

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES *(Continued)***

The interfund 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.

**NOTE 6 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2025 consisted of the following:

Transfers In	Transfers Out	Amount
<b>Governmental Funds</b>		
Nonmajor Governmental Funds	General Fund	\$ 2,150,538
	Ambulance Fund	103,607
	Recreation Commission Fund	10,000
	Nonmajor Governmental Funds	30,682
		2,294,827
		\$ 2,294,827

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**

**Changes in Long-term Liabilities**

Changes in the Town's long-term liabilities for the year ended June 30, 2025, are as follows:

	Beginning Balance, As Restated	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
<i>Long-term Debt:</i>					
Bonds payable:					
General obligation bonds	\$ 13,110,000	\$ 2,000,000	\$ (1,300,000)	\$ 13,810,000	\$ 1,205,000
Unamortized premiums	627,349	130,618	(88,907)	669,060	-
Total bonds payable	13,737,349	2,130,618	(1,388,907)	14,479,060	1,205,000
Financed purchases	528,316	415,000	(310,318)	632,998	152,789
<i>Other Long-term Liabilities:</i>					
Compensated absences	2,274,119	77,917	-	2,352,036	449,000
Landfill post closure care liability	14,000	-	(14,000)	-	-
Net pension liability <i>(see Note 8)</i>	936,513	-	(235,871)	700,642	-
Net OPEB liability <i>(see Note 10)</i>	2,060,463	-	(1,323,983)	736,480	-
	\$ 19,550,760	\$ 2,623,535	\$ (3,273,079)	\$ 18,901,216	\$ 1,806,789

General obligation bonds and other long-term liabilities are generally liquidated in the General Fund. Financed purchases are generally liquidated in the Capital Equipment Fund, a nonmajor governmental fund. The change in the liability for compensated absences is presented net of increases and decreases.

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**General Obligation Bonds**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

	<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>					
Bonds Payable					
General Obligation Refunding Bonds	2013	\$ 7,610,000	2.0% - 3.0%	8/2027	\$ 1,030,000
General Obligation Bonds	2015	5,320,000	2.0% - 4.0%	11/2034	2,500,000
General Obligation Bonds	2020	9,405,000	2.0% - 4.0%	10/2041	8,280,000
General Obligation Bonds	2025	2,000,000	4.0% - 5.0%	06/2035	2,000,000
					<u>\$ 13,810,000</u>

**Financed Purchases**

The Town has entered into financed purchase contracts for the acquisition of capital assets. The contracts include non-appropriation clauses and provide the obligors with security interests in the underlying assets in the event of default. Ownership of the underlying assets are transferred to the Town at the end of the contract. The Town makes equal annual payments of principal and interest at an interest rates ranging from 1.5% to 5.0% through various maturity dates.

**Advance Refundings**

The Town has refunded general obligation bonds in prior years. At June 30, 2025, \$1,005,000 of defeased bonds remain outstanding. 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. This amount, net of accumulated amortization, 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 \$15,713 for the year ended June 30, 2025. The general obligation bonds refunded are considered defeased and the liability for those bonds has been removed from the statement of net position. Proceeds from the issuance of the refunding bonds are being held by an escrow agent in an irrevocable trust fund to provide all future debt service payments on the refunded bonds.

**Legal Debt Limit**

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 statute does exclude from the Town's aggregate debt calculation any debt issued (a) in anticipation of taxes; (b) for water, gas, or electricity supply, electric demand response, conservation and load management, distributed generation, renewable energy projects, cable, wire, and pipe subway construction, underground cable, wire, and pipe conduit construction, constructing and operating a municipal community antenna television system, or a combination of such projects; (c) in anticipation of public improvement benefit assessment revenue; (d) in anticipation of state or federal grant funding; (e) for water pollution control projects in order to meet the energy and environmental protection commissioner's abatement order requirements; and debt issued (f) for which funds have been placed in escrow (from the proceeds of refunding bonds, notes, or other obligations or other municipal funds) in an amount sufficient, together with investment earnings, to provide for the payment when due of the principal of and interest on such debt. The Town did not exceed this statutory debt limitation as of June 30, 2025.

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Authorized and Unissued Debt**

The Town had no authorized and unissued debt as of June 30, 2025.

**Long-term Debt Service Requirements**

The debt service requirements for the Town's long-term debt are as follows:

Year ending June 30:	Governmental Activities			
	General Obligation Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
2026	\$ 1,205,000	\$ 395,429	\$ 152,789	\$ 25,918
2027	1,215,000	365,756	159,431	19,276
2028	1,225,000	314,450	166,372	12,340
2029	905,000	275,700	104,331	5,083
2030	925,000	239,600	18,331	969
2031-2035	4,845,000	707,337	31,744	686
2036-2040	2,880,000	217,400	-	-
2041-2042	610,000	6,100	-	-
	<u>\$ 13,810,000</u>	<u>\$ 2,521,772</u>	<u>\$ 632,998</u>	<u>\$ 64,272</u>

**Compensated Absences**

Employees may accumulate unused vacation and sick leave in accordance with Board policies, union contracts, and employment agreements. As of June 30, 2025, accumulated benefits totaled approximately \$7,225,000, of which \$2,352,036 has been recorded as a liability for amounts more likely than not to be used or paid. This liability is based on estimates of the amount of vacation and sick leave employees will use in future years. Actual leave usage could differ from those estimates and such differences could be material to the financial statements.

**Landfill Post-Closure Care Liability**

The Town landfill has been closed. State and Federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The thirty-year monitoring period expired during the current year. Future monitoring of the landfill by the Town will be expensed in the period the costs are incurred.

**NOTE 8 - PENSION PLANS**

**Defined Benefit Pension Plans**

The Town accounts for activity relating to four defined benefit pension plans, (1) the Town Employees' Plan, (2) the Board of Education Employees' Plan, (3) the Volunteer Firefighters Incentive Plan, and (4) the Connecticut Teachers' Retirement System.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 8 - PENSION PLANS *(Continued)***

**Defined Benefit Pension Plans *(Continued)***

As of and for the year ended June 30, 2025, the four plans had the following balances reported in the Town's government-wide financial statements:

	Net Pension Asset	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	Pension Expense
Town Employees' Plan	\$ 616,023	\$ -	\$ 170,527	\$ 433,356	\$ -	\$ 22,286
Board of Education Employees' Plan	-	346,610	186,660	286,645	-	83,484
Volunteer Firefighters Incentive Plan	-	354,032	13,670	95,613	-	38,545
Connecticut Teachers' Retirement (proportionate share)	-	-	-	-	5,045,803	5,045,803
	<u>\$ 616,023</u>	<u>\$ 700,642</u>	<u>\$ 370,857</u>	<u>\$ 815,614</u>	<u>\$ 5,045,803</u>	<u>\$ 5,190,118</u>

Detailed disclosures for each plan follow.

**Town Employee's Plan, Board of Education Employees' Plan and Volunteer Firefighters Incentive Plan**

**Plan Descriptions**

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 (the Board of Education Plan) and a single employer, noncontributory, defined benefit pension plan: the Volunteer Firefighters Incentive Plan (the Volunteer Firefighters' Plan) (collectively the Plans). The Plans cover substantially all full time employees except professional personnel at the Board of Education who are covered by the Connecticut 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 plan documents.

*Investments* - Investments are generally measured at fair value. 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 significant concentration risks as of June 30, 2025. As of June 30, 2025, there were no amounts invested in any one issuer that represented more than 5.0% of the total assets for each plan.

*Rate of return* - For the year ended June 30, 2025, 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 12.92%, 7.20% and 14.12%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 8 - PENSION PLANS *(Continued)***

**Town Employee's Plan, Board of Education Employees' Plan and Volunteer Firefighters Incentive Plan *(Continued)***

**Summary of Significant Accounting Policies *(Continued)***

*Administrative costs* - A portion of the administrative costs of the Pension Plans are funded through the Town's General Fund with the remaining portion funded from investment earnings of the plans.

**Plan Membership**

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

	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Firefighters' Plan</b>
Retired participants and beneficiaries receiving benefits	15	42	15
Terminated members entitled to, but not yet receiving benefit	12	8	26
Active members	37	32	70
	64	82	111

**Benefit Provisions**

***Town Plan***

All full-time 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 2.0% of their annual earnings. Effective September 1, 2011, participants were required to make a picked-up contribution to the plan, which the Town agreed to make on the participant's behalf. The amount of the picked-up contribution to the plan was 2.0% for certain union participants and 4.0% for all other employees through June 30, 2015 and 5.0% 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. Employees hired on or after July 1, 2018 are no longer 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). Effective July 1, 2018, participants are required to contribute 4.0% of their annual earnings. Effective July 1, 2020, nurse union and custodial/maintenance union participants that are grandfathered in are required to contribute 4.0% of compensation.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 8 - PENSION PLANS *(Continued)***

**Town Employee's Plan, Board of Education Employees' Plan and Volunteer Firefighters Incentive Plan *(Continued)***

**Benefit Provisions *(Continued)***

***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. The benefit multiplier was increased from \$5.00 to \$10.00 effective July 1, 2024 for future retirements and effective January 1, 2025 for participants who were collecting benefits as of July 1, 2024.

***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 Pension Plans were determined using the Aggregate Actuarial Cost Method.

For the year ended June 30, 2025, employer contributions to the Town Plan represented approximately 6.54% of covered payroll.

For the year ended June 30, 2025, employer contributions to the Board of Education Plan represented approximately 11.97% of covered payroll.

**Net Pension Liability (Asset)**

The components of the Town's net pension liability (asset) for each plan as of June 30, 2025 were as follows:

	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Firefighters' Plan</b>
Total pension liability	\$ 6,701,088	\$ 7,235,580	\$ 833,766
Plan fiduciary net position	7,317,111	6,888,970	479,734
Town's net pension liability (asset)	\$ (616,023)	\$ 346,610	\$ 354,032
Plan fiduciary net position as a percentage of the total pension liability	109.19%	95.21%	57.54%

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 8 - PENSION PLANS *(Continued)***

**Town Employee's Plan, Board of Education Employees' Plan and Volunteer Firefighters Incentive Plan *(Continued)***

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

The components of the Town's changes in the net pension liability (asset) for each of the plans for the year ended June 30, 2025 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>Town Plan</b>			
Balance as of June 30, 2024	\$ 6,263,170	\$ 6,467,518	\$ (204,348)
Changes for the year:			
Service cost	325,289	-	325,289
Interest	402,842	-	402,842
Actuarial (gains) losses	-	-	-
Contributions	-	299,635	(299,635)
Net investment income	-	850,932	(850,932)
Benefit payments, including refunds	(290,213)	(290,213)	-
Administrative expenses	-	(10,761)	10,761
Net changes	437,918	849,593	(411,675)
Balance as of June 30, 2025	<u>\$ 6,701,088</u>	<u>\$ 7,317,111</u>	<u>\$ (616,023)</u>
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Board of Education Plan</b>			
Balance as of June 30, 2024	\$ 7,145,716	\$ 6,581,740	\$ 563,976
Changes for the year:			
Service cost	177,879	-	177,879
Interest	427,751	-	427,751
Actuarial (gains) losses	(121,191)	-	(121,191)
Contributions	-	232,981	(232,981)
Net investment income	-	470,043	(470,043)
Benefit payments, including refunds	(394,575)	(394,575)	-
Administrative expenses	-	(1,219)	1,219
Net changes	89,864	307,230	(217,366)
Balance as of June 30, 2025	<u>\$ 7,235,580</u>	<u>\$ 6,888,970</u>	<u>\$ 346,610</u>
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>Firefighters' Plan</b>			
Balance as of June 30, 2024	\$ 818,134	\$ 445,597	\$ 372,537
Changes for the year:			
Service cost	22,216	-	22,216
Interest	51,765	-	51,765
Actuarial (gains) losses	(33,779)	-	(33,779)
Change in benefit terms	-	-	-
Contributions	-	4,830	(4,830)
Net investment income	-	66,573	(66,573)
Benefit payments, including refunds	(24,570)	(24,570)	-
Administrative expenses	-	(12,696)	12,696
Net changes	15,632	34,137	(18,505)
Balance as of June 30, 2025	<u>\$ 833,766</u>	<u>\$ 479,734</u>	<u>\$ 354,032</u>

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 8 - PENSION PLANS *(Continued)***

**Town Employee's Plan, Board of Education Employees' Plan and Volunteer Firefighters Incentive Plan *(Continued)***

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

*Actuarial assumptions* - The total pension liabilities were determined by actuarial valuations as of July 1, 2023 for the Town Plan, as of July 1, 2024 for the Volunteer Firefighters' Plan, and as of July 1, 2024 for the Board of Education Plan, using the following actuarial assumptions, applied to all periods included in the measurement:

	Town Plan	Board of Education Plan	Firefighters' Plan
Inflation	2.4%	2.4%	2.4%
Salary increases (average, including inflation)	4.0%	3.5%	Not applicable
Investment rate of return (net of investment expense)	6.3%	6.0%	6.25%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables for General employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021 for the Town Plan, Pub-2010(B) Public Retirement Plans Mortality Tables, projected to the valuation date with Scale MP-2021 for the Board of Education Plan, and the RP-2010(B) Public Retirement Plans Amount-Weighted Mortality Tables, projected to the valuation date with Scale MP-2021 for the Volunteer Firefighters' Plan.

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, 2025 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>			<b>Long-term Expected Real Rate of Return</b>		
	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Firefighters' Plan</b>	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Firefighters' Plan</b>
	Equity	60%	65%	70%	3.35%	3.12%
Fixed income	37%	30%	27%	0.81%	0.79%	0.50%
Cash	3%	5%	3%	0.03%	0.05%	0.00%
				4.19%	3.96%	3.90%
Long-term inflation				2.40%	2.40%	2.40%
				6.59%	6.36%	6.30%

*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 6.25%, 6.0% and 6.25%, 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)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 8 - PENSION PLANS *(Continued)***

***Town Employee's Plan, Board of Education Employees' Plan and Volunteer Firefighters Incentive Plan (Continued)***

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

*Sensitivity of the net pension liability (assets) to changes in the discount rate* - The following presents the Town's 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 plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Discount Rates		
	-1.0%	Current	+1.0%
Town Plan - Net pension liability (asset)	\$ 195,717	\$ (616,023)	\$ (1,298,459)
Board of Education Plan - Net pension liability (asset)	1,062,366	346,610	(264,784)
Firefighters' Plan - Net pension liability	496,640	354,032	241,828
	\$ 1,754,723	\$ 84,619	\$ (1,321,415)

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

For the year ended June 30, 2025, the Town recognized total pension expense of \$22,286 for the Town Plan, \$83,484 for the Board of Education Plan and \$38,545 for the Volunteer Firefighters' Plan.

At June 30, 2025, the Town reported deferred outflows and inflows of resources related to each plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
<b>Town Plan</b>			
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 267,436	\$ (267,436)
Differences between expected and actual experience	20,212	144,202	(123,990)
Changes of assumptions	150,315	21,718	128,597
	170,527	433,356	(262,829)
<b>Board of Education Plan</b>			
Net difference between projected and actual earnings on pension plan investments	13,470	-	13,470
Differences between expected and actual experience	138,951	270,347	(131,396)
Changes of assumptions	34,239	16,298	17,941
	186,660	286,645	(99,985)
<b>Firefighters' Plan</b>			
Net difference between projected and actual earnings on pension plan investments	-	28,139	(28,139)
Differences between expected and actual experience	-	66,168	(66,168)
Changes of assumptions	13,670	1,306	12,364
	13,670	95,613	(81,943)
Total	\$ 370,857	\$ 815,614	\$ (444,757)

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 8 - PENSION PLANS *(Continued)***

***Town Employee's Plan, Board of Education Employees' Plan and Volunteer Firefighters Incentive Plan (Continued)***

**Pension Expense and Deferred Outflows and Inflows of Resources *(Continued)***

Amounts reported as deferred outflows and inflows of resources related each plan will be recognized as an increase or (decrease) to pension expense in future years as follows:

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>	<u>Total</u>
Year ended June 30,				
2026	\$ 45,564	\$ 133,155	\$ (5,123)	\$ 173,596
2027	(128,580)	(123,395)	(16,376)	(268,351)
2028	(101,140)	(95,803)	(14,225)	(211,168)
2029	(84,404)	(13,942)	(11,987)	(110,333)
2030	4,058	-	(4,909)	(851)
Thereafter	1,673	-	(29,323)	(27,650)
Total	<u>\$ (262,829)</u>	<u>\$ (99,985)</u>	<u>\$ (81,943)</u>	<u>\$ (444,757)</u>

**Pension Plans Financial Statements**

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for each plan as of and for the year ended June 30, 2025.

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 305,154	\$ 172,366	\$ 71,609
Investments	7,204,320	6,690,805	490,846
Accrued income receivable	18,097	25,799	1,373
Total assets	<u>7,527,571</u>	<u>6,888,970</u>	<u>563,828</u>
<b>Liabilities</b>			
Accounts payable	210,460	-	84,094
Total liabilities	<u>210,460</u>	<u>-</u>	<u>84,094</u>
<b>Net Position</b>			
Restricted for pension benefits	<u>\$ 7,317,111</u>	<u>\$ 6,888,970</u>	<u>\$ 479,734</u>

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 8 - PENSION PLANS *(Continued)***

**Town Employee's Plan, Board of Education Employees' Plan and Volunteer Firefighters Incentive Plan *(Continued)***

**Pension Plans Financial Statements *(Continued)***

	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Firefighters' Plan</b>
<b>Additions</b>			
Contributions:			
Employer	\$ 161,097	\$ 178,988	\$ 4,830
Plan members	138,538	53,993	-
Total contributions	299,635	232,981	4,830
Investment earnings:			
Interest and dividends	213,551	262,819	13,871
Net change in the fair value of investments, net of investment fees	637,381	207,224	52,702
Total investment earnings, net	850,932	470,043	66,573
Total additions	1,150,567	703,024	71,403
<b>Deductions</b>			
Benefit payments	290,213	394,575	24,570
Administrative expenses	10,761	1,219	12,696
Total deductions	300,974	395,794	37,266
Change in net position	849,593	307,230	34,137
<b>Net Position Restricted for Pension Benefits</b>			
Beginning	6,467,518	6,581,740	445,597
Ending	\$ 7,317,111	\$ 6,888,970	\$ 479,734

**Connecticut Teachers' Retirement System**

**Plan Description**

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in the service of public schools are provided with pensions through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Benefit Provisions**

The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

*Normal Retirement:* Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

*Early Retirement:* Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.0% per year by which retirement precedes normal retirement date.

*Minimum Benefit:* Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

*Disability Retirement:* Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

*Pre-Retirement Death Benefit:* The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

**Contributions**

*State of Connecticut* - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

*Employers* - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

*Employees* - Each teacher is required contribute 7.0% of pensionable salary for the pension benefit.

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Administrative Expenses**

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

**Basis of Presentation**

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2024. The net pension liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at [www.ct.gov](http://www.ct.gov).

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

**Allocation Methodology**

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.279% as of the most recent measurement date.

**Collective Net Pension Liability**

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2024, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		<u>\$ 15,771,213,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.279%	<u>\$ 43,990,000</u>

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Collective Pension Expense**

The Town's expected contribution effort for allocation purposes totaled \$4,336,072 or 0.279% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2025.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$5,045,803 or 0.279% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2025.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5.0% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6.0% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Long-Term Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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 current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%
	<u>100%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. 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 the 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.

**NOTE 9 - OTHER RETIREMENT PLANS**

**Firefighters' Deferred Compensation Plan**

The Town offers all firefighters a 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 full-time participant's base wages. There is no Town contribution for part-time bargaining unit participants. 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. The Town has no trustee or other fiduciary responsibilities related to participant accounts and therefore the plan is not accounted for in the fiduciary fund financial statements of the Town.

Amounts contributed by the Town into this plan totaled approximately \$4,830 for the year ended June 30, 2025.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 9 - OTHER RETIREMENT PLANS *(Continued)***

**Town Deferred Compensation Plan**

The Town offers all employees who are eligible for benefits a deferred compensation plan created by the State of Connecticut in accordance with Internal Revenue Code Section 457. The Town is not required to make contributions to this plan. 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. The Town has no trustee or other fiduciary responsibilities related to participant accounts and therefore the plan is not accounted for in the fiduciary fund financial statements of the Town.

**Board of Education 403(b) Plans**

The Board of Education provides retirement benefits through a 403(b) plans for certain employees. Under the provisions of the Plan, all eligible employees (except those covered under a comparable employer plan) may participate. Contribution requirements are established and may be amended by the Board of Education. Amounts contributed by the Board of Education into 403(b) plan totaled \$41,131 for the year ended June 30, 2025.

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

The Town accounts for activity relating to two other post-employment benefits plans, (1) the Board of Education Other Post-employment Benefit Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2025, the two plans had the following balances reported in the Town's government-wide financial statements:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenues</u>	<u>OPEB Expense</u>
Board of Education Other Post-employment Benefits Plan	\$ 736,480	\$ 724,196	\$ 1,663,377	\$ -	\$ 8,640
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	125,033	125,033
	<u>\$ 736,480</u>	<u>\$ 724,196</u>	<u>\$ 1,663,377</u>	<u>\$ 125,033</u>	<u>\$ 133,673</u>

Detailed disclosures for each plan follow.

**Board of Education Other Post-employment Benefits Plan**

**Plan Description**

*Plan administration* - The Town's Board of Education administers a single-employer post-retirement healthcare plan, the Board of Education Other Post-Employment Benefits (OPEB) Plan (the OPEB Plan), that provides health benefits for eligible retirees and their spouses. The Board of Education has established an OPEB trust to accumulate resources for the purpose of funding future OPEB benefits. The OPEB Plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial statements as an Other Post-Employment Benefits Trust Fund. The Plan does not issue stand-alone financial reports.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Board of Education Other Post-employment Benefits Plan**

**Plan Description *(Continued)***

*Plan administration* - The Town's Board of Education administers a single-employer post-retirement healthcare plan, the Board of Education Other Post-Employment Benefits (OPEB) Plan (the OPEB Plan), that provides health benefits for eligible retirees and their spouses. The Board of Education has established an OPEB trust to accumulate resources for the purpose of funding future OPEB benefits. The OPEB Plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial statements as an Other Post-Employment Benefits Trust Fund. The Plan does not issue stand-alone financial reports.

*Plan membership* - As of July 1, 2024, the date of the most recent actuarial valuation, membership data was as follows:

Active plan members	238
Retirees and beneficiaries receiving benefits	14
	<u>252</u>

*Benefits provided* - Health benefits for retired teachers are determined by State law. Retired or disabled teachers receiving benefits from the State Teachers' Retirement System (TRS) can receive health insurance coverage from the Teachers' Retirement Board if they are eligible for Medicare Part A hospital insurance. Those who are not eligible for Medicare Part A are allowed to participate by law in the same plan offer by the Board Education to active teachers if they were last employed by the Board of Education. Benefits are established by contract and state law.

*Contributions* - Contribution requirements are established by state law and the Board of Education. State law requires that the premium charged to retirees may not be greater than that charged for the same form of coverage for active teachers. In addition, state law requires that the TRS provide a subsidy to the Board of Education to offset the cost to retirees. In 2000, the subsidy amount was statutorily frozen at \$110 per person per month.

For the year ended June 30, 2025, the amount contributed towards OPEB benefits totaled \$222,634, of which \$31,668 was contributed directly into the OPEB Trust.

**Summary of Significant Accounting Policies**

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

*Investments* - Investments are generally measured at fair value. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

*Investment policy* - The OPEB Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Board of Education. The Board of Education 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.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Board of Education Other Post-employment Benefits Plan *(Continued)***

**Summary of Significant Accounting Policies *(Continued)***

*Rate of return* - For the year ended June 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net of investment expense, was 7.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability**

The Town's net OPEB liability was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2024.

The components of the Town's net OPEB liability for the OPEB Plan at June 30, 2025 were as follows:

Total OPEB liability	\$	2,254,193
Plan fiduciary net position		1,517,713
Town's net OPEB liability	\$	736,480
Plan fiduciary net position as a percentage of the total OPEB liability		67.33%

The components of the change in the Town's net OPEB liability for the OPEB Plan for the year ended June 30, 2025 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2024	\$ 3,440,311	\$ 1,379,848	\$ 2,060,463
Changes for the year:			
Service cost	32,464	-	32,464
Interest	201,551	-	201,551
Actuarial (gains) losses	(1,336,430)	-	(1,336,430)
Changes in assumptions	146,863	-	146,863
Contributions - employer	-	222,634	(222,634)
Contributions - TRB subsidies	-	39,600	(39,600)
Net investment income	-	106,197	(106,197)
Benefit payments, including refunds	(230,566)	(230,566)	-
Net changes	(1,186,118)	137,865	(1,323,983)
Balance as of June 30, 2025	\$ 2,254,193	\$ 1,517,713	\$ 736,480

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Board of Education Other Post-employment Benefits Plan *(Continued)***

**Net OPEB Liability *(Continued)***

*Actuarial Assumptions* - The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	6.00%
Discount rate	6.00%
Inflation rate	2.40%
Healthcare cost trend rate:	
Initial	7.0% in 2024 decreasing 0.2% per year
Ultimate	4.40%

It has been assumed that 60% of active eligible employees at retirement will continue with medical coverage through the Board of Education. In addition, it has been assumed that 20% of non-Medicare eligible retirees age 65 and older will continue with medical coverage through the Board of Education.

Mortality rates were based on the Pub-2010 and Pub-210(B) Public Retirement Plans Mortality Tables, projected to the valuation date with Scale MP- 2021.

The long-term expected rate of returns on OPEB 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 OPEB 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 the OPEB Plan's target asset allocation as of June 30, 2025 are summarized in the following table:

<b>Asset Class</b>	<b>Allocation</b>	<b>Long-term Expected Rate of Return</b>
Equity	65.0%	3.12%
Fixed income	30.0%	0.79%
Cash	5.0%	0.05%
		3.96%
Long-term inflation		2.40%
		6.36%

*Discount rate* - The discount rate used to measure the total OPEB liability was 6.0%. 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 Board of Education'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 OPEB 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 the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Board of Education Other Post-employment Benefits Plan *(Continued)***

**Net OPEB Liability *(Continued)***

*Sensitivity of the net OPEB liability to changes in the discount rate* - The following presents the Town's net OPEB liability for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower (5.0%) or 1-percentage-point higher (7.0%) than the current rate (6.0%):

	Discount Rates		
	-1.0%	Current	+1.0%
Net OPEB liability	\$ 971,356	\$ 736,480	\$ 534,876

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

	Healthcare Cost Trend Rates		
	-1.0%	Current	+1.0%
Net OPEB liability	\$ 510,538	\$ 736,480	\$ 1,000,343

**OPEB Plan Financial Statements**

The following presents the statements of fiduciary net position and the statement of changes in fiduciary net position for the Town's OPEB Plan as of and for the year ended June 30, 2025.

	<b>Board of Education Plan</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 47,869
Investments	1,464,715
Accrued income receivable	5,129
Total assets	1,517,713
<b>Net Position</b>	
Restricted for OPEB benefits	\$ 1,517,713

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Board of Education Other Post-employment Benefits Plan *(Continued)***

**OPEB Plan Financial Statements *(Continued)***

	<b>Board of Education Plan</b>
<b>Additions</b>	
Contributions:	
Employer	\$ 31,668
Total contributions	31,668
Investment earnings:	
Interest and dividends	31,759
Net change in the fair value of investments, net of investment fees	74,438
Total investment earnings, net	106,197
Total additions	137,865
<b>Deductions</b>	
Benefit payments	-
Administrative expenses	-
Total deductions	-
Change in net position	137,865
<b>Net Position</b>	
Beginning	1,379,848
Ending	\$ 1,517,713

**OPEB Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2025, the Town recognized OPEB expense of \$8,640. As of June 30, 2025, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferrals</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 11,297	\$ (11,297)
Differences between expected and actual experience	505,567	1,581,140	(1,075,573)
Changes of assumptions	218,629	70,940	147,689
Total	\$ 724,196	\$ 1,663,377	\$ (939,181)

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Board of Education Other Post-employment Benefits Plan *(Continued)***

**OPEB Expense and Deferred Outflows and Inflows of Resources *(Continued)***

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as an increase or (decrease) to OPEB expense in future years as follows:

Year ended June 30,		
2026	\$	(63,058)
2027		(109,875)
2028		(101,253)
2029		(93,475)
2030		(89,091)
Thereafter		(482,429)
Total	<u>\$</u>	<u>(939,181)</u>

**Connecticut Teachers' Retirement System**

**Plan Description**

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System - a cost sharing multi employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

**Benefit Provisions**

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Connecticut Teachers' Retirement System *(Continued)***

**Benefit Provisions *(Continued)***

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

**Contributions**

*State of Connecticut* - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

*Employers* - School District employers are not required to make contributions to the Plan.

*Employees/Retirees* - The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

**Administrative Expenses**

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

**Basis of Presentation**

The components associated with the other post-employment benefits (OPEB) expense and deferred outflows and inflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2024. The net OPEB liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at [www.ct.gov](http://www.ct.gov).

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and OPEB expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Connecticut Teachers' Retirement System *(Continued)***

**Allocation Methodology**

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to the Town totaled 0.279% as of the most recent measurement date.

**Collective Net OPEB Liability**

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2024, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		\$ 3,235,218,000
	<b>Proportion</b>	<b>Proportionate Share</b>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	\$ -
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.279%	\$ 9,024,000

**Collective OPEB Expense**

The Town's expected contribution effort for allocation purposes totaled \$60,709 or 0.279% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2025.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the Town totaled 125,033 or 0.279% of the total collective OPEB expense and has been recognized as a reduction in operating contributions and related education expenses in the statement of activities for the year ended June 30, 2025.

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Connecticut Teachers' Retirement System *(Continued)***

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

**Long-Term Rate of Return**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected 10-Year Geometric Real Rate of Return</u>
U.S. Treasuries (Cash Equivalents)	100.0%	1.26%
Long-Term Inflation Expectation		2.50%
Long-Term Expected Nominal Return		3.76%

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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

**Connecticut Teachers' Retirement System *(Continued)***

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.93% compared to 3.64% in the prior year. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2024. In addition to the actuarial methods and assumptions of the June 30, 2024 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**NOTE 11 - FUND BALANCE**

**Fund Balance Policy**

The Town's policy states that the Town shall endeavor to maintain an unassigned fund balance in its General Fund of not less than two months of current year budgeted General Fund operating expenditures. As of June 30, 2025, unassigned fund balance in the General Fund represented 1.7 months of the Town's fiscal year 2026 General Fund budgetary expenditure appropriations.

The components of fund balance for the governmental funds at June 30, 2025 are as follows:

	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Recreation Commission Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:						
Library	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000
Prepaid items	109,645	-	-	-	-	109,645
	<u>109,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>184,645</u>
Restricted for:						
Capital purposes	-	-	-	-	288,067	288,067
Library operations	-	-	-	-	776,091	776,091
Cemetery operations	-	-	-	-	1,334,905	1,334,905
Open space	-	-	-	-	351,423	351,423
Education programs	-	-	-	-	366,791	366,791
Emergency assistance	-	-	-	-	73,878	73,878
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,191,155</u>	<u>3,191,155</u>

*(Continued)*

**TOWN OF SOMERS, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 11 - FUND BALANCE**

	General Fund	Ambulance Fund	Recreation Commission Fund	Sewer Fund	Nonmajor Governmental Funds	Total
Committed to:						
Sewer operations	\$ -	\$ -	\$ -	\$ 115,390	\$ -	\$ 115,390
Ambulance operations	-	686,706	-	-	-	686,706
Capital purposes	-	-	-	-	111,096	111,096
Road maintenance	-	-	-	-	173,217	173,217
Education programs	-	-	-	-	21,206	21,206
Recreation programs	-	-	96,575	-	43,831	140,406
Revaluation	78,408	-	-	-	-	78,408
Emergency assistance	-	-	-	-	34,124	34,124
Debt service	-	-	-	-	130,439	130,439
Other purposes	-	-	-	-	193,270	193,270
	<u>78,408</u>	<u>686,706</u>	<u>96,575</u>	<u>115,390</u>	<u>707,183</u>	<u>1,684,262</u>
Assigned to:						
Use in fiscal year 2026 budget	1,167,855	-	-	-	-	1,167,855
Unassigned	5,909,347	-	-	-	(10)	5,909,337
	<u>\$ 7,265,255</u>	<u>\$ 686,706</u>	<u>\$ 96,575</u>	<u>\$ 115,390</u>	<u>\$ 3,973,328</u>	<u>\$ 12,137,254</u>

*(Concluded)*

**NOTE 12 - RISK MANAGEMENT**

**Insurance**

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss except workers' compensation and liability-automobile-property insurance for which it participates in risk sharing pools, and dental benefits for which the Town is self-insured. During the year ended June 30, 2025, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. In addition, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program.

**Workers' Compensation Pool**

The Town is a member of CIRMA's worker's compensation pool, a risk sharing pool, which commenced operations on July 1, 1980. The worker's compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Worker's Compensation Act. The Town has workers compensation coverage at statutory required limits with CIRMA and carries \$1,000,000 employer's liability through CIRMA.

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 12 - RISK MANAGEMENT *(Continued)***

**Insurance *(Continued)***

**Liability-Automobile-Property Pool**

The Town is a member of CIRMA’s Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA’s Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

**NOTE 13 - RESTATEMENTS**

**Changes within the Financial Reporting Entity**

The Town reported the Sewer Fund as a nonmajor governmental fund in the prior year. This fund no longer meets the criteria for nonmajor fund classification and has been presented as a major governmental fund in the current year.

**Change in Accounting Principle**

For the year ended June 30, 2025, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This statement establishes updated recognition and measurement guidance for compensated absences.

**Adjustments to and Restatements of Beginning Balances**

During the year ended June 30, 2025, changes within the financial reporting entity and the change in accounting principle resulted in adjustments to and restatements of beginning net position and fund balance, as follows:

	<b><u>6/30/2024</u></b> <b><u>As Previously</u></b> <b><u>Reported</u></b>	<b><u>Changes within</u></b> <b><u>the Financial</u></b> <b><u>Reporting Entity</u></b>	<b><u>Change in</u></b> <b><u>Accounting</u></b> <b><u>Principle</u></b>	<b><u>6/30/2024</u></b> <b><u>As Restated</u></b>
<b>Government-Wide</b>				
Governmental Activities	\$ 50,514,973	\$ -	\$ (1,313,034)	\$ 49,201,939
<b>Governmental Funds</b>				
Major Funds:				
General Fund	\$ 7,829,550	\$ -	\$ -	\$ 7,829,550
Ambulance Fund	829,442	-	-	829,442
Recreation Commission Fund	44,286	-	-	44,286
Sewer Fund Fund	-	354,673	-	354,673
Nonmajor Funds	3,722,644	(354,673)	-	3,367,971
<b>Total Governmental Funds</b>	<b><u>\$ 12,425,922</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 12,425,922</u></b>

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 14 - CONTINGENCIES**

**Federal Awards and State Financial Assistance**

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

**Legal**

The Town, in the normal course of operations, is named as defendants in lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. The outcome and eventual liability to the Town, if any, for such matters are 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 matters would not materially affect the financial position of the Town.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES:</b>				
Property taxes	\$ 28,505,131	\$ 28,505,131	\$ 28,457,994	\$ (47,137)
Intergovernmental	9,316,097	9,316,097	9,035,086	(281,011)
Charges for services	1,085,500	1,085,500	1,101,672	16,172
Investment earnings	500,000	500,000	446,421	(53,579)
Total revenues	<u>39,406,728</u>	<u>39,406,728</u>	<u>39,041,173</u>	<u>(365,555)</u>
<b>OTHER FINANCING SOURCES:</b>				
Appropriation from fund balance	420,000	534,081	-	(534,081)
Total revenues and other financing sources	<u>39,826,728</u>	<u>39,940,809</u>	<u>39,041,173</u>	<u>(899,636)</u>
<b>EXPENDITURES:</b>				
General Government:				
Selectmen	525,398	539,428	539,428	-
Finance	293,325	327,281	327,281	-
Land Use	186,090	167,746	166,601	(1,145)
Assessor	155,921	167,413	167,413	-
Tax Collector	136,485	133,092	131,091	(2,001)
Information Technology	186,500	211,302	210,626	(676)
Town Clerk	141,584	124,732	124,732	-
Building Department	96,000	166,939	132,924	(34,015)
Election	79,360	81,347	81,347	-
Board of Finance	49,500	53,271	52,758	(513)
Conservation	20,350	20,188	20,131	(57)
Probate Court	7,000	4,719	4,719	-
Zoning	2,000	1,764	1,653	(111)
Zoning Board of Appeals	1,000	1,236	1,236	-
Planning	500	500	-	(500)
Board of Assessment Appeals	200	200	-	(200)
Total general government	<u>1,881,213</u>	<u>2,001,158</u>	<u>1,961,940</u>	<u>(39,218)</u>
Public Safety:				
Police Protection	787,625	715,089	713,007	(2,082)
Fire Protection	612,565	588,108	584,248	(3,860)
Civil Preparedness	42,280	25,334	22,562	(2,772)
Total public safety	<u>1,442,470</u>	<u>1,328,531</u>	<u>1,319,817</u>	<u>(8,714)</u>
Public Works:				
Public Works	860,760	909,026	909,026	-
Town Facilities	715,095	882,938	882,938	-
Highway Department	244,269	259,827	259,827	-
Park and Recreation Maintenance	53,665	74,521	73,951	(570)
Total public works	<u>1,873,789</u>	<u>2,126,312</u>	<u>2,125,742</u>	<u>(570)</u>
Sanitation:				
Transfer Station	740,446	719,590	718,086	(1,504)
Water Pollution Control Authority	90,709	84,837	84,728	(109)
Total sanitation	<u>831,155</u>	<u>804,427</u>	<u>802,814</u>	<u>(1,613)</u>
Health and Social Services:				
Human Services	273,656	275,991	275,775	(216)

*Continued*

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED) *(Continued)*  
FOR THE YEAR ENDED JUNE 30, 2025

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>EXPENDITURES: <i>(Continued)</i></b>				
Library	\$ 469,726	\$ 464,798	\$ 463,164	\$ (1,634)
Culture and Recreation:				
Community Services	155,389	148,869	148,869	-
Senior and Disabled Transportation	42,185	42,306	40,102	(2,204)
Senior Services	15,750	15,440	15,421	(19)
Total culture and recreation	<u>213,324</u>	<u>206,615</u>	<u>204,392</u>	<u>(2,223)</u>
Employee Benefits - Town	1,549,983	1,518,889	1,518,646	(243)
Other	129,041	8,576	-	(8,576)
Education	28,838,833	28,838,833	28,660,935	(177,898)
Total expenditures	<u>37,503,190</u>	<u>37,574,130</u>	<u>37,333,225</u>	<u>(240,905)</u>
<b>OTHER FINANCING USES:</b>				
Operating transfers out:				
Debt Service Fund	1,698,538	1,698,538	1,698,538	-
Capital Project Fund	350,000	350,000	350,000	-
Road Maintenance Fund	225,000	225,000	100,000	(125,000)
Separation Benefits Fund	15,000	58,141	58,141	-
Revaluation Fund	35,000	35,000	35,000	-
Total other financing uses	<u>2,323,538</u>	<u>2,366,679</u>	<u>2,241,679</u>	<u>(125,000)</u>
Total expenditures and other financing uses	<u>39,826,728</u>	<u>39,940,809</u>	<u>39,574,904</u>	<u>(365,905)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (533,731)</u>	<u>\$ (533,731)</u>

*Concluded*

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION (ASSET) LIABILITY AND RELATED RATIOS - PENSION**  
**TOWN EMPLOYEES' PENSION PLAN (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability										
Service cost	\$ 325,289	\$ 294,058	\$ 282,748	\$ 256,956	\$ 247,073	\$ 252,025	\$ 242,331	\$ 229,981	\$ 221,135	\$ 182,897
Interest	402,842	388,628	363,957	340,771	316,711	285,657	260,419	250,831	226,607	211,827
Actuarial (gains) losses	-	31,038	-	(2,809)	-	94,402	-	(233,420)	-	(152,472)
Benefit payments, including refunds	(290,213)	(266,592)	(289,947)	(238,875)	(169,225)	(130,198)	(118,278)	(106,400)	(62,075)	(44,496)
Net change in total pension liability	437,918	447,132	356,758	356,043	394,559	501,886	384,472	140,992	385,667	197,756
Total pension liability - beginning	6,263,170	5,816,038	5,459,280	5,103,237	4,708,678	4,206,792	3,822,320	3,681,328	3,295,661	3,097,905
Total pension liability - ending	<u>6,701,088</u>	<u>6,263,170</u>	<u>5,816,038</u>	<u>5,459,280</u>	<u>5,103,237</u>	<u>4,708,678</u>	<u>4,206,792</u>	<u>3,822,320</u>	<u>3,681,328</u>	<u>3,295,661</u>
Plan net position										
Contributions - employer	161,097	141,977	127,779	137,368	132,085	118,227	113,680	95,000	114,281	137,126
Contributions - members	138,538	132,988	118,992	112,785	111,969	113,265	118,737	114,982	101,721	104,933
Net investment income	850,932	509,508	421,144	(529,387)	1,327,315	120,525	413,354	212,193	283,987	13,638
Benefit payments, including refunds	(290,213)	(266,592)	(289,947)	(238,875)	(169,225)	(130,198)	(118,278)	(106,400)	(62,075)	(44,496)
Administrative expenses	(10,761)	(21,566)	(12,480)	-	-	-	(644)	(478)	(1,451)	(3,196)
Net change in plan net position	849,593	496,315	365,488	(518,109)	1,402,144	221,819	526,849	315,297	436,463	208,005
Plan net position - beginning	6,467,518	5,971,203	5,605,715	6,123,824	4,721,680	4,499,861	3,973,012	3,657,715	3,221,252	3,013,247
Plan net position - ending	<u>7,317,111</u>	<u>6,467,518</u>	<u>5,971,203</u>	<u>5,605,715</u>	<u>6,123,824</u>	<u>4,721,680</u>	<u>4,499,861</u>	<u>3,973,012</u>	<u>3,657,715</u>	<u>3,221,252</u>
Town's net pension (asset) liability	<u>\$ (616,023)</u>	<u>\$ (204,348)</u>	<u>\$ (155,165)</u>	<u>\$ (146,435)</u>	<u>\$ (1,020,587)</u>	<u>\$ (13,002)</u>	<u>\$ (293,069)</u>	<u>\$ (150,692)</u>	<u>\$ 23,613</u>	<u>\$ 74,409</u>
Plan net pension as percentage of total pension (asset) liability	109.2%	103.3%	102.7%	102.7%	120.0%	100.3%	107.0%	103.9%	99.4%	97.7%
Covered payroll	\$ 2,462,000	\$ 2,367,000	\$ 2,502,000	\$ 2,405,000	\$ 2,414,000	\$ 2,321,000	\$ 2,262,000	\$ 2,175,000	\$ 1,971,000	\$ 1,422,000
Town net pension (asset) liability as a percentage of covered payroll	-25.0%	-8.6%	-6.2%	-6.1%	-42.3%	-0.6%	-13.0%	-6.9%	1.2%	5.2%

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION (ASSET) LIABILITY AND RELATED RATIOS - PENSION**  
**BOARD OF EDUCATION EMPLOYEES' PENSION PLAN (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Total pension liability										
Service cost	\$ 177,879	\$ 197,430	\$ 197,908	\$ 186,280	\$ 195,611	\$ 181,706	\$ 178,892	\$ 172,012	\$ 185,360	\$ 142,155
Interest	427,751	430,920	402,822	382,343	380,274	357,357	342,577	334,152	307,379	298,952
Actuarial (gains) losses	(121,191)	(272,511)	286,484	5,803	(39,350)	148,900	510	(108,369)	25,742	(81,477)
Benefit payments, including refunds	(394,575)	(383,770)	(452,152)	(337,296)	(349,627)	(291,121)	(266,131)	(262,441)	(228,164)	(218,122)
Net change in total pension liability	89,864	(27,931)	435,062	237,130	186,908	396,842	255,848	135,354	290,317	141,508
Total pension liability - beginning	7,145,716	7,173,647	6,738,585	6,501,455	6,314,547	5,917,705	5,661,857	5,526,503	5,236,186	5,094,678
Total pension liability - ending	7,235,580	7,145,716	7,173,647	6,738,585	6,501,455	6,314,547	5,917,705	5,661,857	5,526,503	5,236,186
Plan net position										
Contributions - employer	178,988	207,832	184,438	198,138	210,321	213,928	243,276	243,276	268,290	279,225
Contributions - members	53,993	62,989	68,533	80,079	78,237	78,372	75,815	65,893	57,499	55,390
Net investment income	470,043	523,886	522,213	(813,737)	1,379,998	262,130	291,599	210,621	393,333	60,843
Benefit payments, including refunds	(394,575)	(383,770)	(452,152)	(337,296)	(349,627)	(291,121)	(266,131)	(262,441)	(228,164)	(218,122)
Administrative expenses	(1,219)	(1,315)	(1,180)	(6,350)	(2,393)	(2,662)	(2,903)	(20,212)	(3,504)	(5,012)
Net change in plan net position	307,230	409,622	321,852	(879,166)	1,316,536	260,647	341,656	237,137	487,454	172,324
Plan net position - beginning	6,581,740	6,172,118	5,850,266	6,729,432	5,412,896	5,152,249	4,810,593	4,573,456	4,086,002	3,913,678
Plan net position - ending	6,888,970	6,581,740	6,172,118	5,850,266	6,729,432	5,412,896	5,152,249	4,810,593	4,573,456	4,086,002
Town's net pension liability (asset)	\$ 346,610	\$ 563,976	\$ 1,001,529	\$ 888,319	\$ (227,977)	\$ 901,651	\$ 765,456	\$ 851,264	\$ 953,047	\$ 1,150,184
Plan net pension as percentage of total pension liability (asset)	95.2%	92.1%	86.0%	86.8%	103.5%	85.7%	87.1%	85.0%	82.8%	78.0%
Covered payroll	\$ 1,494,000	\$ 2,024,000	\$ 2,024,000	\$ 2,133,000	\$ 2,046,000	\$ 2,047,000	\$ 1,881,000	\$ 1,687,000	\$ 1,622,000	\$ 1,515,000
Town net pension liability (asset) as a percentage of covered payroll	23.2%	27.9%	49.5%	41.6%	-11.1%	44.0%	40.7%	50.5%	58.8%	75.9%

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION (ASSET) LIABILITY AND RELATED RATIOS - PENSION**  
**VOLUNTEER FIREFIGHTERS' PENSION PLAN (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Total pension liability										
Service cost	\$ 22,216	\$ 11,106	\$ 9,036	\$ 9,036	\$ 6,723	\$ 6,723	\$ 7,507	\$ 7,507	\$ 6,048	\$ 6,048
Interest	51,765	23,666	24,024	22,746	22,762	21,990	21,552	20,955	20,273	18,236
Changes of benefit terms	-	423,235	-	-	-	-	-	-	-	-
Actuarial (gains) losses	(33,779)	-	(12,744)	-	(17,582)	-	(3,454)	-	306	-
Benefit payments, including refunds	(24,570)	(14,605)	(12,127)	(12,116)	(16,711)	(16,946)	(19,189)	(19,370)	(15,885)	(14,050)
Net change in total pension liability	15,632	443,402	8,189	19,666	(4,808)	11,767	6,416	9,092	10,742	10,234
Total pension liability - beginning	818,134	374,732	366,543	346,877	351,685	339,918	333,502	324,410	313,668	303,434
Total pension liability - ending	833,766	818,134	374,732	366,543	346,877	351,685	339,918	333,502	324,410	313,668
Plan net position										
Contributions - employer	4,830	4,830	6,034	6,034	5,921	5,921	5,215	5,215	2,380	2,380
Contributions - members	-	-	-	-	-	-	-	-	-	-
Net investment income	66,573	37,880	37,205	(28,768)	101,202	8,350	33,205	16,544	22,905	4,864
Benefit payments, including refunds	(24,570)	(14,605)	(12,127)	(12,116)	(16,711)	(16,946)	(19,189)	(19,370)	(15,885)	(14,050)
Administrative expenses	(12,696)	(21,309)	(3,546)	-	-	-	-	(224)	(40)	(117)
Net change in plan net position	34,137	6,796	27,566	(34,850)	90,412	(2,675)	19,231	2,165	9,360	(6,923)
Plan net position - beginning	445,597	438,801	411,235	446,085	355,673	358,348	339,117	336,952	327,592	334,515
Plan net position - ending	479,734	445,597	438,801	411,235	446,085	355,673	358,348	339,117	336,952	327,592
Town's net pension liability (asset)	\$ 354,032	\$ 372,537	\$ (64,069)	\$ (44,692)	\$ (99,208)	\$ (3,988)	\$ (18,430)	\$ (5,615)	\$ (12,542)	\$ (13,924)
Plan net pension as percentage of total pension liability (asset)	57.5%	54.5%	117.1%	112.2%	128.6%	101.1%	105.4%	101.7%	103.9%	104.4%

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - PENSION -  
TOWN EMPLOYEES' PENSION PLAN (UNAUDITED)  
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 161,097	\$ 141,977	\$ 136,516	\$ 137,368	\$ 132,085	\$ 118,227	\$ 113,680	\$ 118,852	\$ 114,281	\$ 137,126
Contributions in relation to actuarially determined contribution	<u>161,097</u>	<u>141,977</u>	<u>127,779</u>	<u>137,368</u>	<u>132,085</u>	<u>118,227</u>	<u>118,227</u>	<u>95,000</u>	<u>114,281</u>	<u>137,126</u>
Excess (deficiency) of contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,737)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,547</u>	<u>\$ (23,852)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,462,000	\$ 2,367,000	\$ 2,502,000	\$ 2,405,000	\$ 2,414,000	\$ 2,321,000	\$ 2,262,000	\$ 2,175,000	\$ 1,971,000	\$ 1,422,000
Contributions as a percentage of covered payroll	6.54%	6.00%	5.11%	5.71%	5.47%	5.09%	5.23%	4.37%	5.80%	9.64%
Annual money-weighted rate of return, net of investment expense	12.92%	8.44%	7.46%	-8.28%	28.11%	2.81%	10.37%	5.80%	8.72%	3.84%

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - PENSION -**  
**BOARD OF EDUCATION EMPLOYEES' PENSION PLAN (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Actuarially determined contribution	\$ 178,988	\$ 207,832	\$ 184,438	\$ 198,138	\$ 210,321	\$ 213,928	\$ 243,276	\$ 243,276	\$ 268,290	\$ 331,755
Contributions in relation to actuarially determined contribution	178,988	207,832	184,438	198,138	210,321	213,928	243,276	243,276	268,290	325,789
Excess (deficiency) of contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,966)
Covered payroll	\$ 1,494,000	\$ 1,972,000	\$ 2,024,000	\$ 2,133,000	\$ 2,046,000	\$ 2,047,000	\$ 1,881,000	\$ 1,687,000	\$ 1,622,000	\$ 1,515,000
Contributions as a percentage of covered payroll	11.98%	10.54%	9.11%	9.29%	10.28%	10.45%	14.42%	14.42%	16.54%	21.50%
Annual money-weighted rate of return, net of investment expense	7.20%	8.62%	9.14%	-12.10%	25.75%	5.11%	6.09%	4.71%	9.08%	1.52%

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - PENSION -**  
**VOLUNTEER FIREFIGHTERS' PENSION PLAN (UNAUDITED)**  
**LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 4,830	\$ 4,830	\$ 6,034	\$ 6,034	\$ 5,921	\$ 5,921	\$ 5,215	\$ 5,215	\$ 2,380	\$ 2,380
Contributions in relation to actuarially determined contribution	<u>4,830</u>	<u>4,830</u>	<u>6,034</u>	<u>6,034</u>	<u>5,921</u>	<u>5,921</u>	<u>5,215</u>	<u>5,215</u>	<u>2,380</u>	<u>2,380</u>
Excess (deficiency) of contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Annual money-weighted rate of return, net of investment expense	14.12%	8.82%	9.05%	-6.17%	29.06%	2.48%	10.06%	5.04%	7.13%	1.90%

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY\* -  
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)  
LAST TEN FISCAL YEARS  
(Rounded to nearest thousand)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	43,990,000	46,271,000	51,061,000	40,821,000	51,541,000	47,164,000	36,366,000	35,533,000	37,488,000	29,518,000
<b>Total</b>	<b>\$ 43,990,000</b>	<b>\$ 46,271,000</b>	<b>\$ 51,061,000</b>	<b>\$ 40,821,000</b>	<b>\$ 51,541,000</b>	<b>\$ 47,164,000</b>	<b>\$ 36,366,000</b>	<b>\$ 35,533,000</b>	<b>\$ 37,488,000</b>	<b>\$ 29,518,000</b>
Town's covered payroll	\$ 13,491,000	\$ 13,595,000	\$ 12,748,000	\$ 12,309,000	\$ 11,905,000	\$ 12,126,000	\$ 11,938,000	\$ 11,263,000	\$ 10,856,000	\$ 10,972,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	62.68%	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%

\* Amounts presented for each year are based on a measurement date as of June 30 of the previous year.

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS -**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)**  
**LAST SEVEN FISCAL YEARS\***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability							
Service cost	\$ 32,464	\$ 31,096	\$ 37,513	\$ 35,932	\$ 29,506	\$ 27,775	\$ 42,290
Interest	201,551	196,437	178,440	175,843	170,405	167,628	216,390
Actuarial (gains) losses	(1,336,430)	127,751	377,095	80,451	(173)	79,320	(719,208)
Changes in assumptions	146,863	-	(5,208)	-	129,179	-	(143,554)
Benefit payments, including refunds	(230,566)	(311,103)	(252,708)	(248,397)	(241,125)	(219,526)	(169,438)
Net change in total OPEB liability	(1,186,118)	44,181	335,132	43,829	87,792	55,197	(773,520)
Total OPEB liability - beginning	3,440,311	3,396,130	3,060,998	3,017,169	2,929,377	2,874,180	3,647,700
Total OPEB liability - ending	<u>2,254,193</u>	<u>3,440,311</u>	<u>3,396,130</u>	<u>3,060,998</u>	<u>3,017,169</u>	<u>2,929,377</u>	<u>2,874,180</u>
Plan net position							
Contributions - employer	222,634	281,552	222,285	243,413	257,645	1,028,443	165,758
Contributions - TRB subsidy	39,600	57,640	56,325	37,284	39,480	34,320	31,680
Net investment income	106,197	114,352	109,166	(159,363)	250,528	25,095	1,543
Benefit payments, including refunds	(230,566)	(311,103)	(252,708)	(248,397)	(241,125)	(219,526)	(169,438)
Administrative expenses	-	-	-	-	-	-	-
Net change in plan net position	137,865	142,441	135,068	(127,063)	306,528	868,332	29,543
Plan net position - beginning	1,379,848	1,237,407	1,102,339	1,229,402	922,874	54,542	25,000
Plan net position - ending	<u>1,517,713</u>	<u>1,379,848</u>	<u>1,237,407</u>	<u>1,102,339</u>	<u>1,229,402</u>	<u>922,874</u>	<u>54,543</u>
Town's net OPEB liability	<u>\$ 736,480</u>	<u>\$ 2,060,463</u>	<u>\$ 2,158,723</u>	<u>\$ 1,958,659</u>	<u>\$ 1,787,767</u>	<u>\$ 2,006,503</u>	<u>\$ 2,819,637</u>
Plan net OPEB as percentage of total OPEB liability	67.3%	40.1%	36.4%	36.0%	40.7%	31.5%	1.9%
Covered payroll	\$ 17,358,000	\$ 15,143,000	\$ 15,143,000	\$ 15,800,000	\$ 15,430,000	\$ 13,498,000	\$ 13,156,000
Town net OPEB liability as a percentage of covered payroll	4.2%	13.6%	14.3%	12.4%	11.6%	14.9%	21.4%

\* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS\* -**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)**  
**LAST EIGHT FISCAL YEARS\*\***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 228,016	\$ 215,109	\$ 214,709	\$ 202,556	\$ 240,578	\$ 239,834	\$ 285,605	\$ 284,590
Contributions in relation to actuarially determined contribution:								
Contributions to OPEB Trust	31,668	28,089	-	31,668	56,000	843,237	28,000	25,000
Contributions from General Fund	190,966	253,463	222,285	211,745	201,645	185,206	137,758	118,229
	<u>222,634</u>	<u>281,552</u>	<u>222,285</u>	<u>243,413</u>	<u>257,645</u>	<u>1,028,443</u>	<u>165,758</u>	<u>143,229</u>
Excess (deficiency) of contribution	<u>\$ (5,382)</u>	<u>\$ 66,443</u>	<u>\$ 7,576</u>	<u>\$ 40,857</u>	<u>\$ 17,067</u>	<u>\$ 788,609</u>	<u>\$ (119,847)</u>	<u>\$ (141,361)</u>
Covered payroll	\$ 17,358,000	\$ 15,506,000	\$ 15,143,000	\$ 15,800,000	\$ 15,430,000	\$ 13,498,000	\$ 13,156,000	\$ 13,194,000
Contributions as a percentage of covered employee payroll	1.10%	1.63%	1.47%	1.34%	1.31%	1.37%	1.05%	0.90%
Annual money-weighted rate of return, net of investment expense	7.61%	9.15%	9.91%	-12.86%	26.70%	3.87%	6.17%	0.00%

\* OPEB Trust established by the Town in June 2018.

\*\* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY\* -**  
**CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST EIGHT FISCAL YEARS\*\***  
**(Rounded to Nearest Thousand)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	<u>9,024,000</u>	<u>4,335,000</u>	<u>4,472,000</u>	<u>4,447,000</u>	<u>7,687,000</u>	<u>7,355,000</u>	<u>7,270,000</u>	<u>9,146,000</u>
Total	<u>\$ 9,024,000</u>	<u>\$ 4,335,000</u>	<u>\$ 4,447,000</u>	<u>\$ 4,447,000</u>	<u>\$ 7,687,000</u>	<u>\$ 7,355,000</u>	<u>\$ 7,270,000</u>	<u>\$ 9,146,000</u>
Town's covered payroll	\$ 13,491,000	\$ 13,595,000	\$ 12,748,000	\$ 12,309,000	\$ 11,905,000	\$ 12,126,000	\$ 11,938,000	\$ 11,263,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	7.40%	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

\* Amounts presented for each year are based on a measurement date as of June 30 of the previous year.

\* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

*See accompanying notes to required supplementary information.*

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 1 - BUDGETARY INFORMATION AND COMPLIANCE**

**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 and department. Management may not exceed appropriations at the department level, the legal level of budgetary control. The Board of Finance is authorized to transfer budgeted amounts between departments. 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 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 1 - BUDGETARY INFORMATION AND COMPLIANCE *(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, 2025:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 39,041,173	\$ 37,333,225	\$ (2,241,679)	\$ (533,731)
"On-behalf" payments - State Teachers Retirement Fund	4,396,781	4,396,781	-	-
Reimbursement for certain grant costs recorded as a reduction to expenditures for budgetary purposes	261,259	261,259	-	-
Budgetary perspective differences funds combined for GAAP financial reporting purposes:				
Separation Benefits Fund	-	111,400	58,141	(53,259)
Revaluation Fund	-	18,492	35,000	16,508
Other	6,400	213	-	6,187
Reclassification of transfers	-	(2,000)	(2,000)	-
GAAP basis	<u>\$ 43,705,613</u>	<u>\$ 42,119,370</u>	<u>\$ (2,150,538)</u>	<u>\$ (564,295)</u>

**NOTE 2 - SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY - TOWN EMPLOYEES PENSION PLAN**

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2023. The July 1, 2023 valuation was utilized to calculate the total pension liability as of July 1, 2023, which was rolled forward to the most recent measurement date of June 30, 2025.

*Benefit Changes* - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability.

*Assumption Changes* - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability.

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 3 - SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY - BOARD OF EDUCATION EMPLOYEES PLAN**

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2024. The July 1, 2024 valuation was utilized to calculate the total pension liability as of July 1, 2024, which was rolled forward to the most recent measurement date of June 30, 2025.

*Benefit Changes* - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability.

*Assumption Changes* - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability.

**NOTE 4 - SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY - VOLUNTEER FIREFIGHTER'S PENSION PLAN**

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2024. The July 1, 2024 valuation was utilized to calculate the total pension liability as of July 1, 2024, which was rolled forward to the most recent measurement date of June 30, 2025.

*Benefit Changes* - The benefit multiplier was increased from \$5.00 to \$10.00 effective July 1, 2024 for future retirements and effective January 1, 2025 for participants who were collecting benefits as of July 1, 2024.

*Assumption Changes* - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability.

**NOTE 5 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - TOWN EMPLOYEES' PENSION PLAN**

Actuarially determined contributions rates are calculated as of July 1, prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2025.

Actuarial cost method	Aggregate Cost
Asset valuation method	Fair Value
Inflation	2.4%
Salary increases (average, including inflation)	4.0%
Investment rate of return (net of investment expense)	6.3%
Retirement age	65

Mortality rates were based on the Pub-2010 public retirement plans mortality tables for general employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 6 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - BOARD OF EDUCATION EMPLOYEES PLAN**

Actuarially determined contributions rates are calculated as of July 1, prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2025.

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar amount, open
Remaining amortization period	30 years
Asset valuation method	Fair Value
Inflation	2.4%
Salary increases (average, including inflation)	3.5%
Investment rate of return (net of investment expense)	6.0%
Retirement age	65

Mortality rates were based on the Pub-2010(B) Public Retirement Plans Mortality Tables with separate male and female rates, with no collar adjustment, combined tables for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

**NOTE 7 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - VOLUNTEER FIREFIGHTER'S PENSION PLAN**

Actuarially determined contributions rates are calculated as of July 1, prior to the end of the subsequent two fiscal years in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2025.

Actuarial cost method	Aggregate Cost
Asset valuation method	Fair Value
Inflation	2.4%
Investment rate of return (net of investment expense)	6.25%
Retirement age	65

Mortality rates were based on the Pub-2010(B) Public Retirement Plans Amount-Weighted Mortality Table projected to the valuation date with Scale MP-2021.

**TOWN OF SOMERS, CONNECTICUT**  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 8 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM**

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2024. The liabilities were estimated based on a measurement date of June 30, 2024. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2025.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the Town's proportionate share of the net pension liability.

*Assumption Changes* - There have been no changes in assumptions that have had a significant effect on the measurement of the Town's proportionate share of the net pension liability.

**NOTE 9 - SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN**

The Town began to report this schedule when established an OPEB Trust in fiscal year 2018 and subsequently implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years. Additional years' information will be displayed as it becomes available.

*Benefit Changes* - There have been no benefit term changes that have had a significant effect on the measurement of the Town's net OPEB liability as of June 30, 2025.

*Assumption Changes* – The Healthcare cost trend rates were updated to 7.0% in 2024, reducing by .2% each year to a final 4.4% per year rate for 2033 and later.

**NOTE 10 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER POST-EMPLOYMENT BENEFITS PLAN**

The Town began to report this schedule when established an OPEB Trust in fiscal year 2018 and subsequently implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years. Additional years' information will be displayed as it becomes available. Actuarially determined contributions rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2025.

Investment rate of return	6.00%
Discount rate	6.00%
Inflation rate	2.40%
Healthcare cost trend rate:	
Initial	7.0% in 2024 decreasing 0.2% per year
Ultimate	4.40%

**TOWN OF SOMERS, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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**NOTE 11 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM**

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2024. The liabilities were estimated based on a measurement date of June 30, 2024. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2025.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the Town's proportionate share of the collective net OPEB liability.

*Assumption Changes* - There have been no changes in assumptions that have had a significant effect on the measurement of the Town's proportionate share of the collective net OPEB liability.

# **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, 2025**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
<b>PROPERTY TAXES</b>				
Revenues from property taxes	\$ 28,440,131	\$ 28,440,131	\$ 28,332,159	\$ (107,972)
Interest and lien fees	65,000	65,000	125,835	60,835
Total property taxes	<u>28,505,131</u>	<u>28,505,131</u>	<u>28,457,994</u>	<u>(47,137)</u>
<b>INTERGOVERNMENTAL</b>				
Education cost sharing	5,692,630	5,692,630	5,687,335	(5,295)
Mashantucket Pequot/Mohegan fund grant	1,564,515	1,564,515	1,564,515	-
Tiered payment in lieu of taxes	1,485,178	1,485,178	1,485,178	-
Municipal stabilization grant	254,000	254,000	-	(254,000)
Other grants	245,198	245,198	257,739	12,541
Senior bus grant	23,076	23,076	23,076	-
Telephone tax	10,000	10,000	9,528	(472)
Property tax relief grants	6,500	6,500	5,415	(1,085)
Police grants	35,000	35,000	2,300	(32,700)
Total intergovernmental	<u>9,316,097</u>	<u>9,316,097</u>	<u>9,035,086</u>	<u>(281,011)</u>
<b>CHARGES FOR SERVICES</b>				
Building permit fees	284,500	284,500	347,358	62,858
Conveyance taxes	165,000	165,000	167,149	2,149
Bulky waste fees	105,000	105,000	140,142	35,142
Cell tower rentals	100,000	100,000	89,685	(10,315)
Police services	85,000	85,000	138,716	53,716
Transfer station permit fees	115,000	115,000	44,265	(70,735)
Town clerk fees	88,500	88,500	57,012	(31,488)
Fire watch service fees	5,000	5,000	2,297	(2,703)
Other revenue	52,000	52,000	40,109	(11,891)
Other recycling	40,000	40,000	29,291	(10,709)
Sanitarian fees	20,000	20,000	23,438	3,438
Property rentals	5,000	5,000	1,200	(3,800)
Pistol permit fees	5,000	5,000	3,500	(1,500)
Zoning permit fees	3,500	3,500	4,848	1,348
Planning commission fees	-	-	190	190
Zoning Commission fees	3,000	3,000	2,000	(1,000)
Conservation Commission fees	1,500	1,500	945	(555)
Other licenses and permit fees	1,000	1,000	1,604	604
Zoning Board of Appeals fees	1,000	1,000	900	(100)
Fire Marshall fees	3,000	3,000	685	(2,315)
Mini bus donations	2,500	2,500	6,338	3,838
Total charges for services	<u>1,085,500</u>	<u>1,085,500</u>	<u>1,101,672</u>	<u>16,172</u>
<b>INVESTMENT EARNINGS</b>				
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>446,421</u>	<u>(53,579)</u>
<b>OTHER FINANCING SOURCES</b>				
Appropriation from fund balance	420,000	534,081	-	(534,081)
Total revenues and other financing sources	<u>\$ 39,826,728</u>	<u>\$ 39,940,809</u>	<u>\$ 39,041,173</u>	<u>\$ (899,636)</u>

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF EDUCATION EXPENDITURES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
EDUCATION				
Instructional salaries	\$ 12,564,669	\$ 12,316,436	\$ 12,307,877	\$ (8,559)
Insurance/social security	4,821,643	4,833,643	4,815,247	(18,396)
Clerical/aides salaries	2,460,086	2,432,216	2,425,604	(6,612)
Administrative salaries	1,815,852	1,822,032	1,827,948	5,916
Regular transportation	985,820	1,029,820	1,033,628	3,808
Tuition - special education	964,375	970,575	954,417	(16,158)
Maintenance salaries	981,153	969,153	968,754	(399)
Other instructional salaries	537,073	627,904	624,383	(3,521)
General maintenance	723,623	771,623	700,621	(71,002)
Electricity	519,000	514,300	499,805	(14,495)
Special education transportation	461,780	547,780	546,691	(1,089)
Capital outlay and equipment	251,450	251,450	243,954	(7,496)
Nurses' salaries	301,269	284,213	282,776	(1,437)
Coaches	219,513	219,448	216,433	(3,015)
Fuel	150,600	190,600	190,572	(28)
Textbooks	24,500	15,700	15,006	(694)
Departmental supplies	131,935	131,513	124,879	(6,634)
Audio visual materials	116,110	113,210	111,830	(1,380)
Athletic equipment and supplies	99,250	99,250	97,372	(1,878)
Board of education	89,020	86,567	83,357	(3,210)
Tuition - non special education	70,000	42,000	41,096	(904)
Custodial supplies	60,500	60,500	60,517	17
Workbooks and texts	42,000	44,084	44,251	167
Equipment rental	54,900	62,700	64,792	2,092
Activity advisors	72,337	91,859	77,239	(14,620)
Athletic/field trip transportation	48,300	60,400	59,203	(1,197)
Systemwide general supplies	36,130	34,930	34,839	(91)
Telephone	37,600	37,600	40,048	2,448
Instructional dues	36,060	36,060	38,793	2,733
Travel and conferences in-service	35,175	29,375	28,780	(595)
Equipment replacement	10,500	10,500	2,742	(7,758)
Tuition - vocational education	42,000	24,000	23,744	(256)
Library books and supplies	12,485	12,485	11,789	(696)
Adult education	16,000	16,000	15,238	(762)
Health supplies	12,500	10,900	10,850	(50)
Propane gas	9,700	9,700	9,607	(93)
Office supplies	9,000	9,000	7,552	(1,448)
Postage	6,125	6,125	5,988	(137)
Forms and printing	7,300	11,682	11,213	(469)
Medical Advisor salary	1,500	1,500	1,500	-
Total education	<u>\$ 28,838,833</u>	<u>\$ 28,838,833</u>	<u>\$ 28,660,935</u>	<u>\$ (177,898)</u>
				<i>Concluded</i>

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Grand List Year	Balance Uncollected July 1, 2024	Current Levy	Lawful Corrections		Transfers to Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2025
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2023	\$ -	\$ 28,600,494	\$ 188,722	\$ 511,294	\$ 3,939	\$ 28,273,983	\$ 28,029,512	\$ 76,666	\$ 28,106,178	\$ 244,471
2022	618,726	-	18,418	355,117	4,752	277,275	183,787	35,076	218,863	93,488
2021	420,010	-	5,768	363,189	9,037	53,552	29,627	11,406	41,033	23,925
2020	249,963	-	5,897	170,178	2,827	82,855	72,072	1,000	73,072	10,783
2019	6,808	-	282	-	887	6,203	5,536	-	5,536	667
2018	-	-	250	-	-	250	250	-	250	-
2017	-	-	301	-	-	301	301	9	310	-
2016	4	-	-	-	-	4	-	-	-	4
	<u>\$ 1,295,511</u>	<u>\$ 28,600,494</u>	<u>\$ 219,638</u>	<u>\$ 1,399,778</u>	<u>\$ 21,442</u>	<u>\$ 28,694,423</u>	<u>\$ 28,321,085</u>	<u>\$ 124,157</u>	<u>\$ 28,445,242</u>	<u>\$ 373,338</u>

**TOWN OF SOMERS, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION -**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Total cash collections for the year ended  
June 30, 2025:

Taxes	\$ 28,321,085
Interest and lien fees	124,157
	28,445,242

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	5,415
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Base

	\$ 28,450,657
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	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt limitation:					
2-1/4 times base	\$ 64,013,978	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	128,027,957	-	-	-
3-3/4 times base	-	-	106,689,964	-	-
3-1/4 times base	-	-	-	92,464,635	-
3 times base	-	-	-	-	85,351,971
	64,013,978	128,027,957	106,689,964	92,464,635	85,351,971
Total debt limitation					
Indebtedness:					
Bonds	7,701,000	6,109,000	-	-	-
Authorized but unissued debt	-	-	-	-	-
Total indebtedness	7,701,000	6,109,000	-	-	-
Debt limitation in excess of outstanding and authorized debt	\$ 56,312,978	\$ 121,918,957	\$ 106,689,964	\$ 92,464,635	\$ 85,351,971
Total capacity of borrowing (7 times base)	\$ 199,154,599				
Total present indebtedness	13,810,000				
Margin for additional borrowing	\$ 185,344,599				

# ***Combining Statements***

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**DEBT SERVICE FUND**

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A debt service funds is used to account for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term debt. The Town reports a nonmajor debt service fund.

**TOWN OF SOMERS, CONNECTICUT**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**AS OF JUNE 30, 2025**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Permanent Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,066,796	\$ 706,314	\$ 2,454	\$ 644,782	\$ 2,420,346
Investments	-	-	-	1,544,496	1,544,496
Receivables:					
Grants and contracts	99,220	188,744	-	-	287,964
Other	7,700	-	-	-	7,700
Due from other funds	191,484	638,060	127,985	2,424	959,953
Total assets	<u>\$ 1,365,200</u>	<u>\$ 1,533,118</u>	<u>\$ 130,439</u>	<u>\$ 2,191,702</u>	<u>\$ 5,220,459</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 110,492	\$ 427,912	\$ -	\$ 5,706	\$ 544,110
Due to other funds	128,298	103,205	-	-	231,503
Unearned revenue	220,103	251,415	-	-	471,518
Total liabilities	<u>458,893</u>	<u>782,532</u>	<u>-</u>	<u>5,706</u>	<u>1,247,131</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	75,000	75,000
Restricted	440,669	639,490	-	2,110,996	3,191,155
Committed	465,648	111,096	130,439	-	707,183
Unassigned	(10)	-	-	-	(10)
Total fund balances	<u>906,307</u>	<u>750,586</u>	<u>130,439</u>	<u>2,185,996</u>	<u>3,973,328</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,365,200</u>	<u>\$ 1,533,118</u>	<u>\$ 130,439</u>	<u>\$ 2,191,702</u>	<u>\$ 5,220,459</u>

**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, 2025**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Permanent Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>					
Intergovernmental	\$ 1,609,853	\$ 287,730	\$ -	\$ -	\$ 1,897,583
Charges for services	1,411,956	8,200	-	59,730	1,479,886
Investment earnings	12,786	26,268	954	179,636	219,644
Other	134,389	69,855	-	8	204,252
Total revenues	<u>3,168,984</u>	<u>392,053</u>	<u>954</u>	<u>239,374</u>	<u>3,801,365</u>
<b>EXPENDITURES</b>					
Current:					
General government	22,228	-	-	-	22,228
Public safety	12,390	-	-	-	12,390
Public works	401,128	-	-	-	401,128
Health and welfare	290,575	-	-	83,438	374,013
Library	12,704	-	-	-	12,704
Culture and recreation	107,362	-	-	-	107,362
Education	2,115,654	-	-	-	2,115,654
Debt service:					
Principal payments	-	310,318	1,300,000	-	1,610,318
Interest and fiscal charges	-	17,670	399,671	-	417,341
Capital outlays	227,207	2,705,426	-	-	2,932,633
Total expenditures	<u>3,189,248</u>	<u>3,033,414</u>	<u>1,699,671</u>	<u>83,438</u>	<u>8,005,771</u>
Excess (deficiency) of revenues over expenditures	(20,264)	(2,641,361)	(1,698,717)	155,936	(4,204,406)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued	-	2,000,000	-	-	2,000,000
Premium on bonds issued	-	-	130,618	-	130,618
Financed purchases	-	415,000	-	-	415,000
Transfers in	102,000	494,289	1,698,538	-	2,294,827
Transfers out	-	(30,682)	-	-	(30,682)
Total other financing sources (uses)	<u>102,000</u>	<u>878,607</u>	<u>1,829,156</u>	<u>-</u>	<u>4,809,763</u>
Net change in fund balances	81,736	(1,762,754)	130,439	155,936	605,357
Fund balances - beginning, as restated	<u>824,571</u>	<u>513,340</u>	<u>-</u>	<u>2,030,060</u>	<u>3,367,971</u>
Fund balances - ending	<u>\$ 906,307</u>	<u>\$ (1,249,414)</u>	<u>\$ 130,439</u>	<u>\$ 2,185,996</u>	<u>\$ 3,973,328</u>

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## SPECIAL REVENUE FUNDS

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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:

**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.

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

**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.

**Come Together Fund** - To account for revenues that are restricted or committed for preventing substance abuse in Town.

**Drug Free Communities Fund** - To account for grant revenues that are restricted towards increasing awareness of substance abuse and support services available in the Town, identifying and implementing prevention strategies, and reducing the stigma surrounding substance abuse.

**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.

**COVID Relief Fund** - To account for the receipt of Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act.

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

**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 committed for the maintenance and restoration of historic documents held by the Town Clerk.

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

**Student Activities Fund** - To account for revenues and expenditures restricted or committed for student activities.

**TOWN OF SOMERS, CONNECTICUT**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AS OF JUNE 30, 2025**

	<b>Educational Grants Fund</b>	<b>School Lunch Fund</b>	<b>Road Maintenance Fund</b>	<b>Emergency Fund</b>	<b>Dog Fund</b>	<b>Meals on Wheels Fund</b>	<b>Come Together Fund</b>	<b>Drug Free Communities Fund</b>	<b>Economic Development Fund</b>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 89,936	\$ 32,469	\$ 113,265	\$ 116,231	\$ -	\$ 2,799	\$ -	\$ -	\$ 16,956
Receivables:									
Grants and contracts	91,253	-	-	-	-	-	-	7,967	-
Other	-	-	-	2,000	-	-	-	-	-
Due from other funds	9,607	-	98,811	-	12,044	-	32,470	-	-
Total assets	<u>\$ 190,796</u>	<u>\$ 32,469</u>	<u>\$ 212,076</u>	<u>\$ 118,231</u>	<u>\$ 12,044</u>	<u>\$ 2,799</u>	<u>\$ 32,470</u>	<u>\$ 7,967</u>	<u>\$ 16,956</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 38,612	\$ -	\$ 38,859	\$ -	\$ 4,318	\$ -	\$ 3,443	\$ 181	\$ -
Due to other funds	-	-	-	10,229	-	2,809	-	7,786	10,723
Unearned revenue	152,184	-	-	-	-	-	-	-	-
Total liabilities	<u>190,796</u>	<u>-</u>	<u>38,859</u>	<u>10,229</u>	<u>4,318</u>	<u>2,809</u>	<u>3,443</u>	<u>7,967</u>	<u>10,723</u>
<b>FUND BALANCES</b>									
Restricted	-	-	-	73,878	-	-	-	-	-
Committed	-	32,469	173,217	34,124	7,726	-	29,027	-	6,233
Unassigned	-	-	-	-	-	(10)	-	-	-
Total fund balances	<u>-</u>	<u>32,469</u>	<u>173,217</u>	<u>108,002</u>	<u>7,726</u>	<u>(10)</u>	<u>29,027</u>	<u>-</u>	<u>6,233</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 190,796</u>	<u>\$ 32,469</u>	<u>\$ 212,076</u>	<u>\$ 118,231</u>	<u>\$ 12,044</u>	<u>\$ 2,799</u>	<u>\$ 32,470</u>	<u>\$ 7,967</u>	<u>\$ 16,956</u>

*Continued*

**TOWN OF SOMERS, CONNECTICUT**  
 COMBINING BALANCE SHEET -  
 NONMAJOR SPECIAL REVENUE FUNDS (Concluded)  
 AS OF JUNE 30, 2025

	Water Fund	COVID Relief Fund	Cultural Commission Fund	Library Fund	Historic & Land Preservation Fund	Flag Fund	Student Activities Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 20,012	\$ 212,168	\$ 38,083	\$ 14,304	\$ 22,347	\$ -	\$ 388,226	\$ 1,066,796
Receivables:								
Grants and contracts	-	-	-	-	-	-	-	99,220
Other	-	-	5,700	-	-	-	-	7,700
Due from other funds	28,106	-	48	-	10,392	6	-	191,484
Total assets	<u>\$ 48,118</u>	<u>\$ 212,168</u>	<u>\$ 43,831</u>	<u>\$ 14,304</u>	<u>\$ 32,739</u>	<u>\$ 6</u>	<u>\$ 388,226</u>	<u>\$ 1,365,200</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 20,432	\$ -	\$ 70	\$ 4,348	\$ -	\$ 229	\$ 110,492
Due to other funds	-	75,700	-	164	20,887	-	-	128,298
Unearned revenue	-	67,919	-	-	-	-	-	220,103
Total liabilities	<u>-</u>	<u>164,051</u>	<u>-</u>	<u>234</u>	<u>25,235</u>	<u>-</u>	<u>229</u>	<u>458,893</u>
<b>FUND BALANCES</b>								
Restricted	-	-	-	-	-	-	366,791	440,669
Committed	48,118	48,117	43,831	14,070	7,504	6	21,206	465,648
Unassigned	-	-	-	-	-	-	-	(10)
Total fund balances	<u>48,118</u>	<u>48,117</u>	<u>43,831</u>	<u>14,070</u>	<u>7,504</u>	<u>6</u>	<u>387,997</u>	<u>906,307</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 48,118</u>	<u>\$ 212,168</u>	<u>\$ 43,831</u>	<u>\$ 14,304</u>	<u>\$ 32,739</u>	<u>\$ 6</u>	<u>388,226</u>	<u>\$ 1,365,200</u>

*Concluded*

**TOWN OF SOMERS, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025

	Educational Grants Fund	School Lunch Fund	Road Maintenance Fund	Emergency Fund	Dog Fund	Meals on Wheels Fund	Come Together Fund	Drug Free Communities Fund	Economic Development Fund
<b>REVENUES</b>									
Intergovernmental	\$ 767,300	\$ -	\$ 339,992	\$ -	\$ -	\$ -	\$ 27,847	\$ 131,864	\$ -
Charges for services	-	630,776	-	-	2,847	-	5,000	-	-
Investment earnings	-	-	5,248	252	-	-	-	-	-
Other	-	-	-	39,611	-	-	16,650	-	-
Total revenues	<u>767,300</u>	<u>630,776</u>	<u>345,240</u>	<u>39,863</u>	<u>2,847</u>	<u>-</u>	<u>49,497</u>	<u>131,864</u>	<u>-</u>
<b>EXPENDITURES</b>									
Current:									
General government	-	-	-	-	-	-	-	-	149
Public safety	-	-	-	-	1,900	-	-	-	-
Public works	-	-	401,128	-	-	-	-	-	-
Health and welfare	-	-	-	153,174	-	157	-	131,864	-
Library	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	50,366	-	-
Education	767,300	582,873	-	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-
Total expenditures	<u>767,300</u>	<u>582,873</u>	<u>401,128</u>	<u>153,174</u>	<u>1,900</u>	<u>157</u>	<u>50,366</u>	<u>131,864</u>	<u>149</u>
Excess (deficiency) of revenues over expenditures	-	47,903	(55,888)	(113,311)	947	(157)	(869)	-	(149)
<b>OTHER FINANCING SOURCES</b>									
Transfers in	-	-	100,000	-	-	-	-	-	-
Net change in fund balances	-	47,903	44,112	(113,311)	947	(157)	(869)	-	(149)
Fund balances - beginning, as restated	-	(15,434)	129,105	221,313	6,779	147	29,896	-	6,382
Fund balances - ending	<u>\$ -</u>	<u>\$ 32,469</u>	<u>\$ 173,217</u>	<u>\$ 108,002</u>	<u>\$ 7,726</u>	<u>\$ (10)</u>	<u>\$ 29,027</u>	<u>\$ -</u>	<u>\$ 6,233</u>

*Continued*

**TOWN OF SOMERS, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR SPECIAL REVENUE FUNDS *(Concluded)*  
 FOR THE YEAR ENDED JUNE 30, 2025

	Water Fund	COVID Relief Fund	Cultural Commission Fund	Library Fund	Historic & Land Preservation Fund	Flag Fund	Student Activities Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ 280,237	\$ -	\$ -	\$ 5,500	\$ -	\$ 57,113	\$ 1,609,853
Charges for services	-	-	12,879	3,063	2,883	-	754,508	1,411,956
Investment earnings	927	5,322	-	-	1,037	-	-	12,786
Other	-	-	9,800	16,674	3,333	-	48,321	134,389
Total revenues	<u>927</u>	<u>285,559</u>	<u>22,679</u>	<u>19,737</u>	<u>12,753</u>	<u>-</u>	<u>859,942</u>	<u>3,168,984</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	22,030	-	-	-	49	-	22,228
Public safety	-	10,490	-	-	-	-	-	12,390
Public works	-	-	-	-	-	-	-	401,128
Health and welfare	-	5,380	-	-	-	-	-	290,575
Library	-	-	-	12,704	-	-	-	12,704
Culture and recreation	-	15,130	20,627	-	21,239	-	-	107,362
Education	-	-	-	-	-	-	765,481	2,115,654
Capital Outlays	-	227,207	-	-	-	-	-	227,207
Total expenditures	<u>-</u>	<u>280,237</u>	<u>20,627</u>	<u>12,704</u>	<u>21,239</u>	<u>49</u>	<u>765,481</u>	<u>3,189,248</u>
Excess (deficiency) of revenues over expenditures	927	5,322	2,052	7,033	(8,486)	(49)	94,461	(20,264)
<b>OTHER FINANCING SOURCES</b>								
Transfers in	-	-	2,000	-	-	-	-	102,000
Net change in fund balances	927	5,322	4,052	7,033	(8,486)	(49)	94,461	81,736
Fund balances - beginning, as restated	47,191	42,795	39,779	7,037	15,990	55	293,536	824,571
Fund balances - ending	<u>\$ 48,118</u>	<u>\$ 48,117</u>	<u>\$ 43,831</u>	<u>\$ 14,070</u>	<u>\$ 7,504</u>	<u>\$ 6</u>	<u>\$ 387,997</u>	<u>\$ 906,307</u>

*Concluded*

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## CAPITAL PROJECTS FUNDS

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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:

**Capital Projects Fund** - To account for revenues and expenditures associated with the construction of Town facilities and infrastructure.

**Capital and Nonrecurring Fund** - To account for revenues and expenditures associated with capital and nonrecurring activities.

**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**  
**AS OF JUNE 30, 2025**

	<b>Capital Projects Fund</b>	<b>Capital Equipment Fund</b>	<b>Municipal Open Space Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 187,509	\$ 164,832	\$ 353,973	\$ 706,314
Grants and contracts receivable	188,744	-	-	188,744
Due from other funds	638,060	-	-	638,060
Total assets	<u>\$ 1,014,313</u>	<u>\$ 164,832</u>	<u>\$ 353,973</u>	<u>\$ 1,533,118</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 426,304	\$ 1,608	\$ -	\$ 427,912
Due to other funds	-	100,655	2,550	103,205
Unearned revenue	251,415	-	-	251,415
Total liabilities	<u>677,719</u>	<u>102,263</u>	<u>2,550</u>	<u>782,532</u>
<b>FUND BALANCES</b>				
Restricted	288,067	-	351,423	639,490
Committed	48,527	62,569	-	111,096
Total fund balances	<u>336,594</u>	<u>62,569</u>	<u>351,423</u>	<u>750,586</u>
Total liabilities and fund balances	<u>\$ 1,014,313</u>	<u>\$ 164,832</u>	<u>\$ 353,973</u>	<u>\$ 1,533,118</u>

**TOWN OF SOMERS, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025

	<b>Capital Projects Fund</b>	<b>Capital Equipment Fund</b>	<b>Municipal Open Space Fund</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>REVENUES</b>				
Intergovernmental	\$ 287,730	\$ -	\$ -	\$ 287,730
Charges for services	-	-	8,200	8,200
Investment earnings	8,690	7,638	9,940	26,268
Other	4,792	29,963	35,100	69,855
Total revenues	<u>301,212</u>	<u>37,601</u>	<u>53,240</u>	<u>392,053</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal payments	-	310,318	-	310,318
Interest and fiscal charges	-	17,670	-	17,670
Capital outlays	2,259,648	445,488	290	2,705,426
Total expenditures	<u>2,259,648</u>	<u>773,476</u>	<u>290</u>	<u>3,033,414</u>
Excess (deficiency) of revenues over expenditures	(1,958,436)	(735,875)	52,950	(2,641,361)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	2,000,000	-	-	2,000,000
Financed purchases	-	415,000	-	415,000
Transfers in	30,682	463,607	-	494,289
Transfers out	-	(30,682)	-	(30,682)
Total other financing sources (uses)	<u>2,030,682</u>	<u>847,925</u>	<u>-</u>	<u>2,878,607</u>
Net change in fund balances	72,246	112,050	52,950	237,246
Fund balances - beginning	<u>264,348</u>	<u>(49,481)</u>	<u>298,473</u>	<u>513,340</u>
Fund balances - ending	<u>\$ 336,594</u>	<u>\$ 62,569</u>	<u>\$ 351,423</u>	<u>\$ 750,586</u>

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## PERMANENT FUNDS

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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 Town reports the following nonmajor permanent funds:

**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.

**Cemetery Working Fund** - To account for revenues that are restricted to fund the operations of the Town's cemeteries.

**TOWN OF SOMERS, CONNECTICUT**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR PERMANENT FUNDS**  
**AS OF JUNE 30, 2025**

	<b>Library Trust Fund</b>	<b>Cemetery Trust Fund</b>	<b>Total Nonmajor Permanent Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 264,007	\$ 380,775	\$ 644,782
Investments	587,084	957,412	1,544,496
Due from other funds	-	2,424	2,424
Total assets	<u>\$ 851,091</u>	<u>\$ 1,340,611</u>	<u>\$ 2,191,702</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 5,706	\$ 5,706
Total liabilities	<u>-</u>	<u>5,706</u>	<u>5,706</u>
<b>FUND BALANCES</b>			
Nonspendable	75,000	-	75,000
Restricted	<u>776,091</u>	<u>1,334,905</u>	<u>2,110,996</u>
Total fund balances	<u>851,091</u>	<u>1,334,905</u>	<u>2,185,996</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 851,091</u>	<u>\$ 1,340,611</u>	<u>\$ 2,191,702</u>

**TOWN OF SOMERS, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>Library Trust Fund</u>	<u>Cemetery Trust Fund</u>	<u>Total Nonmajor Permanent Funds</u>
<b>REVENUES</b>			
Charges for services	\$ -	\$ 59,730	\$ 59,730
Investment earnings	47,813	131,823	179,636
Other	-	8	8
Total revenues	<u>47,813</u>	<u>191,561</u>	<u>239,374</u>
<b>EXPENDITURES</b>			
Current:			
Health and welfare	-	83,438	83,438
Excess of revenues over expenditures/ Net change in fund balances	47,813	108,123	155,936
Fund balances - beginning	<u>803,278</u>	<u>1,226,782</u>	<u>2,030,060</u>
Fund balances - ending	<u>\$ 851,091</u>	<u>\$ 1,334,905</u>	<u>\$ 2,185,996</u>

***Fiduciary  
Funds***

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## **PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS**

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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 post-employment benefit plans, or other employee benefit plans. Pension trust funds include the Town Employees' Plan, the Board of Education Employees' Plan, the Volunteer Firefighters' Incentive Plan, and the Board of Education's Other Post-Employment Benefits Plan.

**TOWN OF SOMERS, CONNECTICUT**  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
 PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS  
 AS OF JUNE 30, 2025

	<b>Town Employees' Plan</b>	<b>Board of Education Employees' Plan</b>	<b>Volunteer Firefighters' Incentive Plan</b>	<b>Other Post-Employment Benefits Plan</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 305,154	\$ 172,366	\$ 71,609	\$ 47,869	\$ 596,998
Investments	7,204,320	6,690,805	490,846	1,464,715	15,850,686
Accrued income receivable	18,097	25,799	1,373	5,129	50,398
Total assets	<u>7,527,571</u>	<u>6,888,970</u>	<u>563,828</u>	<u>1,517,713</u>	<u>16,498,082</u>
<b>LIABILITIES</b>					
Payables	<u>210,460</u>	-	<u>84,094</u>	-	<u>294,554</u>
Total liabilities	<u>210,460</u>	-	<u>84,094</u>	-	<u>294,554</u>
<b>NET POSITION</b>					
Restricted for pensions and other post-employment benefits	<u>\$ 7,317,111</u>	<u>\$ 6,888,970</u>	<u>\$ 479,734</u>	<u>\$ 1,517,713</u>	<u>\$ 16,203,528</u>

**TOWN OF SOMERS, CONNECTICUT**  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
 PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025

	<b>Town Employees' Plan</b>	<b>Board of Education Employees' Plan</b>	<b>Volunteer Firefighters' Incentive Plan</b>	<b>Other Post-Employment Benefits Plan</b>	<b>Total</b>
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 161,097	\$ 178,988	\$ 4,830	\$ 31,668	\$ 376,583
Plan members	138,538	53,993	-	-	192,531
Total contributions	<u>299,635</u>	<u>232,981</u>	<u>4,830</u>	<u>31,668</u>	<u>569,114</u>
Investment earnings:					
Interest and dividends	213,551	262,819	13,871	31,759	522,000
Net change in the fair value of investments, net of investment fees	637,381	207,224	52,702	74,438	971,745
Total investment earnings, net	<u>850,932</u>	<u>470,043</u>	<u>66,573</u>	<u>106,197</u>	<u>1,493,745</u>
Total additions	<u>1,150,567</u>	<u>703,024</u>	<u>71,403</u>	<u>137,865</u>	<u>2,062,859</u>
<b>DEDUCTIONS</b>					
Benefit payments	290,213	394,575	24,570	-	709,358
Administrative expenses	10,761	1,219	12,696	-	24,676
Total deductions	<u>300,974</u>	<u>395,794</u>	<u>37,266</u>	<u>-</u>	<u>734,034</u>
Change in net position	849,593	307,230	34,137	137,865	1,328,825
<b>NET POSITION</b>					
Beginning	<u>6,467,518</u>	<u>6,581,740</u>	<u>445,597</u>	<u>1,379,848</u>	<u>14,874,703</u>
Ending	<u>\$ 7,317,111</u>	<u>\$ 6,888,970</u>	<u>\$ 479,734</u>	<u>\$ 1,517,713</u>	<u>\$ 16,203,528</u>

# **STATISTICAL SECTION**

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## STATISTICAL SECTION

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This part of the Town's annual comprehensive 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.

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These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	108
<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.	114
<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.	117
<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.	120
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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.	121

**Sources:** Unless otherwise noted, the information in the accompanying tables is derived from the annual comprehensive 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				
	2016	2017	2018 *	2019	2020 **
Governmental activities					
Net investment in capital assets	\$ 44,264,729	\$ 44,266,549	\$ 44,271,097	\$ 44,003,337	\$ 43,808,492
Restricted	1,443,238	1,523,850	1,588,894	2,061,984	2,025,655
Unrestricted	4,416,124	3,550,294	3,849,162	4,876,460	5,137,482
Total governmental activities net position	<u>\$ 50,124,091</u>	<u>\$ 49,340,693</u>	<u>\$ 49,709,153</u>	<u>\$ 50,941,781</u>	<u>\$ 50,971,629</u>
	Fiscal Year				
	2021	2022	2023	2024	2025***
Governmental activities					
Net investment in capital assets	\$ 43,042,424	\$ 41,791,885	\$ 39,890,182	\$ 40,642,751	\$ 40,847,623
Restricted	2,250,533	2,664,871	2,810,525	3,134,582	2,978,088
Unrestricted	5,155,887	5,647,467	7,838,061	6,737,640	5,271,092
Total governmental activities net position	<u>\$ 50,448,844</u>	<u>\$ 50,104,223</u>	<u>\$ 50,538,768</u>	<u>\$ 50,514,973</u>	<u>\$ 49,096,803</u>

\*\* The Town implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. The implementation of GASB No. 75 resulted in a cumulative effect adjustment on unrestricted net position in the amount of \$(426,611).

\*\*\* The Town implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of GASB No. 84 resulted in a cumulative effect adjustment on unrestricted net position in the amount of \$183,663.

\*\*\* The Town implemented GASB Statement No. 101, *Compensated Absences*. The implementation of GASB No. 101 resulted in a cumulative effect adjustment on unrestricted net position in the amount of \$1,313,034.

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

	2016	2017	2018	2019	2020 *	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,002,274	\$ 1,914,009	\$ 3,906,070	\$ 2,271,372	\$ 2,289,221	\$ 1,959,076	\$ 2,653,030	\$ 2,707,506	\$ 2,607,962	\$ 2,439,259
Public safety	1,958,451	2,326,702	2,241,666	2,276,243	2,684,744	2,584,548	2,800,265	2,760,557	3,339,544	2,780,524
Public works	3,248,072	3,148,082	2,861,556	3,080,041	2,921,774	3,101,000	3,532,337	4,007,663	3,514,284	3,514,126
Sanitation	692,430	674,764	592,701	709,466	681,177	721,844	928,241	1,023,587	967,519	1,122,960
Health and welfare	323,088	291,320	290,005	343,674	364,605	497,948	447,737	431,496	722,377	708,804
Library	680,409	677,282	691,750	757,731	797,596	751,564	762,365	804,183	736,142	728,606
Culture and recreation	337,360	406,739	410,187	489,167	546,393	540,577	659,760	1,107,406	1,293,592	948,382
Education	25,824,877	26,760,107	29,290,483	28,892,110	31,273,013	34,592,793	30,427,364	35,266,600	35,138,348	37,305,944
Interest expense	459,038	421,121	380,625	338,083	369,754	397,060	385,248	302,044	300,190	351,196
Total governmental activities expenses	35,525,999	36,620,126	40,665,043	39,157,887	41,928,277	45,146,410	42,596,347	48,411,042	48,619,958	49,899,801
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	482,309	319,745	438,025	628,702	581,513	789,916	740,123	737,438	774,246	786,325
Public safety	381,644	369,869	420,819	492,392	536,104	595,452	794,978	762,461	855,311	801,654
Public works	-	-	-	-	-	-	13,900	31,552	10,558	48,092
Sanitation	303,371	484,124	394,537	310,057	313,942	351,019	305,132	364,280	361,896	353,076
Health and welfare	107,493	58,516	67,933	67,374	92,509	100,224	104,573	115,369	119,139	87,585
Library	5,783	7,457	10,085	10,439	4,758	2,808	5,651	7,914	12,582	12,750
Culture and recreation	178,098	180,662	264,769	321,574	275,864	151,695	273,023	377,210	404,163	400,544
Education	436,625	438,503	461,283	469,874	792,302	467,606	973,980	1,268,839	1,502,001	1,445,603
Operating grants and contributions	10,082,242	9,492,160	13,085,665	11,041,166	12,551,284	14,988,672	10,787,401	14,018,686	12,226,860	12,683,561
Capital grants and contributions	1,485,386	548,896	707,582	369,181	99,338	147,776	156,917	549,992	236,960	1,169,343
Total governmental activities program revenues	13,462,951	11,899,932	15,850,698	13,710,759	15,247,614	17,595,168	14,155,678	18,233,741	16,503,716	17,788,533
<b>Net (Expense)/Revenue</b>										
Governmental activities	(22,063,048)	(24,720,194)	(24,814,345)	(25,447,128)	(26,680,663)	(27,551,242)	(28,440,669)	(30,177,301)	(32,116,242)	(32,111,268)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes, levied for general purposes	20,304,828	20,551,031	22,557,391	23,741,168	23,717,011	24,102,730	25,053,390	26,727,256	27,750,059	27,981,608
Grants and contributions not restricted to specific programs	3,138,513	3,195,915	2,834,538	2,537,378	2,534,204	2,538,030	3,091,989	3,293,261	3,522,470	3,304,834
Unrestricted investment earnings	96,463	189,850	217,487	401,210	244,243	387,697	(49,331)	591,329	819,918	719,690
Total governmental activities	23,539,804	23,936,796	25,609,416	26,679,756	26,495,458	27,028,457	28,096,048	30,611,846	32,092,447	32,006,132
<b>Change in Net Position</b>										
Governmental activities	\$ 1,476,756	\$ (783,398)	\$ 795,071	\$ 1,232,628	\$ (185,205)	\$ (522,785)	\$ (344,621)	\$ 434,545	\$ (23,795)	\$ (105,136)

\* The Town implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of GASB No. 84 resulted in a decrease in the change in net position reported for the year ended June 30, 2020 in the amount of \$31,390.

Table 3

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

Function/Program	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities:					
General government	\$ 414,257	\$ 332,539	\$ 2,182,383	\$ 865,063	\$ 663,535
Public safety	407,095	389,328	468,786	603,661	635,881
Public works	699,840	753,807	1,018,418	648,143	460,353
Sanitation	303,371	493,524	394,537	310,057	326,381
Health and social services	151,919	64,969	67,933	113,632	92,509
Library	16,294	12,005	16,559	15,783	9,310
Culture and recreation	216,678	180,662	264,769	425,074	286,172
Education	11,253,497	9,673,098	11,437,313	10,729,346	12,773,473
Total governmental activities	<u>\$ 13,462,951</u>	<u>\$ 11,899,932</u>	<u>\$ 15,850,698</u>	<u>\$ 13,710,759</u>	<u>\$ 15,247,614</u>

Function/Program	Fiscal Year				
	2021	2022	2023	2024	2025
Governmental activities:					
General government	\$ 823,987	\$ 1,343,821	\$ 1,274,817	\$ 955,111	\$ 853,667
Public safety	692,451	1,026,375	1,098,825	1,154,073	1,105,054
Public works	492,998	515,893	711,579	587,497	675,814
Sanitation	351,019	305,132	369,280	372,092	1,007,482
Health and social services	192,082	168,780	194,420	631,718	224,829
Library	6,801	34,401	11,213	18,518	19,737
Culture and recreation	176,045	321,883	561,514	415,396	420,969
Education	14,859,785	10,439,393	14,012,093	12,369,311	13,480,981
Total governmental activities	<u>\$ 17,595,168</u>	<u>\$ 14,155,678</u>	<u>\$ 18,233,741</u>	<u>\$ 16,503,716</u>	<u>\$ 17,788,533</u>



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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 *</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Revenues</b>										
Property taxes	\$ 20,216,216	\$ 20,593,561	\$ 22,499,748	\$ 23,764,097	\$ 23,837,014	\$ 24,051,152	\$ 24,858,665	\$ 26,491,719	\$ 27,505,901	\$ 28,457,994
Intergovernmental	14,658,547	13,221,720	14,809,833	13,550,225	13,564,499	13,279,735	15,023,101	16,631,297	16,044,937	16,385,393
Charges for services	1,777,206	1,769,140	1,997,774	2,238,353	2,581,735	2,434,403	3,088,742	3,604,393	3,832,821	3,744,220
Investment income	96,463	189,850	217,487	401,210	244,243	387,697	(49,331)	591,329	819,918	720,431
Other	49,202	142,090	47,583	120,771	78,287	64,355	80,314	208,098	564,880	243,852
Total revenues	<u>36,797,634</u>	<u>35,916,361</u>	<u>39,572,425</u>	<u>40,074,656</u>	<u>40,305,778</u>	<u>40,217,342</u>	<u>43,001,491</u>	<u>47,526,836</u>	<u>48,768,457</u>	<u>49,551,890</u>
<b>Expenditures</b>										
General government	2,630,385	2,632,872	2,768,682	2,829,231	3,140,099	3,174,687	3,720,607	3,721,033	3,630,412	3,630,919
Public safety	1,495,792	1,750,218	1,678,318	1,651,783	1,885,044	1,801,598	2,018,239	2,066,869	1,674,105	2,158,429
Public works	2,542,360	2,253,189	1,959,232	2,174,211	2,025,068	2,115,996	2,171,508	2,247,308	2,311,146	2,523,293
Sanitation	656,268	633,252	553,341	667,048	644,084	684,389	897,591	996,803	937,699	1,093,897
Health and social services	258,547	214,380	218,774	229,184	252,721	412,825	394,276	380,302	1,246,564	649,788
Library	455,190	459,693	471,217	500,774	543,316	499,200	534,880	554,900	464,943	475,868
Culture and recreation	273,401	334,447	353,624	397,718	464,241	425,002	423,728	649,211	658,692	637,476
Education	24,934,363	25,499,925	26,487,628	27,671,297	29,412,564	29,536,603	30,743,130	32,825,953	34,422,494	35,430,874
Debt service:										
Principal payments	1,588,113	1,566,066	1,562,255	1,577,413	1,650,435	1,524,173	1,377,105	1,584,353	1,639,583	1,610,318
Interest and fiscal charges	471,313	431,009	382,432	350,115	302,311	307,645	612,528	431,216	388,416	417,341
Capital outlays	3,505,088	1,831,301	3,670,169	1,126,848	5,604,805	2,761,879	1,822,825	2,912,878	1,724,581	3,757,973
Total expenditures	<u>38,810,820</u>	<u>37,606,352</u>	<u>40,105,672</u>	<u>39,175,622</u>	<u>45,924,688</u>	<u>43,243,997</u>	<u>44,716,417</u>	<u>48,370,826</u>	<u>49,098,635</u>	<u>52,386,176</u>
Excess of revenues over (under) expenditures	<u>(2,013,186)</u>	<u>(1,689,991)</u>	<u>(533,247)</u>	<u>899,034</u>	<u>(5,618,910)</u>	<u>(3,026,655)</u>	<u>(1,714,926)</u>	<u>(843,990)</u>	<u>(330,178)</u>	<u>(2,834,286)</u>

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Other Financing Sources (Uses)</b>										
Issuance of bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,405,000	\$ -	\$ -	\$ -	\$ 2,000,000
Premium on issuance of bonds	-	-	-	3,520	-	799,369	-	-	-	130,618
Issuance of bond anticipation notes	-	-	-	-	6,000,000	-	-	-	-	-
Payment of bond anticipation notes	-	-	-	-	-	(6,000,000)	-	-	-	-
Issuance of financed purchases	545,429	167,692	121,049	101,357	428,877	378,591	338,095	-	315,000	415,000
Other	71,753	-	-	-	-	-	-	-	-	-
Transfers in	406,099	532,009	671,054	852,461	876,803	1,072,314	1,077,406	1,786,681	652,548	2,294,827
Transfers out	(406,099)	(532,009)	(671,054)	(852,461)	(876,803)	(1,072,314)	(1,077,406)	(1,786,681)	(652,548)	(2,294,827)
<b>Total other financing sources (uses)</b>	<b>617,182</b>	<b>167,692</b>	<b>121,049</b>	<b>104,877</b>	<b>6,428,877</b>	<b>4,582,960</b>	<b>338,095</b>	<b>-</b>	<b>315,000</b>	<b>2,545,618</b>
<b>Net change in fund balances</b>	<b>\$ (1,396,004)</b>	<b>\$ (1,522,299)</b>	<b>\$ (412,198)</b>	<b>\$ 1,003,911</b>	<b>\$ 809,967</b>	<b>\$ 1,556,305</b>	<b>\$ (1,376,831)</b>	<b>\$ (843,990)</b>	<b>\$ (15,178)</b>	<b>\$ (288,668)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>5.9%</b>	<b>5.1%</b>	<b>5.1%</b>	<b>5.0%</b>	<b>4.9%</b>	<b>4.5%</b>	<b>4.6%</b>	<b>4.6%</b>	<b>4.3%</b>	<b>4.2%</b>

**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	Motor Vehicle Property	Personal Property	Commercial Property	Industrial Property	Total 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		
2016	\$ 709,722,440	\$ 78,719,800	\$ 44,121,470	\$ 33,343,470	\$ 9,466,000	\$ 875,373,180	\$ 8,900,450	866,472,730	23.37	1,237,818,186	70.00%
2017	686,210,030	79,719,446	44,202,120	35,293,200	10,102,700	855,527,496	9,603,316	845,924,180	24.22	1,208,463,114	70.00%
2018	689,284,460	82,755,007	44,187,450	35,575,310	9,983,200	861,785,427	9,511,760	852,273,667	26.47	1,217,533,810	70.00%
2019	694,890,000	85,432,656	44,634,560	36,662,948	9,687,700	871,307,864	10,002,780	861,305,084	27.37	1,230,435,834	70.00%
2020	698,337,827	87,289,200	42,278,900	36,855,220	9,687,700	874,448,847	7,833,520	866,615,327	27.37	1,238,021,896	70.00%
2021	701,416,794	89,634,065	46,684,815	37,529,260	9,687,700	884,952,634	8,244,953	876,707,681	27.37	1,252,439,544	70.00%
2022	738,462,312	94,950,727	59,639,170	38,906,350	10,639,390	942,597,949	10,084,450	932,513,499	26.66	1,332,162,141	70.00%
2023	739,751,170	120,492,880	71,112,950	39,085,100	10,652,900	981,095,000	12,013,700	969,081,300	27.56	1,384,401,857	70.00%
2024	751,292,635	121,627,603	79,776,603	37,543,700	11,112,600	1,001,353,141	11,589,662	989,763,479	28.96	1,413,947,827	70.00%
2025	758,643,826	114,204,530	77,623,038	36,487,100	11,112,600	998,071,094	22,656,790	975,414,304	30.21	1,393,449,006	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.

(2) Last fiscal year before separation of MV & PP from Commercial to provide better illustration of the M-13 filed annually.

**Source:** Town of Somers, Office of the Assessor. Residential Property consists of information from the M-13 Report provided by the Assessor's Office.

Table 7

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

<b>Taxpayer</b>	<b>2025</b>		<b>2016</b>	
	<b>Taxable Assessed Value</b>	<b>Percentage of Total Town Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Town Taxable Assessed Value</b>
Eversource	\$ 24,522,990	1.76%	\$ 10,128,310	0.82%
Somers Solar Center LLC	10,139,430	0.73%	14,706,490	1.19%
Somers Ag Holding Company LLC	6,882,690	0.49%	5,616,500	0.45%
Driving Range 349 Main Street LLC	3,261,300	0.23%	1,867,460	0.15%
JVLadd Properties LLC	2,968,100	0.21%	2,260,600	0.18%
The Connecticut Water Company	2,668,820	0.19%	2,077,830	0.17%
349 Main Street LLC	2,324,890	0.17%	1,867,460	0.15%
Lindy Farms of Connecticut LLC	1,968,560	0.14%	1,276,800	0.10%
Pleasant View Farms Realty Company	1,966,490	0.14%	1,943,150	0.16%
Somers Recreation Inc	1,961,390	0.14%	1,908,840	0.15%
<b>Total</b>	<b>\$ 58,664,660</b>	<b>4.21%</b>	<b>\$ 43,653,440</b>	<b>3.53%</b>
<b>Total Taxable Assessed Value</b>	<b>\$ 1,393,449,006</b>		<b>\$ 1,237,818,186</b>	

**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
2016	\$ 20,207,717	\$ 19,909,113	98.52%	\$ 236,990	\$ 20,146,103	99.70%
2017	20,472,057	20,177,715	98.56%	265,495	20,443,210	99.86%
2018	22,584,990	22,246,552	98.50%	273,413	22,519,965	99.71%
2019	23,481,900	23,247,473	99.00%	115,120	23,362,593	99.49%
2020	23,790,855	23,589,997	99.16%	81,703	23,671,700	99.50%
2021	24,059,533	23,914,550	99.40%	104,871	24,019,421	99.83%
2022	24,991,627	24,540,687	98.20%	179,715	24,720,402	98.91%
2023	26,815,707	26,295,924	98.06%	137,270	26,433,194	98.57%
2024	27,880,046	27,226,529	97.66%	183,787	27,410,316	98.32%
2025	28,600,494	28,029,512	98.00%	-	28,029,512	98.00%

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

**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*	Financed Purchases				
2016	\$ 14,605,458	\$ -	\$ 895,087	\$ 15,500,545	1.25%	4.05%	\$ 1,356
2017	13,216,854	-	806,713	14,023,567	1.16%	3.12%	1,204
2018	11,838,930	-	549,458	12,388,388	1.02%	3.18%	1,115
2019	10,374,099	-	473,402	10,847,501	0.88%	2.48%	1,001
2020	8,937,789	6,000,000	631,844	15,569,633	1.26%	3.33%	1,444
2021	17,719,321	-	861,262	18,580,583	1.48%	3.84%	1,833
2022	16,587,167	-	797,252	17,384,419	1.30%	3.87%	1,691
2023	15,157,098	-	532,899	15,689,997	1.13%	3.64%	1,594
2024	13,737,349	-	528,316	14,265,665	1.01%	2.79%	1,330
2025	14,479,060	-	632,998	15,112,058	1.08%	2.83%	1,386

\* Represents short-term debt subsequently refinanced on a long-term basis.

**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		Total Primary Government	Percentage of Actual Property Value	Percentage of Personal Income	Per Capita
	General Obligation Bonds					
2016	\$ 14,605,458		\$ 14,605,458	1.18%	3.83%	\$ 1,278
2017	13,216,854		13,216,854	1.09%	3.46%	1,135
2018	11,838,930		11,838,930	0.97%	2.63%	1,066
2019	10,374,099		10,374,099	0.84%	2.66%	958
2020	8,937,789		8,937,789	0.72%	2.04%	829
2021	17,719,321		17,719,321	1.41%	3.79%	1,748
2022	16,587,167		16,587,167	1.25%	3.43%	1,614
2023	15,157,098		15,157,098	1.09%	3.37%	1,540
2024	13,737,349		13,737,349	0.97%	3.19%	1,281
2025	14,479,060		14,479,060	1.04%	2.71%	1,328

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Legal Debt Margin Calculation:										
Total capacity of borrowing (7 times base)	\$ 142,048,235	\$ 144,557,581	\$ 158,184,285	\$ 166,249,342	\$ 168,944,622	\$ 167,746,474	\$ 173,796,665	\$ 185,454,003	\$ 192,151,029	\$ 199,154,599
Total present indebtedness	<u>14,091,000</u>	<u>12,781,000</u>	<u>11,476,000</u>	<u>20,075,000</u>	<u>14,695,000</u>	<u>17,176,257</u>	<u>16,201,257</u>	<u>14,881,257</u>	<u>13,561,257</u>	<u>13,810,000</u>
Margin for additional borrowing	<u>\$ 127,957,235</u>	<u>\$ 131,776,581</u>	<u>\$ 146,708,285</u>	<u>\$ 146,174,342</u>	<u>\$ 154,249,622</u>	<u>\$ 150,570,217</u>	<u>\$ 157,595,408</u>	<u>\$ 170,572,746</u>	<u>\$ 178,589,772</u>	<u>\$ 185,344,599</u>
Total net debt applicable to the debt limit as a percentage of the debt limit	9.92%	8.84%	7.25%	12.08%	8.70%	10.24%	9.32%	8.02%	7.06%	6.93%

**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
2016	11,432	\$ 382,343,240	\$ 33,445	43.4	12.0	1,442	5.3%
2017	11,649	449,791,188	38,612	42.5	12.0	1,419	4.4%
2018	11,106	390,042,720	35,120	42.5	12.0	1,432	3.7%
2019	10,834	437,563,592	40,388	42.5	12.0	1,374	3.0%
2020	10,784	467,885,408	43,387	42.5	12.0	1,349	3.0%
2021	10,136	483,831,824	47,734	47.5	12.0	1,325	4.9%
2022	10,279	449,531,507	43,733	46.2	12.0	1,350	3.5%
2023	9,843	430,463,919	43,733	36.3	12.0	1,346	3.6%
2024	10,725	511,786,275	47,719	45.2	12.0	1,355	2.4%
2025	10,905	533,472,600	48,920	43.4	12.0	1,320	3.4%

(1) U.S. Department of Commerce, Bureau of Census

(2) Town of Somers, Board of Education

(3) State of Connecticut, Labor Department, Office of Research and Statistics

Table 13

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 *
General government										
Finance	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Building	2.0	2.0	2.0	1.5	1.5	1.5	1.0	1.0	1.0	1.0
Other	8.0	8.0	12.0	12.0	11.5	11.0	13.0	12.0	12.0	1.5
Tax & Assessment										3.0
Town Clerk										1.5
Selectmen's Office										2.5
Police										
Officers	4.5	5.0	6.5	7.0	6.5	6.0	5.5	5.5	5.0	5.5
School Resource Officers										1.0
Animal Control Officers										1.5
State Troopers	2.0	3.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Civilians	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire										
Firefighters and officers	8.0	8.0	7.5	8.0	9.5	10.5	10.0	10.0	10.0	6.5
Paramedics										7.5
Refuse collection	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.5
Public works	8.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.0	
Highway										4.0
Administration										2.0
Mechanic										1.0
Parks and recreation	5.5	4.0	4.0	4.0	6.5	6.0	6.0	7.0	7.0	
Parks										4.0
Recreation										3.0
Library	9.5	7.5	7.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Sanitation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.0
Transit	4.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Total</b>	<b>57.5</b>	<b>52.5</b>	<b>56.5</b>	<b>57.5</b>	<b>60.5</b>	<b>60.0</b>	<b>60.5</b>	<b>60.5</b>	<b>60.5</b>	<b>64.0</b>

\* - Separation of data began in 2025

**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.

Table 14

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

Function/Program	2016	2017	2018	2019 *	2020	2021	2022**	2023	2024	2025
Police										
Criminal investigations	351	364	331	218	126	156	139	117	102	113
Motor vehicle accidents	110	109	117	107	116	98	109	104	103	117
DUI arrests	13	24	27	18	15	5	8	12	14	8
Miscellaneous calls for service	-	-	-	7,005	7,894	8,790	11,170	13,477	12,186	10,099
Fire										
Emergency responses	1,144	1,175	1,310	1,407	1,836	2,329	2,584	2,548	2,328	2,362
Fires extinguished	30	32	36	22	27	46	30	44	33	46
Inspections	207	255	293	291	164	175	206	278	243	252
Refuse collection										
Refuse collected (tons per year)	3,818	3,784	3,205	3,560	3,482	3,573	3,163	3,002	3,219	3,195
Bulky waste (tons per year)	761	586	690	590	711	725	731	764	756	807
Recycling (tons per year)	1,120	790	854	675	633	698	601	977	882	998
Other public works (miles)										
Street resurfacing	2	2	-	-	14	-	-	-	-	-
Paved surface	2	2	-	2	2	7	-	4	-	7
Crack sealing	-	1	-	4	8	-	-	-	-	1
Library										
Volumes in collection	65,439	66,585	67,658	69,467	68,875	70,843	71,469	72,019	66,216	66,389
Total volumes circulated	74,614	63,487	61,103	58,708	40,800	31,359	42,633	53,661	53,732	55,790
Water										
New connections	3	2	2	-	-	-	6	-	-	-
New well permits	12	15	5	10	6	8	13	14	11	11
Wastewater										
New septic permits	13	7	10	9	13	9	29	10	6	10
Septic repair permits	-	-	-	-	-	-	34	32	24	24
New sewer connections	3	7	1	5	1	3	3	1	-	-
Average yearly sewage treatment (thousands of gallons)/day	32	36	41	46	43	39	59	35	36	36
Transit (senior bus)										
Total route miles	25,248	28,020	29,013	28,948	17,176	17,047	20,872	19,582	20,276	20,155
Passengers	3,306	3,543	3,680	3,542	2,120	1,532	2,313	2,902	3,457	3,539

\* - FY 2019 the Town began reporting miscellaneous calls for service in an effort to show the true number of calls handled by the Town of Somers Police Department.

\*\* - FY 2022 the Town began tracking septic repair permits.

Source: Various Town departments.

Table 15

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	6	6	6	7	7	7	7
State patrol units	2	3	1	1	1	1	1	1	1	1
Fire stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	90	90	90	90	90	90	90	90	90	90
Highways (miles)	8	8	8	8	8	8	8	8	8	8
Streetlights	460	464	464	464	464	464	464	464	464	464 *
Traffic signals	9	9	9	9	9	9	9	9	9	9
Parks and recreation										
Acreage	122	306	306	306	306	306	306	306	306	306
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	10	10	10	10	10	10	10	10	10	10
Soccer/football fields	11	11	11	11	11	11	11	11	11	11
Community centers	1	1	1	1	1	1	1	1	1	2
Water										
Water mains (miles)	5	5	5	5	5	5	5	5	5	5 **
Fire hydrants	193	193	193	193	193	193	194	194	194	194
Storage capacity (thousands of gallons)	-	-	-	-	-	-	-	-	-	- **
Wastewater										
Sanitary sewers (miles)	4	4	4	4	4	4	4	4	4	4
Storm sewers (miles)	35	35	35	35	35	35	35	35	35	35
Treatment capacity (thousands of gallons)	97	97	97	97	97	97	97	97	97	97
Transit—minibuses	2	2	2	2	2	2	2	2	2	2

\* Includes streetlights leased from Eversource

\*\* Per contract termination water system sold to Hazardville Water Company

**Source:** Various Town departments.