

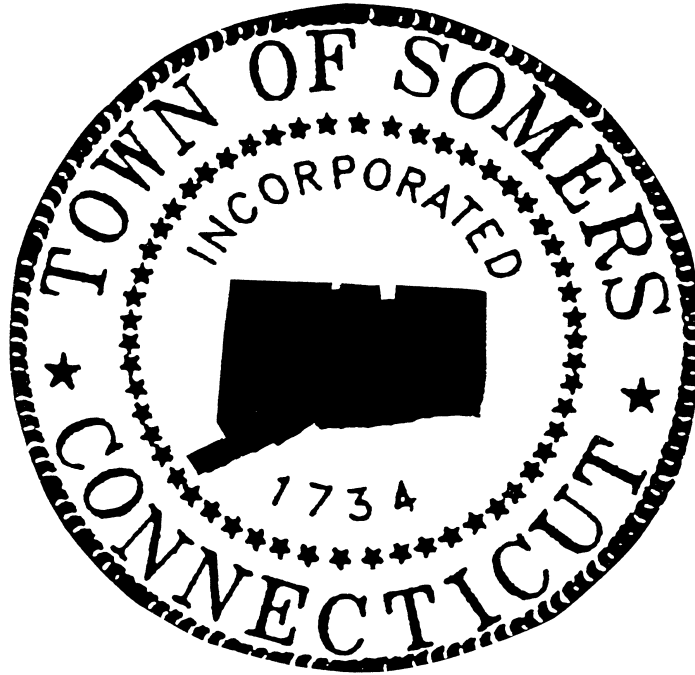
**TOWN OF SOMERS,
CONNECTICUT**



**Annual Comprehensive
Financial Report**

**For The Year Ended
June 30, 2024**

TOWN OF SOMERS, CONNECTICUT



Annual Comprehensive Financial Report

**For The Year Ended
June 30, 2024**

Prepared by:

Finance & Treasury Department

TOWN OF SOMERS, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

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INTRODUCTORY SECTION

TOWN OF SOMERS
600 Main Street
Somers, Connecticut 06071
www.somersct.gov
TEL (860) 763-8200
FAX (860) 763-8228

FIRST SELECTMAN
Timothy R. E. Keeney

SELECTMEN
William Meier III
Robert Schmidt

December 19, 2024

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, 2024.

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, 2024, 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, 2024. 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 a 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 2022 population of 10,760. 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 \$50 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 for the Board of Education and the object level (salaries and wages, supplies, and other objects) for all other departments.
- The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects.
- Additional appropriations of less than \$20,000 must be approved by the Board of Finance. Appropriations in excess of \$20,000 must be 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 October 2024 unemployment rate at 2.4% (seasonally adjusted), which is lower than the state unemployment rate of 3.0% and lower than the federal unemployment rate of 4.1%. 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. In Fiscal Year 2024, the Town experienced an increase of 6.55% in building permits compared to the prior fiscal year.

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, 2023. 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, 2024, 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

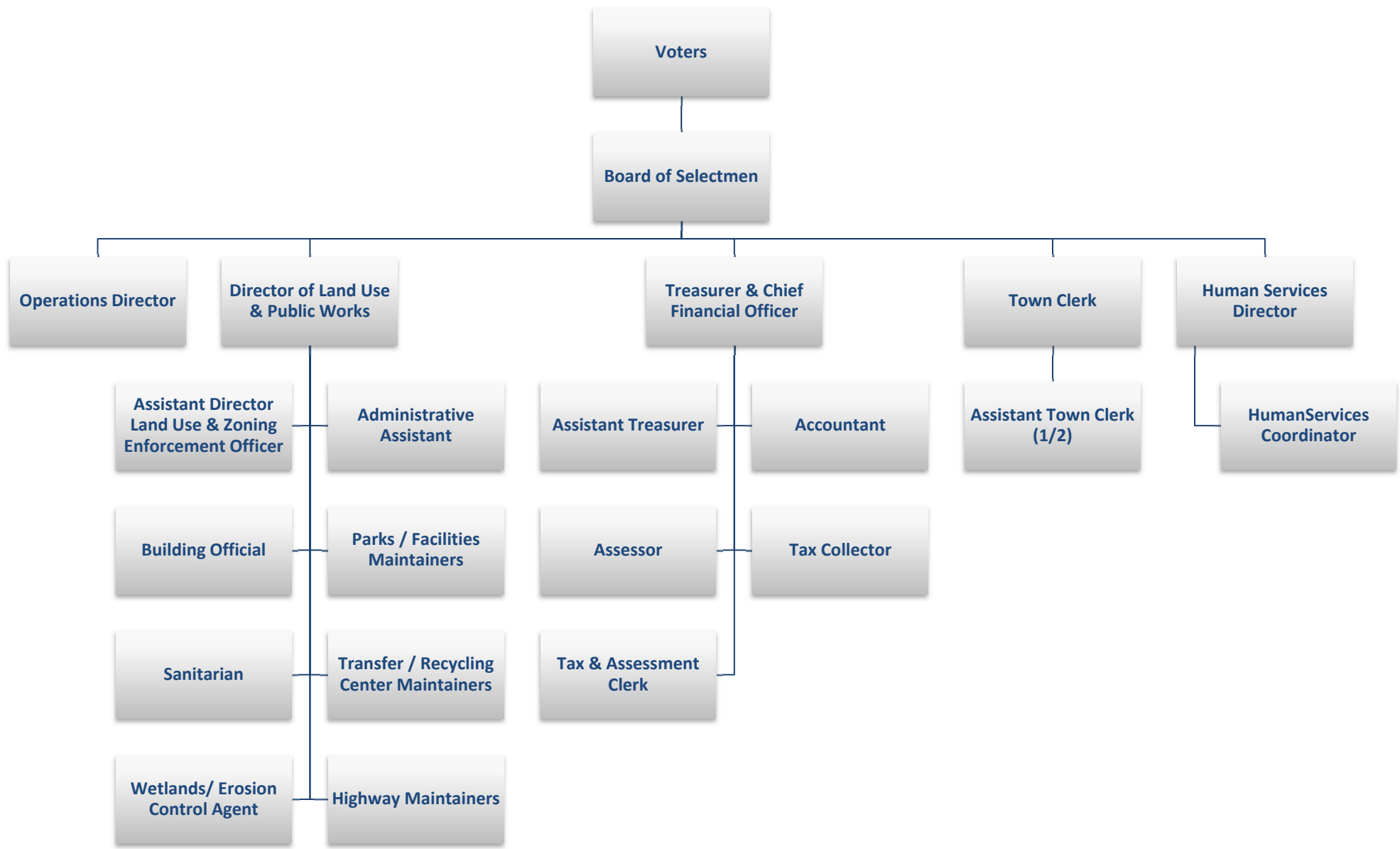
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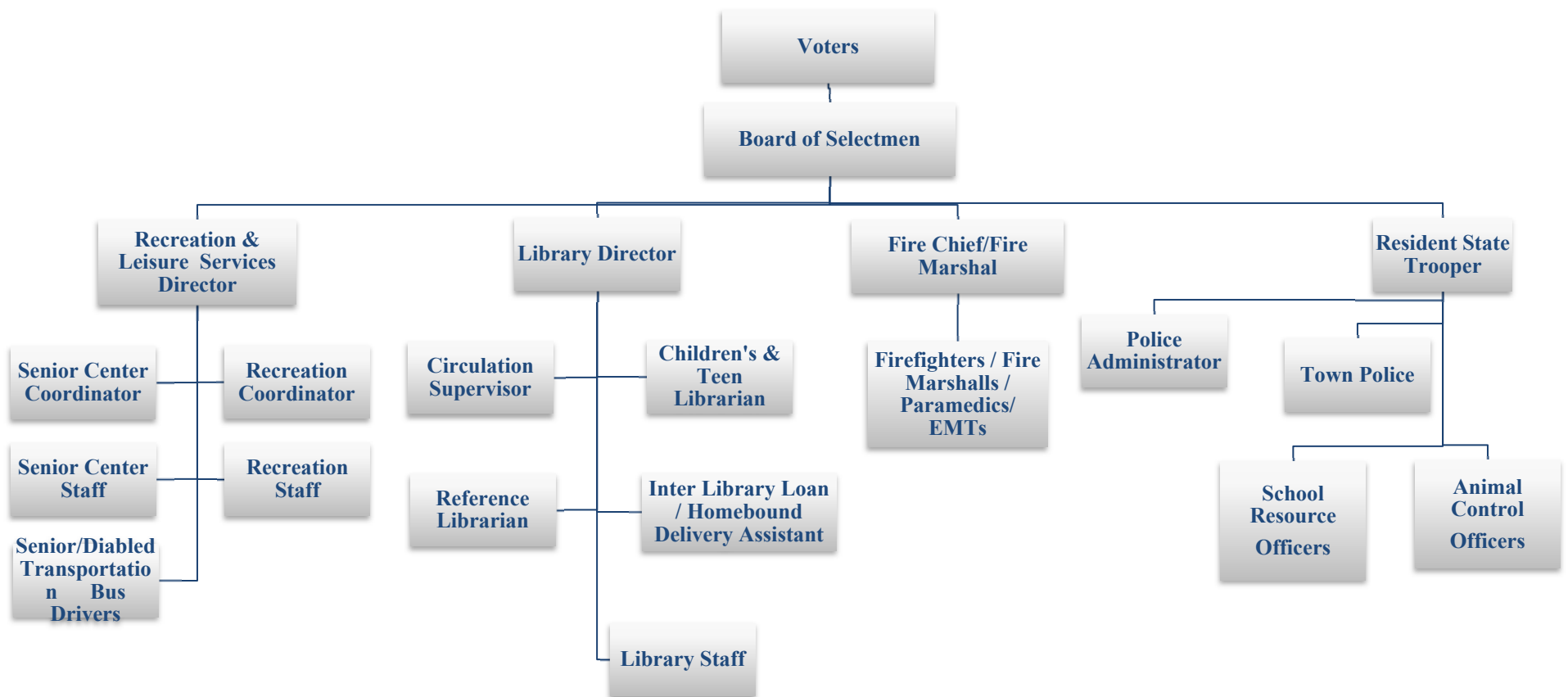
**Town of Somers
Connecticut**

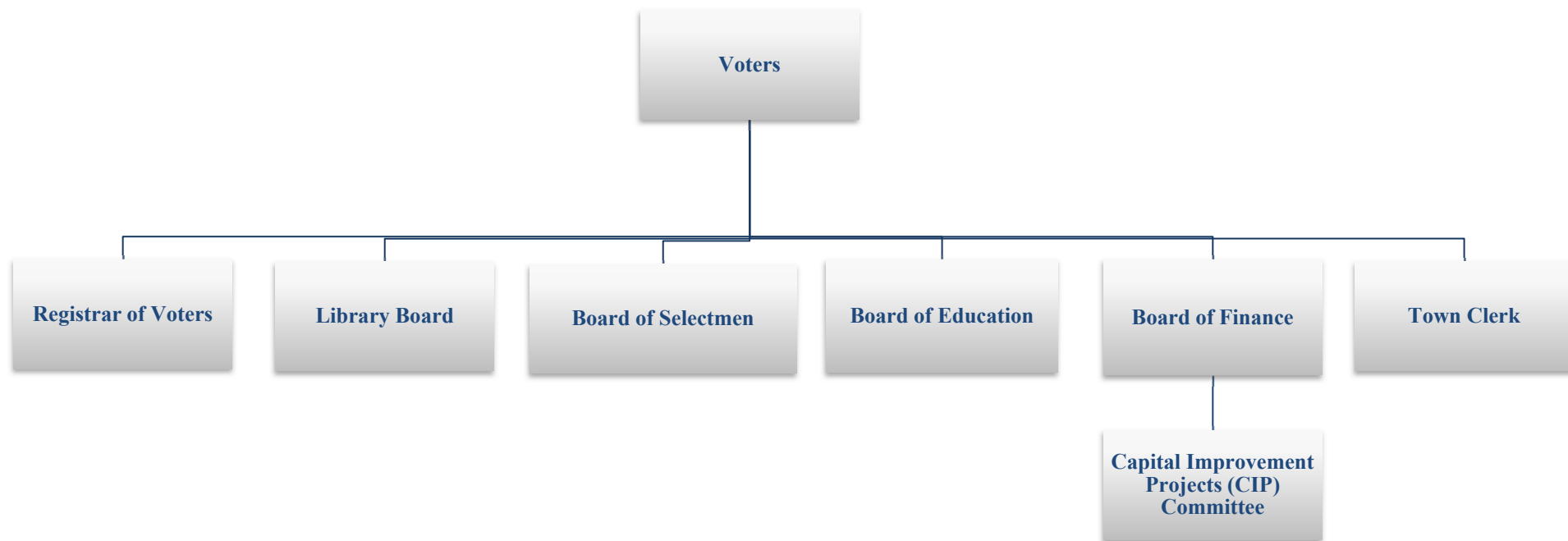
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

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
Glenn Setzler
Brian Wissinger
Timothy Keeney
Alissa Hanvey
Todd Rolland
David Lenart
Matthew Cox
Dr. Sam Galloway
Joanne Nichting
Maureen Parsell
Carl Landolina
David Marti
Andrea Vitrano

BOARD OF EDUCATION

Anne Kirkpatrick, Chair
Kim Radziewicz, Vice-Chair
Jan Martin, Secretary
Michael Briggs
Ed DePeau
JT Galloway
Shane Manning
Carl Stebbins
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, 2024, 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, 2024, 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.

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 67 through 84 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.

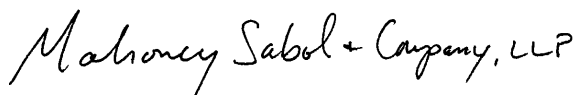
Other Information

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 19, 2024, 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 19, 2024

Management's Discussion and Analysis

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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, 2024. 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 \$50,514,973 (net position). Of this amount, \$6,737,640 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 \$23,795.
- The Town's total long-term debt consisting of general obligation bonds and financed purchases of capital assets decreased by \$1,324,583 or 8.9% 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 \$12,425,922, a decrease of \$15,178 in comparison with the prior year.
- At the end of the current fiscal year, fund balance of the General Fund was \$7,829,550. Of this amount, \$7,345,680 represents unassigned fund balance that may be appropriated for future spending. Unassigned fund balance was sufficient to cover 2.2 months of and represented 18.4% of the Town's General Fund budgetary expenditure appropriation for fiscal year 2025.

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, 2024

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 \$50,514,973 as of June 30, 2024 and \$50,538,768 as of June 30, 2023 and are summarized as follows:

	<u>2024</u>	<u>2023</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current and other assets	\$ 15,619,781	\$ 17,580,513	\$ (1,960,732)	-11.2%
Capital assets, net	54,879,006	56,169,018	(1,290,012)	-2.3%
Total assets	<u>70,498,787</u>	<u>73,749,531</u>	<u>(3,250,744)</u>	-4.4%
Deferred outflows of resources	<u>1,231,413</u>	<u>1,405,580</u>	<u>(174,167)</u>	-12.4%
Current and other liabilities	1,936,390	3,126,137	(1,189,747)	-38.1%
Long-term liabilities	<u>18,237,726</u>	<u>19,714,117</u>	<u>(1,476,391)</u>	-7.5%
Total liabilities	<u>20,174,116</u>	<u>22,840,254</u>	<u>(2,666,138)</u>	-11.7%
Deferred inflows of resources	<u>1,041,111</u>	<u>1,776,089</u>	<u>(734,978)</u>	-41.4%
Net position:				
Net investment in capital assets	40,642,751	39,890,182	752,569	1.9%
Restricted	3,134,582	2,810,525	324,057	11.5%
Unrestricted	<u>6,737,640</u>	<u>7,838,061</u>	<u>(1,100,421)</u>	-14.0%
Total net position	<u>\$ 50,514,973</u>	<u>\$ 50,538,768</u>	<u>\$ (23,795)</u>	0.0%

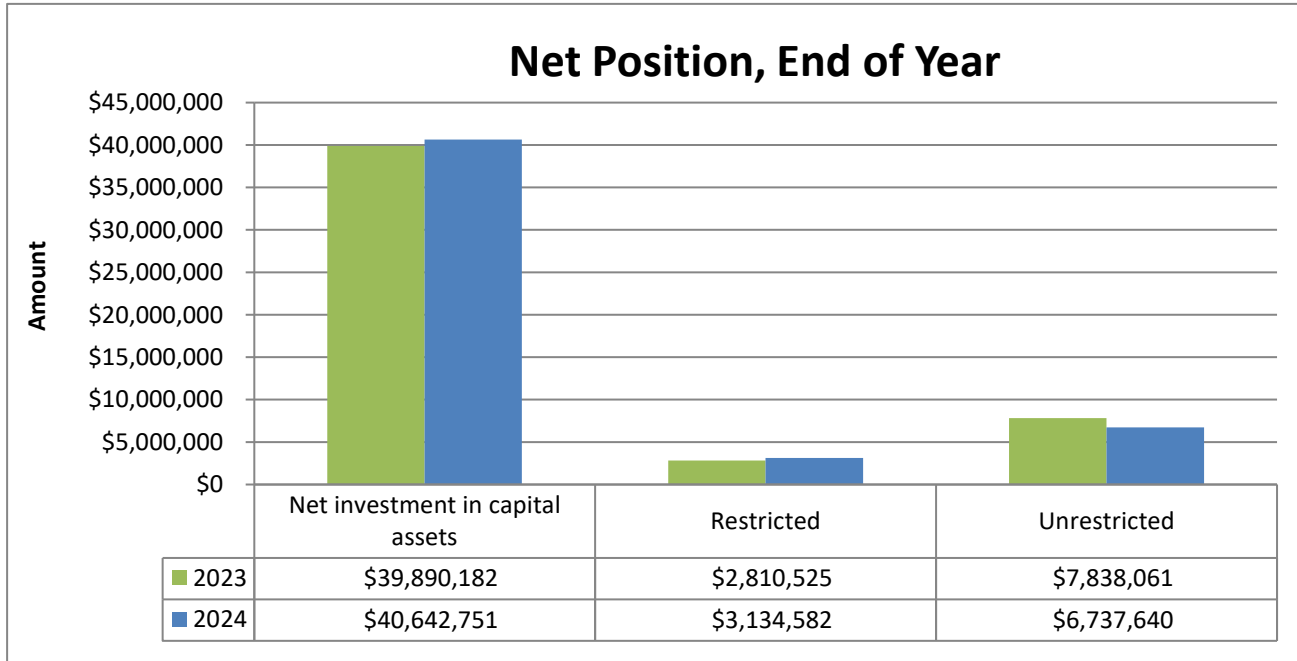
Significant variances within the government-wide statement of net position were due to the following:

- the decrease in current and other assets was driven by the use of cash reserves to fund current year capital improvements;
- the decrease in capital assets, net was due to depreciation of \$2.4 million, offset by capital asset additions of \$1.1 million;
- the decrease in current and other liabilities was due to timing and reflects a reduction in accrued liabilities on capital projects;
- the decrease in long-term liabilities was driven by the repayment of long-term debt; and
- the decrease in deferred inflows of resources was driven by advanced tax collections received in the prior year.

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



80.5% of the Town's net position as of June 30, 2024 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.

6.2% of the Town's net position as of June 30, 2024 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, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

Changes in net position for the years ended June 30, 2024 and 2023 are as follows.

	<u>2024</u>	<u>2023</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues				
Program revenues:				
Charges for services	\$ 4,039,896	\$ 3,665,063	\$ 374,833	10.2%
Operating grants and contributions	12,226,860	14,018,686	(1,791,826)	-12.8%
Capital grants and contributions	236,960	549,992	(313,032)	-56.9%
General revenues:				
Property taxes	27,750,059	26,727,256	1,022,803	3.8%
Grants and contributions not restricted to specific programs	3,522,470	3,293,261	229,209	7.0%
Investment earnings	819,918	591,329	228,589	38.7%
Total revenues	<u>48,596,163</u>	<u>48,845,587</u>	<u>(249,424)</u>	-0.5%
Program expenses				
General government	2,607,962	2,707,506	(99,544)	-3.7%
Public safety	3,339,544	2,760,557	578,987	21.0%
Public works	3,514,284	4,007,663	(493,379)	-12.3%
Sanitation	967,519	1,023,587	(56,068)	-5.5%
Health and welfare	722,377	431,496	290,881	67.4%
Library	736,142	804,183	(68,041)	-8.5%
Culture and recreation	1,293,592	1,107,406	186,186	16.8%
Education	35,138,348	35,266,600	(128,252)	-0.4%
Interest expense	300,190	302,044	(1,854)	-0.6%
Total expenses	<u>48,619,958</u>	<u>48,411,042</u>	<u>208,916</u>	0.4%
Change in net position	(23,795)	434,545	<u>\$ (458,340)</u>	-105.5%
Net position - beginning	<u>50,538,768</u>	<u>50,104,223</u>		
Net position - ending	<u>\$ 50,514,973</u>	<u>\$ 50,538,768</u>		

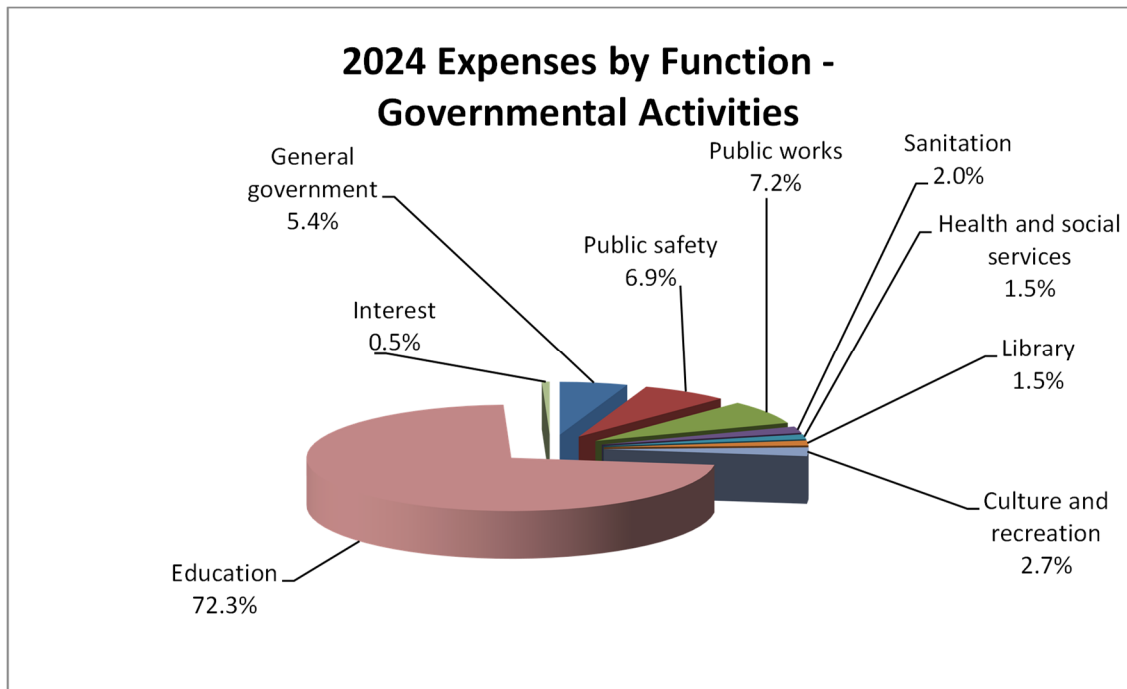
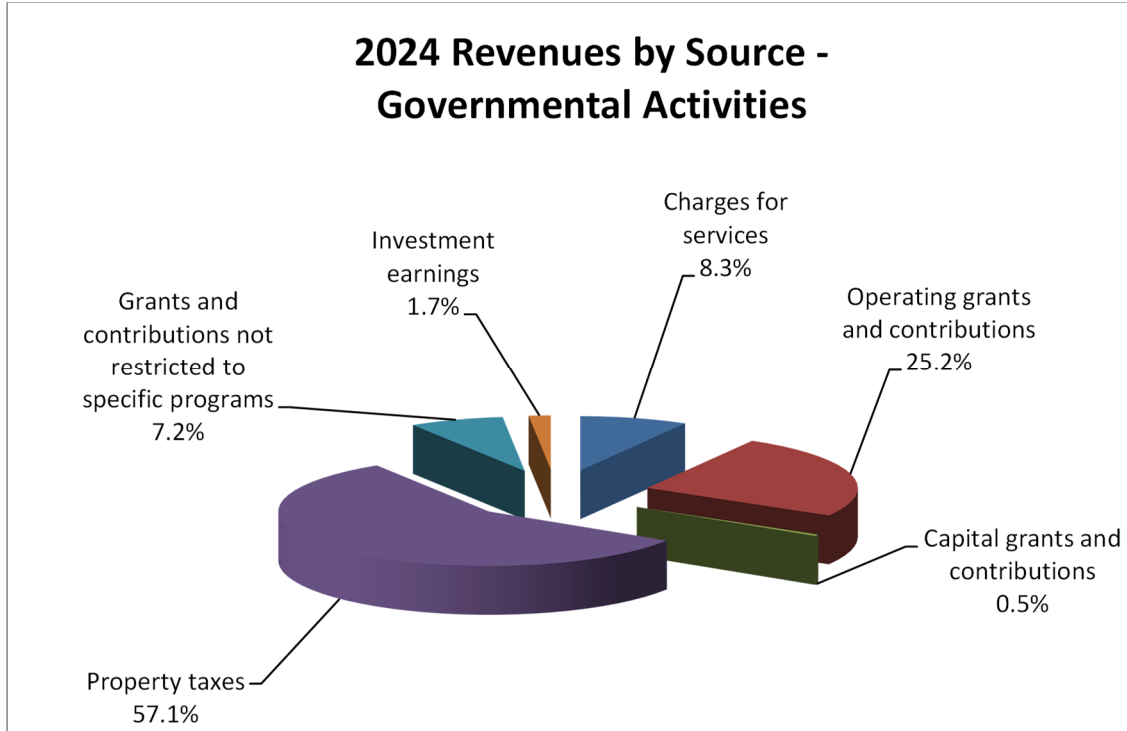
Significant variances within the government-wide statement of activities were due to the following:

- Operating grants and contributions decreased by \$1.8 million. The decrease was primarily driven by a \$1.3 million reduction in the amount of pension and other post-employment benefit contributions recognized by the Town for its participation in the Connecticut Teachers' Retirement System. In addition, the Town recognized a decrease of \$1.0 million in funding from the Coronavirus State and Local Fiscal Recovery Funds. This decrease was offset by restricted contributions of \$354 thousand received by the Town for the purpose of providing public assistance to individuals in need.
- Property taxes increased by \$1,022,803 or 3.8% to fund an overall increase in the expenditure budget for the General Fund.
- Public safety expenses increased by \$578,987 or 21.0%. This increase was primarily due to an increase in pension expense related to the Volunteer Firefighters' Incentive Plan. The increase in pension expense was the result of a benefit enhancement that doubled the benefit multiplier for future retirements.
- Public works expense decreased by \$493,379 or 12.3%. This decrease was driven by a reduction in road repairs and maintenance costs incurred in the current year.
- There was a nominal increase in education expenses. However, education expenses decreased by \$1.3 million in the amount of pension and other post-employment benefit expenses recognized by the Town for its participation in the Connecticut Teachers' Retirement System. This is a non-cash expense and can fluctuate significantly from year to year based on changes in the various components of the State's net pension and other-postemployment liabilities. This decrease was offset by an increases in contractual wages and benefits, utilities, outplaced tuition, transportation, and programmatic supplies.

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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, 2024

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 \$12,425,922, a decrease of \$15,178 over the prior year. Approximately 58.6% or \$7,280,765 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 \$7,829,550. Of this amount, \$7,345,680 represents unassigned fund balance that may be appropriated for future spending and \$420,000 has been assigned for use in the Town's fiscal year 2025 budget. Unassigned fund balance is sufficient to cover 2.2 months of and represents 18.4% of the General Fund budgetary expenditure appropriation for fiscal year 2025. The fund balance of the Town's General Fund increased by \$476,159 during the current fiscal year compared to an increase of \$340,442 in the prior year. Expenditures increased by \$1.6 million primarily due to an increase in education expenditures of \$1.8 million or 6.1%. The increase in education expenditures was driven by contractual increases in wages and benefits, inflationary increases in transportation and utilities, and increases in special education services. Revenues increased by \$1.8 million or 4.4% primarily due to an increase in property tax collections of \$1.0 million or 3.8% and increases in State-aid of \$525,000. The increase in property taxes was driven by the overall budgetary increase to fund education.

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 \$829,442. This was an increase of \$109,506 in the fund balance, which was driven by a higher than expected request for services including revenues from providing mutual aid to neighboring communities.

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 \$44,286. This was an increase of \$11,848 in the fund balance. There were not significant changes in activities between the current and prior fiscal years.

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the year ended June 30, 2024 planned for the utilization of fund balance in the amount of \$493,880. Supplemental appropriations were authorized during the year in the amount of \$62,001, resulting in a planned use of fund balance of \$555,881. The actual change in fund balance of the General Fund on a budgetary basis was an increase of \$430,394. Revenues and other financing sources were \$876,266 more than expected and expenditures were \$110,009 lower than budgeted. The revenue surplus was driven by higher than anticipated revenues received on property taxes, State-aid and investment income.

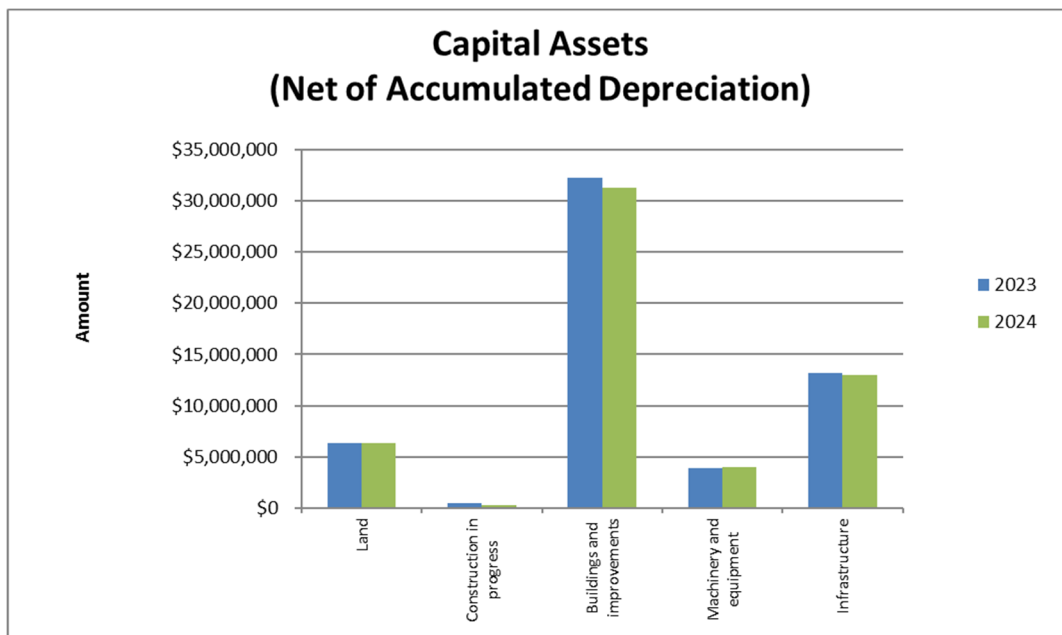
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities (net of accumulated depreciation) as of June 30, 2024 and 2023 totaled \$54,879,006 and \$56,169,018, 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 \$1,290,012 or 2.3%. Current year additions totaled \$1,162,110, which was offset by depreciation and amortization of \$2,452,122. The following table is a two-year comparison of the investment in capital assets, net of accumulated depreciation and amortization:

	2024	2023	\$ Variance	% Variance
Land	\$ 6,322,158	\$ 6,322,158	\$ -	0.0%
Construction in progress	307,546	532,859	(225,313)	-42.3%
Buildings and improvements	31,235,027	32,219,310	(984,283)	-3.1%
Machinery and equipment	4,029,734	3,952,418	77,316	2.0%
Infrastructure	12,984,541	13,142,273	(157,732)	-1.2%
Totals	<u>\$ 54,879,006</u>	<u>\$ 56,169,018</u>	<u>\$ (1,290,012)</u>	-2.3%

Major capital additions consisted of school-wide building and heating improvements and purchases of vehicles and equipment for the public works and public safety departments.



TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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.

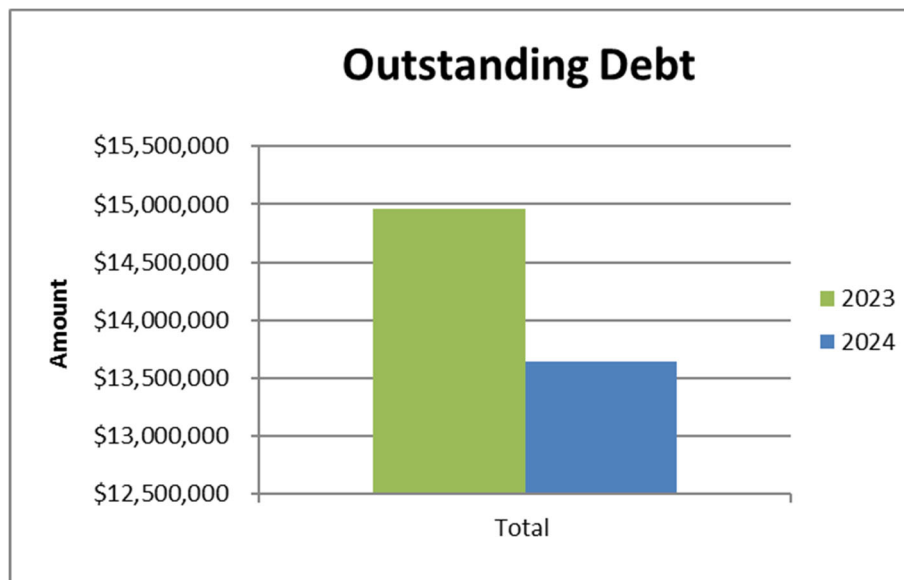
Long-term Debt

At the end of the current fiscal year, the Town had total long-term debt, consisting of bonds and financed purchase contracts, outstanding of \$13,638,316. 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:

	2024	2023	\$ Variance	% Variance
General obligation bonds	\$ 13,110,000	\$ 14,430,000	\$ (1,320,000)	-9.1%
Financed purchases	528,316	532,899	(4,583)	-0.9%
Total	\$ 13,638,316	\$ 14,962,899	\$ (1,324,583)	-8.9%



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, 2024

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 2025, 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 2025.

The fiscal year 2025 budget was adopted by the Town in May 2024. The fiscal year 2025 budget authorized expenditure appropriations of \$39,826,728, which represents an overall increase of 4.6% over the original fiscal year 2024 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 \$420,000.

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

Financial Statements and Notes

TOWN OF SOMERS, CONNECTICUT
STATEMENT OF NET POSITION .
AS OF JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,919,576
Investments	4,698,891
Receivables:	
Property taxes, interest and fees	889,362
Grants and contracts	348,868
Assessments and user charges	58,777
Other	497,989
Other	1,970
Net pension assets	204,348
Capital assets:	
Non-depreciable	6,629,704
Depreciable, net	48,249,302
Total assets	<u>70,498,787</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	557,217
OPEB related	644,786
Deferred charges on refundings	29,410
Total deferred outflows of resources	<u>1,231,413</u>
LIABILITIES	
Accounts payable	738,516
Accrued liabilities	359,340
Deposits payable	66,932
Unearned revenue	771,602
Noncurrent liabilities:	
Due within one year	1,850,881
Due in more than one year	16,386,845
Total liabilities	<u>20,174,116</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	566,608
OPEB related	474,503
Total deferred inflows of resources	<u>1,041,111</u>
NET POSITION	
Net investment in capital assets	40,642,751
Restricted for:	
Cemetery - Expendable	1,226,782
Library - Expendable	728,278
Library - Nonexpendable	75,000
Pensions	204,348
Other purposes	900,174
Unrestricted	6,737,640
Total net position	<u>\$ 50,514,973</u>

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

TOWN OF SOMERS, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 2,607,962	\$ 774,246	\$ 180,865	\$ -	\$ (1,652,851)
Public safety	3,339,544	855,311	298,762	-	(2,185,471)
Public works	3,514,284	10,558	339,979	236,960	(2,926,787)
Sanitation	967,519	361,896	10,196	-	(595,427)
Health and welfare	722,377	119,139	512,579	-	(90,659)
Library	736,142	12,582	5,936	-	(717,624)
Culture and recreation	1,293,592	404,163	11,233	-	(878,196)
Education	35,138,348	1,502,001	10,867,310	-	(22,769,037)
Interest expense	300,190	-	-	-	(300,190)
Total governmental activities	<u>\$ 48,619,958</u>	<u>\$ 4,039,896</u>	<u>\$ 12,226,860</u>	<u>\$ 236,960</u>	<u>(32,116,242)</u>
General revenues:					
Property taxes, levied for general purposes					27,750,059
Grants and contributions not restricted to specific programs					3,522,470
Investment earnings					<u>819,918</u>
Total general revenues					<u>32,092,447</u>
Change in net position					(23,795)
Net position - beginning					<u>50,538,768</u>
Net position - ending					<u>\$ 50,514,973</u>

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

TOWN OF SOMERS, CONNECTICUT

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024

	General Fund	Ambulance Fund	Recreation Commission Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,347,171	\$ 1,700,451	\$ 844,692	\$ 3,026,961	\$ 8,919,275
Investments	3,223,932	-	-	1,474,959	4,698,891
Receivables:					
Property taxes, interest and fees	889,362	-	-	-	889,362
Assessments and user charges	-	-	-	58,777	58,777
Grants and contracts	-	-	-	348,868	348,868
Other	343,579	146,342	6,461	1,607	497,989
Due from other funds	2,237,189	-	-	370,160	2,607,349
Prepaid items	1,970	-	-	-	1,970
Total assets	<u>\$ 10,043,203</u>	<u>\$ 1,846,793</u>	<u>\$ 851,153</u>	<u>\$ 5,281,332</u>	<u>\$ 18,022,481</u>
LIABILITIES					
Accounts payable	\$ 508,711	\$ 17,662	\$ 16,153	\$ 195,990	\$ 738,516
Accrued liabilities	286,585	-	-	-	286,585
Deposits payable	66,932	-	-	-	66,932
Due to other funds	370,160	883,347	575,454	778,388	2,607,349
Unearned revenue	30,809	-	215,260	525,533	771,602
Total liabilities	<u>1,263,197</u>	<u>901,009</u>	<u>806,867</u>	<u>1,499,911</u>	<u>4,470,984</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	950,456	116,342	-	58,777	1,125,575
Total deferred inflows of resources	<u>950,456</u>	<u>116,342</u>	<u>-</u>	<u>58,777</u>	<u>1,125,575</u>
FUND BALANCES					
Nonspendable	1,970	-	-	75,000	76,970
Restricted	-	-	-	2,855,234	2,855,234
Committed	61,900	829,442	44,286	857,325	1,792,953
Assigned	420,000	-	-	-	420,000
Unassigned	7,345,680	-	-	(64,915)	7,280,765
Total fund balances	<u>7,829,550</u>	<u>829,442</u>	<u>44,286</u>	<u>3,722,644</u>	<u>12,425,922</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,043,203</u>	<u>\$ 1,846,793</u>	<u>\$ 851,153</u>	<u>\$ 5,281,332</u>	<u>\$ 18,022,481</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, 2024

Total fund balances for governmental funds	\$ 12,425,922
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.	54,879,006
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.	29,410
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.	204,348
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.	1,125,575
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.	160,892
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	\$ (13,110,000)
Premium on bonds	(627,349)
Financed purchases	(528,316)
Accrued interest	(72,755)
Other long-term liabilities:	
Compensated absences	(961,085)
Landfill post-closure care costs	(14,000)
Net pension liability	(936,513)
Net OPEB liability	(2,060,463)
Total long-term liabilities	(18,310,481)
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.	301
Net position of governmental activities	\$ 50,514,973

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, 2024

	General Fund	Ambulance Fund	Recreation Commission Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 27,505,901	\$ -	\$ -	\$ -	\$ 27,505,901
Intergovernmental	13,844,761	127,978	-	2,072,198	16,044,937
Charges for services	1,065,875	586,715	378,146	1,802,085	3,832,821
Investment income	516,638	12,293	17,670	273,317	819,918
Other	-	129,007	1,260	434,613	564,880
Total revenues	<u>42,933,175</u>	<u>855,993</u>	<u>397,076</u>	<u>4,582,213</u>	<u>48,768,457</u>
EXPENDITURES					
Current:					
General government	3,491,605	-	-	138,807	3,630,412
Public safety	1,421,373	82,814	-	169,918	1,674,105
Public works	1,852,294	-	-	458,852	2,311,146
Sanitation	760,550	-	-	177,149	937,699
Health and welfare	259,020	586,125	-	401,419	1,246,564
Library	444,914	-	-	20,029	464,943
Culture and recreation	202,836	-	375,963	79,893	658,692
Education	32,000,886	-	-	2,421,608	34,422,494
Debt service:					
Principal payments	1,320,000	-	-	319,583	1,639,583
Interest and fiscal charges	378,538	-	-	9,878	388,416
Capital outlays	-	-	9,265	1,715,316	1,724,581
Total expenditures	<u>42,132,016</u>	<u>668,939</u>	<u>385,228</u>	<u>5,912,452</u>	<u>49,098,635</u>
Excess (deficiency) of revenues over expenditures	801,159	187,054	11,848	(1,330,239)	(330,178)
OTHER FINANCING SOURCES (USES)					
Financed purchases	-	-	-	315,000	315,000
Transfers in	125,000	-	-	527,548	652,548
Transfers out	(450,000)	(77,548)	-	(125,000)	(652,548)
Total other financing sources (uses)	<u>(325,000)</u>	<u>(77,548)</u>	<u>-</u>	<u>717,548</u>	<u>315,000</u>
Net change in fund balances	476,159	109,506	11,848	(612,691)	(15,178)
Fund balances - beginning	<u>7,353,391</u>	<u>719,936</u>	<u>32,438</u>	<u>4,335,335</u>	<u>12,441,100</u>
Fund balances - ending	<u>\$ 7,829,550</u>	<u>\$ 829,442</u>	<u>\$ 44,286</u>	<u>\$ 3,722,644</u>	<u>\$ 12,425,922</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, 2024

Net change in fund balances for governmental funds	\$	(15,178)
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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	\$ 1,133,820	
Depreciation and amortization expense	<u>(2,452,122)</u>	
Net adjustment		(1,318,302)

Contributions of capital assets to the Town increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. This amount represents that value of capital assets contributed to the Town.

28,290

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:		
Financed purchases	(315,000)	
Principal repayments:		
Bonds	1,320,000	
Financed purchases	<u>319,583</u>	
Net adjustment		1,324,583

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.

255,139
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, 2024

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. \$ (329,118)

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	\$ (125,217)	
Accrued interest	11,573	
Amortization of deferred charges on refundings	(23,096)	
Amortization of bond premium	99,749	
Landfill post-closure care costs	14,000	
Net pension assets	(14,886)	
Net pension liability	65,016	
Net OPEB liability	<u>98,260</u>	
		<u>125,399</u>

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.

(94,608)

Change in net position of governmental activities

\$ (23,795)

Concluded

TOWN OF SOMERS, CONNECTICUT
STATEMENT OF NET POSITION -
PROPRIETARY FUND
AS OF JUNE 30, 2024

	Governmental Activities - Internal Service Fund - Dental Benefits Fund
ASSETS	
Current assets:	
Cash	\$ 301
Total assets	<u>301</u>
LIABILITIES	
Current liabilities:	
Claims payable	-
Total liabilities	<u>-</u>
NET POSITION	
Unrestricted	<u>\$ 301</u>

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, 2024

	Governmental Activities - Internal Service Fund - Dental Benefits Fund
OPERATING REVENUES	
Charges for services	\$ 4,800
Total operating revenues	<u>4,800</u>
OPERATING EXPENSES	
Claims incurred	<u>11,408</u>
Total operating expenses	<u>11,408</u>
Operating loss/Loss before transfers	(6,608)
TRANSFERS OUT	<u>(88,000)</u>
Change in net position	(94,608)
Net position - beginning	<u>94,909</u>
Net position - ending	<u><u>\$ 301</u></u>

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, 2024

	Governmental Activities - Internal Service Fund - Dental Benefits Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employer	\$ 4,800
Payments for claims and administration	(14,635)
Net cash used in operating activities	<u>(9,835)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to other funds, net	(41,143)
Net cash and cash equivalents used in noncapital financing activities	<u>(41,143)</u>
Net decrease in cash	(50,978)
Cash, beginning of year	<u>51,279</u>
Cash, end of year	<u><u>\$ 301</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating income	\$ (6,608)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in claims payable	(3,227)
Net cash used in operating activities	<u><u>\$ (9,835)</u></u>

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, 2024

	Pension and Other Employee Benefit Trust Funds
ASSETS	
Cash and cash equivalents	\$ 606,673
Investments:	
U.S. Treasury securities	576,660
U.S. Agency securities	185,089
Fixed income securities	3,737,236
Equity securities	9,960,286
	<u>14,459,271</u>
Accrued income receivable	40,769
Total assets	<u>15,106,713</u>
LIABILITIES	
Payables	232,010
Total liabilities	<u>232,010</u>
NET POSITION	
Restricted for:	
Pensions	13,494,855
Other post-employment benefits	1,379,848
	<u>\$ 14,874,703</u>

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, 2024

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 382,728
Plan members	195,977
Total contributions	<u>578,705</u>
Investment earnings:	
Interest and dividends	384,094
Net change in the fair value of investments, net of investment fees	<u>801,532</u>
Total investment earnings, net	<u>1,185,626</u>
Total additions	<u>1,764,331</u>
DEDUCTIONS	
Benefit payments	664,967
Administrative expenses	<u>44,190</u>
Total deductions	<u>709,157</u>
 Change in net position	 1,055,174
 Net position - beginning	 <u>13,819,529</u>
 Net position - ending	 <u><u>\$ 14,874,703</u></u>

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, 2024

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, 2024.

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, 2024

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.

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 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, 2024

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, 2024

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 \$1,955,060 as of June 30, 2024 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 \$616,000 and \$170,000, respectively, as of June 30, 2024.

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, 2024

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:

Assets	Years
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 an 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, 2024

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

All compensated absences are recorded when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

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, 2024

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, 2024

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, 2024 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 8,919,576
Statement of fiduciary net position:	
Cash and cash equivalents	606,673
	9,526,249
Add: investments considered cash deposits	
for disclosure purposes	3,223,932
Less: cash equivalents considered investments	
for disclosure purposes	(4,196,631)
	\$ 8,553,550

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the carrying amount of the Town's cash deposits was \$8,553,550. As of June 30, 2024, \$7,879,893 of the Town's bank balance of \$9,265,047 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,091,904
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>787,989</u>
	<u><u>\$ 7,879,893</u></u>

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, 2024 is as follows:

Government-wide statement of net position:	
Investments	\$ 4,698,891
Statement of fiduciary net position:	
Investments	<u>14,459,271</u>
	19,158,162
Add: cash equivalents considered investments for disclosure purposes	4,196,631
Less: investments considered cash deposits for disclosure purposes	<u>(3,223,932)</u>
	<u><u>\$ 20,130,861</u></u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

Investments *(Continued)*

As of June 30, 2024, 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
Debt Securities:						
<i>Governmental Activities (excluding Permanent Funds):</i>						
Short-term Investment Fund	Amortized cost	\$ 3,202,395	\$ 3,202,395	\$ -	\$ -	\$ -
<i>Permanent Funds:</i>						
Money market mutual funds	Amortized cost	497,312	497,312	-	-	-
Fixed income securities	Fair value	113,749	58,488	55,261	-	-
<i>Fiduciary Funds:</i>						
Money market mutual funds	Amortized cost	496,924	496,924	-	-	-
U.S. Treasury securities	Fair value	576,660	-	414,690	161,970	-
U.S. Agency securities	Fair value	185,089	-	-	-	185,089
Fixed income securities	Fair value	3,737,236	1,086,095	2,577,571	49,091	24,479
		8,809,365	\$ 5,341,214	\$ 3,047,522	\$ 211,061	\$ 209,568
Other investments:						
<i>Permanent Funds:</i>						
Equity securities	Fair value	1,361,210				
<i>Fiduciary Funds:</i>						
Equity securities	Fair value	9,960,286				
		\$ 20,130,861				

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, 2024

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, 2024:

Investment type	AAA	AA	A	BB	BBB	Unrated	Total
Debt Securities:							
<i>Governmental Activities</i>							
<i>(excluding Permanent Funds):</i>							
Short-term Investment Fund	\$ 3,202,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,202,395
<i>Permanent Funds:</i>							
Money market mutual funds	-	-	-	-	-	497,312	497,312
Fixed income securities	-	17,255	54,403	-	42,091	-	113,749
<i>Fiduciary Funds:</i>							
Money market mutual funds	-	-	-	-	-	496,924	496,924
U.S. Agency securities	-	185,089	-	-	-	-	185,089
Fixed income securities	-	157,251	1,243,202	118,186	2,218,597	-	3,737,236
	<u>\$ 3,202,395</u>	<u>\$ 359,595</u>	<u>\$ 1,297,605</u>	<u>\$ 118,186</u>	<u>\$ 2,260,688</u>	<u>\$ 994,236</u>	<u>8,232,705</u>
					U.S. Treasury securities		576,660
							<u>\$ 8,809,365</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, 2024, 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, 2024, 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, 2024

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, 2024, 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
<i>Permanent Funds:</i>				
Fixed income securities	\$ -	\$ 113,749	\$ -	\$ 113,749
Equity securities	1,361,210	-	-	1,361,210
<i>Fiduciary Funds:</i>				
U.S. Treasury securities	576,660	-	-	576,660
U.S. Agency securities	185,089	-	-	185,089
Fixed income securities	-	3,737,236	-	3,737,236
Equity securities	9,960,286	-	-	9,960,286
	<u>\$ 12,083,245</u>	<u>\$ 3,850,985</u>	<u>\$ -</u>	15,934,230
		Investments measured at amortized cost		4,196,631
				<u><u>\$ 20,130,861</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, 2024

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 consisted of the following:

	Beginning Balance	Increases	Decreases Transfers	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 6,322,158	\$ -	\$ -	\$ 6,322,158
Construction in progress	532,859	680,237	(905,550)	307,546
Total capital assets, not being depreciated	<u>6,855,017</u>	<u>680,237</u>	<u>(905,550)</u>	<u>6,629,704</u>
Capital assets, being depreciated:				
Buildings and improvements	67,216,578	-	278,920	67,495,498
Vehicles, machinery and equipment	12,290,756	481,873	307,979	13,080,608
Infrastructure	24,897,522	-	266,047	25,163,569
Total capital assets, being depreciated	<u>104,404,856</u>	<u>481,873</u>	<u>852,946</u>	<u>105,739,675</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(34,997,268)	(1,263,203)	-	(36,260,471)
Vehicles, machinery and equipment	(8,338,338)	(765,140)	52,604	(9,050,874)
Infrastructure	(11,755,249)	(423,779)	-	(12,179,028)
Total accumulated depreciation and amortization	<u>(55,090,855)</u>	<u>(2,452,122)</u>	<u>52,604</u>	<u>(57,490,373)</u>
Total capital assets, being depreciated, net	<u>49,314,001</u>	<u>(1,970,249)</u>	<u>905,550</u>	<u>48,249,302</u>
Governmental activities capital assets, net	<u>\$ 56,169,018</u>	<u>\$ (1,290,012)</u>	<u>\$ -</u>	<u>\$ 54,879,006</u>

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

Governmental Activities:	
General government	\$ 75,394
Public safety	249,452
Public works	630,652
Sanitation	11,761
Health and social services	21,793
Library	117,765
Culture and recreation	133,865
Education	<u>1,211,440</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 2,452,122</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2024 are as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General Fund	Ambulance Fund	\$ 883,347
	Recreation Commission Fund	575,454
	Nonmajor Governmental Funds	<u>778,388</u>
		2,237,189
Nonmajor Governmental Funds	General Fund	<u>370,160</u>
		<u>\$ 2,607,349</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 consisted of the following:

Transfers In	Transfers Out	Amount
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 125,000
Nonmajor Governmental Funds	General Fund	450,000
	Ambulance Fund	77,548
		<u>527,548</u>
		<u>\$ 652,548</u>

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, 2024, are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<i>Long-term Debt:</i>					
Bonds payable:					
General obligation bonds	\$ 14,430,000	\$ -	\$ (1,320,000)	\$ 13,110,000	\$ 1,320,000
Unamortized premiums	727,098	-	(99,749)	627,349	-
Total bonds payable	16,587,167	-	(1,419,749)	13,737,349	1,320,000
Financed purchases	532,899	315,000	(319,583)	528,316	220,203
<i>Other Long-term Obligations:</i>					
Compensated absences	835,868	125,217	-	961,085	296,678
Landfill post closure care liability	28,000	-	(14,000)	14,000	14,000
Net pension liability (see Note 8)	1,001,529	-	(65,016)	936,513	-
Net OPEB liability (see Note 10)	2,158,723	-	(98,260)	2,060,463	-
	<u>\$ 21,144,186</u>	<u>\$ 440,217</u>	<u>\$ (1,916,608)</u>	<u>\$ 18,237,726</u>	<u>\$ 1,850,881</u>

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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>
Governmental Activities					
Bonds Payable					
General Obligation Refunding Bonds	2013	\$ 7,610,000	2.0% - 3.0%	8/2027	\$ 1,665,000
General Obligation Bonds	2015	5,320,000	2.0% - 4.0%	11/2034	2,775,000
General Obligation Bonds	2020	9,405,000	2.0% - 4.0%	10/2041	8,670,000
					<u>\$ 13,110,000</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, 2024, \$1,620,000 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 \$23,096 for the year ended June 30, 2024. 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, 2024.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

Authorized and Unissued Debt

Authorized and unissued debt as of June 30, 2024 totaled \$1,257 for bridge and road improvements and \$450,000 for school improvements.

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
2025	\$ 1,300,000	\$ 337,600	\$ 220,203	\$ 17,709
2026	1,005,000	300,762	76,611	11,980
2027	1,015,000	279,756	79,985	8,606
2028	1,025,000	238,450	83,518	5,079
2029	705,000	209,700	17,923	1,376
2030-2034	3,780,000	679,676	50,076	20,424
2035-2039	3,070,000	278,461	-	-
2040-2042	1,210,000	24,300	-	-
	<u>\$ 13,110,000</u>	<u>\$ 2,348,705</u>	<u>\$ 528,316</u>	<u>\$ 65,174</u>

Compensated Absences

Employees are granted vacation and sick leave based upon length of employment. For Town employees, unused vacation and sick days can be accumulated from year to year up to certain limits. For Board of Education employees, only unused vacation days can be accumulated from year to year up to certain limits. However, teachers hired on or before June 30, 1994 who retire under the State Teachers' Retirement System and who receive pension payments, will be paid out an amount equivalent to 2½ days compensation at the time of retirement or death for each full-time equivalent year of contracted service to the Town.

Landfill Post-Closure Care Liability

The Town landfill has been closed. State and federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next year are estimated to be \$14,000. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

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, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plans *(Continued)*

As of and for the year ended June 30, 2024, 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	\$ 204,348	\$ -	\$ 240,802	\$ 235,873	\$ -	\$ 126,419
Board of Education Employees' Plan	-	563,976	301,061	281,573	-	161,427
Volunteer Firefighters Incentive Plan	-	372,537	15,354	49,162	-	439,949
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	-	4,430,219	4,430,219
	<u>\$ 204,348</u>	<u>\$ 936,513</u>	<u>\$ 557,217</u>	<u>\$ 566,608</u>	<u>\$ 4,430,219</u>	<u>\$ 5,158,014</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, 2024. As of June 30, 2024, 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, 2024, 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 8.44%, 8.62% and 8.82%, 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, 2024

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:

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
Retired participants and beneficiaries receiving benefits	15	40	11
Terminated members entitled to, but not yet receiving benefits	12	6	27
Active members	37	37	69
	<u>64</u>	<u>83</u>	<u>107</u>

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, 2024

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, 2024, employer contributions to the Town Plan represented approximately 6.00% of covered payroll.

For the year ended June 30, 2024, employer contributions to the Board of Education Plan represented approximately 10.54% of covered payroll.

Net Pension Liability (Assets)

The components of the Town's net pension liability (asset) for each plan as of June 30, 2024 were as follows:

	Town Plan	Board of Education Plan	Firefighters' Plan
Total pension liability	\$ 6,263,170	\$ 7,145,716	\$ 818,134
Plan fiduciary net position	6,467,518	6,581,740	445,597
Town's net pension liability (assets)	<u>\$ (204,348)</u>	<u>\$ 563,976</u>	<u>\$ 372,537</u>
Plan fiduciary net position as a percentage of the total pension liability	103.26%	92.11%	54.47%

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

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

Net Pension Liability (Assets) *(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, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Town Plan			
Balance as of June 30, 2023	\$ 5,816,038	\$ 5,971,203	\$ (155,165)
Changes for the year:			
Service cost	294,058	-	294,058
Interest	388,628	-	388,628
Actuarial (gains) losses	31,038	-	31,038
Contributions	-	274,965	(274,965)
Net investment income	-	509,508	(509,508)
Benefit payments, including refun	(266,592)	(266,592)	-
Administrative expenses	-	(21,566)	21,566
Net changes	447,132	496,315	(49,183)
Balance as of June 30, 2024	\$ 6,263,170	\$ 6,467,518	\$ (204,348)
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Board of Education Plan			
Balance as of June 30, 2023	\$ 7,173,647	\$ 6,172,118	\$ 1,001,529
Changes for the year:			
Service cost	197,430	-	197,430
Interest	430,920	-	430,920
Actuarial (gains) losses	(272,511)	-	(272,511)
Contributions	-	270,821	(270,821)
Net investment income	-	523,886	(523,886)
Benefit payments, including refun	(383,770)	(383,770)	-
Administrative expenses	-	(1,315)	1,315
Net changes	(27,931)	409,622	(437,553)
Balance as of June 30, 2024	\$ 7,145,716	\$ 6,581,740	\$ 563,976
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Firefighters' Plan			
Balance as of June 30, 2023	\$ 374,732	\$ 438,801	\$ (64,069)
Changes for the year:			
Service cost	11,106	-	11,106
Interest	23,666	-	23,666
Actuarial (gains) losses	-	-	-
Change in benefit terms	423,235	-	423,235
Contributions	-	4,830	(4,830)
Net investment income	-	37,880	(37,880)
Benefit payments, including refun	(14,605)	(14,605)	-
Administrative expenses	-	(21,309)	21,309
Net changes	443,402	6,796	436,606
Balance as of June 30, 2024	\$ 818,134	\$ 445,597	\$ 372,537

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

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

Net Pension Liability (Assets) *(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, 2022 for the Volunteer Firefighters' Plan, and as of July 1, 2023 for the Board of Education Plan, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
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)	6.25%	6.00%	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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>			<u>Long-term Expected Real Rate of Return</u>		
	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
Equity	60%	65%	60%	3.35%	3.76%	3.40%
Fixed income	37%	30%	37%	0.81%	0.48%	0.70%
Cash	3%	5%	3%	0.03%	0.06%	0.00%
				4.19%	4.30%	4.10%
Long-term inflation				2.40%	2.40%	2.40%
				6.59%	6.70%	6.50%

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, 2024

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)	\$ 552,535	\$ (204,348)	\$ (850,078)
Board of Education Plan - Net pension liability (asset)	1,279,819	563,976	(53,655)
Firefighters' Plan - Net pension liability (asset)	501,533	372,537	263,354
	<u>\$ 2,333,887</u>	<u>\$ 732,165</u>	<u>\$ (640,379)</u>

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the Town recognized total pension expense of \$126,419 for the Town Plan, \$161,427 for the Board of Education Plan and \$439,949 for the Volunteer Firefighters' Plan.

At June 30, 2024, 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
Town Plan			
Net difference between projected and actual earnings on pension plan investments	\$ 24,373	\$ -	\$ 24,373
Differences between expected and actual experience	25,541	207,524	(181,983)
Changes of assumptions	190,888	28,349	162,539
	<u>240,802</u>	<u>235,873</u>	<u>4,929</u>
Board of Education Plan			
Net difference between projected and actual earnings on pension plan investments	38,547	-	38,547
Differences between expected and actual experience	198,665	255,631	(56,966)
Changes of assumptions	63,849	25,942	37,907
	<u>301,061</u>	<u>281,573</u>	<u>19,488</u>
Firefighters' Plan			
Net difference between projected and actual earnings on pension plan investments	-	8,916	(8,916)
Differences between expected and actual experience	18	38,679	(38,661)
Changes of assumptions	15,336	1,567	13,769
	<u>15,354</u>	<u>49,162</u>	<u>(33,808)</u>
Total	<u>\$ 557,217</u>	<u>\$ 566,608</u>	<u>\$ (9,391)</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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:

	Town Plan	Board of Education Plan	Firefighters' Plan	Total
Year ended June 30,				
2025	\$ (85,308)	\$ (29,990)	\$ (11,535)	\$ (126,833)
2026	133,831	182,303	4,366	320,500
2027	(40,313)	(74,247)	(6,887)	(121,447)
2028	(12,873)	(60,120)	(4,736)	(77,729)
2029	3,861	1,542	(2,498)	2,905
Thereafter	5,731	-	(12,518)	(6,787)
Total	<u>\$ 4,929</u>	<u>\$ 19,488</u>	<u>\$ (33,808)</u>	<u>\$ (9,391)</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, 2024.

	Town Plan	Board of Education Plan	Firefighters' Plan
Assets			
Cash and cash equivalents	\$ 296,439	\$ 247,669	\$ 12,067
Investments	6,348,985	6,315,572	468,950
Accrued income receivable	16,986	18,499	1,698
Total assets	<u>6,662,410</u>	<u>6,581,740</u>	<u>482,715</u>
Liabilities			
Accounts payable	194,892	-	37,118
Total liabilities	<u>194,892</u>	<u>-</u>	<u>37,118</u>
Net Position			
Restricted for pension benefits	<u>\$ 6,467,518</u>	<u>\$ 6,581,740</u>	<u>\$ 445,597</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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)*

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
Additions			
Contributions:			
Employer	\$ 141,977	\$ 207,832	\$ 4,830
Plan members	132,988	62,989	-
Total contributions	<u>274,965</u>	<u>270,821</u>	<u>4,830</u>
Investment earnings:			
Interest and dividends	195,791	144,140	13,185
Net change in the fair value of investments, net of investment fees	<u>313,717</u>	<u>379,746</u>	<u>24,695</u>
Total investment earnings, net	<u>509,508</u>	<u>523,886</u>	<u>37,880</u>
Total additions	<u>784,473</u>	<u>794,707</u>	<u>42,710</u>
Deductions			
Benefit payments	266,592	383,770	14,605
Administrative expenses	<u>21,566</u>	<u>1,315</u>	<u>21,309</u>
Total deductions	<u>288,158</u>	<u>385,085</u>	<u>35,914</u>
Change in net position	496,315	409,622	6,796
Net Position Restricted for Pension Benefits			
Beginning	5,971,203	6,172,118	438,801
Ending	<u>\$ 6,467,518</u>	<u>\$ 6,581,740</u>	<u>\$ 445,597</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 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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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, 2024

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, 2023. 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.

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 0.272% 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, 2023, 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>\$ 17,007,295,000</u>
	Proportion	Proportionate Share
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	0.272%	<u>\$ 46,271,000</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$4,293,337 or 0.272% 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, 2024.

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 \$4,430,219 or 0.272% 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, 2024.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023 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, 2024

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income Fund	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 \$27,301 for the year ended June 30, 2024.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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 \$30,250 for the year ended June 30, 2024.

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, 2024, the two plans had the following balances reported in the Town's government-wide financial statements:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	OPEB Expense
Board of Education Other Post-employment Benefits Plan	\$ 2,060,463	\$ 644,786	\$ 474,503	\$ -	\$ 77,875
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	(510,691)	(510,691)
	<u>\$ 2,060,463</u>	<u>\$ 644,786</u>	<u>\$ 474,503</u>	<u>\$ (510,691)</u>	<u>\$ (432,816)</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, 2024

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, 2023, the date of the most recent actuarial valuation, membership data was as follows:

Active plan members	218
Retirees and beneficiaries receiving benefits	18
	<u>236</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, 2024, the amount contributed towards OPEB benefits totaled \$281,552, of which \$28,089 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, 2024

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, 2024, the annual money-weighted rate of return on OPEB plan investments, net of investment expense, was 9.15%. 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, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023.

The components of the Town's net OPEB liability for the OPEB Plan at June 30, 2024 were as follows:

Total OPEB liability	\$ 3,440,311
Plan fiduciary net position	<u>1,379,848</u>
Town's net OPEB liability	<u><u>\$ 2,060,463</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	40.11%

The components of the change in the Town's net OPEB liability for the OPEB Plan for the year ended June 30, 2024 were as follows:

		Increase (Decrease)	
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2023	\$ 3,396,130	\$ 1,237,407	\$ 2,158,723
Changes for the year:			
Service cost	31,096	-	31,096
Interest	196,437	-	196,437
Actuarial (gains) losses	127,751	-	127,751
Changes in assumptions	-	-	-
Contributions - employer	-	281,552	(281,552)
Contributions - TRB subsidies	-	57,640	(57,640)
Net investment income	-	114,352	(114,352)
Benefit payments, including refunds	(311,103)	(311,103)	-
Net changes	<u>44,181</u>	<u>142,441</u>	<u>(98,260)</u>
Balance as of June 30, 2024	<u><u>\$ 3,440,311</u></u>	<u><u>\$ 1,379,848</u></u>	<u><u>\$ 2,060,463</u></u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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, 2022 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	6.5% in 2022 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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-term Expected Rate of Return</u>
Equity	65.0%	3.36%
Fixed income	30.0%	0.50%
Cash	5.0%	-0.02%
		3.84%
Long-term inflation		2.40%
		6.24%

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, 2024

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	\$ 2,437,652	\$ 2,060,463	\$ 1,736,967

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	\$ 1,668,741	\$ 2,060,463	\$ 2,520,783

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, 2024.

	Board of Education Plan
Assets	
Cash and cash equivalents	\$ 50,498
Investments	1,325,764
Accrued income receivable	3,586
Total assets	<u>1,379,848</u>
Net Position	
Restricted for OPEB benefits	<u>\$ 1,379,848</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

OPEB Plan Financial Statements *(Continued)*

	Board of Education Plan
Additions	
Contributions:	
Employer	\$ 28,089
Total contributions	<u>28,089</u>
Investment earnings:	
Interest and dividends	30,978
Net change in the fair value of investments, net of investment fees	<u>83,374</u>
Total investment earnings, net	<u>114,352</u>
Total additions	<u>142,441</u>
Deductions	
Benefit payments	-
Administrative expenses	<u>-</u>
Total deductions	<u>-</u>
Change in net position	142,441
Net Position	
Beginning	<u>1,237,407</u>
Ending	<u><u>\$ 1,379,848</u></u>

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the Town recognized OPEB expense of \$77,875. As of June 30, 2024, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 2,053	\$ (2,053)
Differences between expected and actual experience	553,599	390,180	163,419
Changes of assumptions	<u>91,187</u>	<u>82,270</u>	<u>8,917</u>
Total	<u><u>\$ 644,786</u></u>	<u><u>\$ 474,503</u></u>	<u><u>\$ 170,283</u></u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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,	
2025	\$ (17,258)
2026	21,700
2027	(25,117)
2028	(16,495)
2029	(8,715)
Thereafter	216,168
Total	<u>\$ 170,283</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.

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, 2024

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, 2023. 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.

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, 2024

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 0.272% 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, 2023, 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		<u>\$ 1,593,350,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.272%	<u>\$ 4,335,000</u>

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$58,424 or 0.272% 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, 2024.

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 negative collective OPEB expense attributed to the Town totaled \$(510,691) or 0.272% of the total negative 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, 2024.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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, 2023 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:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return
U.S. Treasuries (Cash Equivalents)	100.0%	0.77%

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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 3.64%. 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, 2023. In addition to the actuarial methods and assumptions of the June 30, 2023 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 2028 and, as a result, the Municipal Bond Index Rate of 3.65% 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, 2024, unassigned fund balance in the General Fund represented 2.2 months of the Town's fiscal year 2025 General Fund budgetary expenditure appropriations.

The components of fund balance for the governmental funds at June 30, 2024 are as follows:

	General Fund	Ambulance Fund	Recreation Commission Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Library	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000
Prepaid items	1,970	-	-	-	1,970
	1,970	-	-	75,000	76,970
Restricted for:					
Repayment of debt	-	-	-	132,526	132,526
Library operations	-	-	-	728,278	728,278
Cemetery operations	-	-	-	1,226,782	1,226,782
Open space	-	-	-	298,473	298,473
Education programs	-	-	-	281,734	281,734
Emergency assistance	-	-	-	187,441	187,441
	-	-	-	2,855,234	2,855,234

(Continued)

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11 - FUND BALANCE

	General Fund	Ambulance Fund	Recreation Commission Fund	Nonmajor Governmental Funds	Total
Committed to:					
Sewer operations	\$ -	\$ -	\$ -	\$ 354,673	\$ 354,673
Ambulance operations	-	829,442	-	-	829,442
Capital purposes	-	-	-	131,822	131,822
Road maintenance	-	-	-	129,105	129,105
Education programs	-	-	-	11,802	11,802
Recreation programs	-	-	44,286	39,779	84,065
Revaluation	50,000	-	-	-	50,000
Emergency assistance	-	-	-	33,872	33,872
Other purposes	11,900	-	-	156,272	168,172
	<u>61,900</u>	<u>829,442</u>	<u>44,286</u>	<u>857,325</u>	<u>1,792,953</u>
Assigned to:					
Use in fiscal year 2025 budget	420,000	-	-	-	420,000
Unassigned	7,345,680	-	-	(64,915)	7,280,765
	<u>\$ 7,829,550</u>	<u>\$ 829,442</u>	<u>\$ 44,286</u>	<u>\$ 3,722,644</u>	<u>\$ 12,425,922</u>

(Concluded)

Fund Balance Deficits

Certain funds had a deficit in unassigned fund balance as of June 30, 2024. These deficits are expected to be covered as follows:

Fund	Unassigned Fund Balance Deficit	Expected Funding
School Lunch Fund	\$ (15,434)	- Future charges for services
Capital Equipment Fund	(49,481)	- Transfer in from the General Fund in Fiscal 2025

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, 2024, 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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

NOTE 12 - RISK MANAGEMENT *(Continued)*

Insurance *(Continued)*

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.

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 - 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.

NOTE 13 - SUBSEQUENT EVENTS

In November 2024, the Town appropriated and authorized the issuance of debt not to exceed \$10,500,000 for a heating, ventilation, and air-conditioning project at the Town's elementary school.

**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, 2024

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES:				
Property taxes	\$ 27,333,400	\$ 27,333,400	\$ 27,505,901	\$ 172,501
Intergovernmental	8,842,270	8,870,350	9,248,610	378,260
Other	1,165,500	1,165,500	1,579,513	414,013
Total revenues	37,341,170	37,369,250	38,334,024	964,774
OTHER FINANCING SOURCES:				
Operating transfers in:				
Capital Projects Fund	213,508	213,508	125,000	(88,508)
Appropriation from fund balance	493,880	555,881	-	(555,881)
Total other financing sources	707,388	769,389	125,000	(644,389)
Total revenues and other financing sources	38,048,558	38,138,639	38,459,024	320,385
EXPENDITURES:				
General Government:				
Selectmen	504,145	562,334	554,394	(7,940)
Finance	288,905	309,320	307,340	(1,980)
Land Use	227,432	182,840	177,571	(5,269)
Assessor	154,684	154,684	154,580	(104)
Tax Collector	139,005	139,183	139,183	-
Information Technology	183,880	203,061	203,061	-
Town Clerk	140,834	128,647	125,792	(2,855)
Building Department	90,000	96,000	96,000	-
Election	49,330	55,934	53,396	(2,538)
Board of Finance	48,500	51,504	51,504	-
Conservation	20,350	20,350	20,125	(225)
Probate Court	7,000	7,000	4,842	(2,158)
Zoning	2,000	1,930	960	(970)
Zoning Board of Appeals	1,000	1,070	1,070	-
Planning	500	500	456	(44)
Board of Assessment Appeals	200	200	65	(135)
Total general government	1,857,765	1,914,557	1,890,339	(24,218)
Public Safety:				
Police Protection	788,374	739,258	719,798	(19,460)
Fire Protection	633,538	672,594	668,506	(4,088)
Civil Preparedness	13,400	34,300	33,069	(1,231)
Total public safety	1,435,312	1,446,152	1,421,373	(24,779)
Public Works:				
Public Works	837,196	820,370	816,601	(3,769)
Town Facilities	705,636	778,216	778,216	-
Highway Department	248,186	204,259	202,431	(1,828)
Park and Recreation Maintenance	51,115	58,225	55,046	(3,179)
Total public works	1,842,133	1,861,070	1,852,294	(8,776)
Sanitation:				
Transfer Station	699,853	686,788	679,148	(7,640)
Water Pollution Control Authority	90,709	81,847	81,402	(445)
Total sanitation	790,562	768,635	760,550	(8,085)
Health and Social Services:				
Human Services	265,695	263,142	259,020	(4,122)

See accompanying notes to required supplementary information.

Continued

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, 2024

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
EXPENDITURES: <i>(Continued)</i>				
Library	\$ 467,646	\$ 454,157	\$ 444,914	\$ (9,243)
Culture and Recreation:				
Community Services	131,132	152,231	152,231	-
Senior and Disabled Transportation	42,185	42,185	39,619	(2,566)
Senior Services	12,750	12,750	10,986	(1,764)
Total culture and recreation	186,067	207,166	202,836	(4,330)
Employee Benefits - Town	1,542,153	1,519,352	1,517,243	(2,109)
Other	36,055	17,237	-	(17,237)
Education	27,411,632	27,411,632	27,404,522	(7,110)
Debt Service	1,698,538	1,698,538	1,698,538	-
Total expenditures	37,533,558	37,561,638	37,451,629	(110,009)
OTHER FINANCING USES:				
Operating transfers out:				
Capital Project Fund	250,000	250,000	250,000	-
Road Maintenance Fund	200,000	200,000	200,000	-
Separation Benefits Fund	15,000	77,001	77,001	-
Revaluation Fund	50,000	50,000	50,000	-
Total other financing uses	515,000	577,001	577,001	-
Total expenditures and other financing uses	38,048,558	38,138,639	38,028,630	(110,009)
Net change in fund balances	\$ -	\$ -	\$ 430,394	\$ 430,394
				<i>Concluded</i>

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 294,058	\$ 282,748	\$ 256,956	\$ 247,073	\$ 252,025	\$ 242,331	\$ 229,981	\$ 221,135	\$ 182,897	\$ 169,099
Interest	388,628	363,957	340,771	316,711	285,657	260,419	250,831	226,607	211,827	190,542
Actuarial (gains) losses	31,038	-	(2,809)	-	94,402	-	(233,420)	-	(152,472)	-
Benefit payments, including refunds	(266,592)	(289,947)	(238,875)	(169,225)	(130,198)	(118,278)	(106,400)	(62,075)	(44,496)	(47,364)
Net change in total pension liability	447,132	356,758	356,043	394,559	501,886	384,472	140,992	385,667	197,756	312,277
Total pension liability - beginning	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	2,785,628
Total pension liability - ending	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
Plan net position										
Contributions - employer	141,977	127,779	137,368	132,085	118,227	113,680	95,000	114,281	137,126	131,852
Contributions - members	132,988	118,992	112,785	111,969	113,265	118,737	114,982	101,721	104,933	69,948
Net investment income	509,508	421,144	(529,387)	1,327,315	120,525	413,354	212,193	283,987	13,638	187,253
Benefit payments, including refunds	(266,592)	(289,947)	(238,875)	(169,225)	(130,198)	(118,278)	(106,400)	(62,075)	(44,496)	(47,364)
Administrative expenses	(21,566)	(12,480)	-	-	-	(644)	(478)	(1,451)	(3,196)	-
Net change in plan net position	496,315	365,488	(518,109)	1,402,144	221,819	526,849	315,297	436,463	208,005	341,689
Plan net position - beginning	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	2,671,558
Plan net position - ending	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
Town's net pension (asset) liability	\$ (204,348)	\$ (155,165)	\$ (146,435)	\$ (1,020,587)	\$ (13,002)	\$ (293,069)	\$ (150,692)	\$ 23,613	\$ 74,409	\$ 84,658
Plan net pension as percentage of total pension (asset) liability	103.3%	102.7%	102.7%	120.0%	100.3%	107.0%	103.9%	99.4%	97.7%	97.3%
Covered payroll	\$ 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	\$ 1,368,000
Town net pension (asset) liability as a percentage of covered payroll	-8.6%	-6.2%	-6.1%	-42.3%	-0.6%	-13.0%	-6.9%	1.2%	5.2%	6.2%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 197,430	\$ 197,908	\$ 186,280	\$ 195,611	\$ 181,706	\$ 178,892	\$ 172,012	\$ 185,360	\$ 142,155	\$ 188,446
Interest	430,920	402,822	382,343	380,274	357,357	342,577	334,152	307,379	298,952	285,926
Actuarial (gains) losses	(272,511)	286,484	5,803	(39,350)	148,900	510	(108,369)	25,742	(81,477)	(41,393)
Benefit payments, including refunds	(383,770)	(452,152)	(337,296)	(349,627)	(291,121)	(266,131)	(262,441)	(228,164)	(218,122)	(205,772)
Net change in total pension liability	(27,931)	435,062	237,130	186,908	396,842	255,848	135,354	290,317	141,508	227,207
Total pension liability - beginning	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	4,867,471
Total pension liability - ending	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
Plan net position										
Contributions - employer	207,832	184,438	198,138	210,321	213,928	243,276	243,276	268,290	279,225	246,409
Contributions - members	62,989	68,533	80,079	78,237	78,372	75,815	65,893	57,499	55,390	54,183
Net investment income	523,886	522,213	(813,737)	1,379,998	262,130	291,599	210,621	393,333	60,843	43,794
Benefit payments, including refunds	(383,770)	(452,152)	(337,296)	(349,627)	(291,121)	(266,131)	(262,441)	(228,164)	(218,122)	(205,772)
Administrative expenses	(1,315)	(1,180)	(6,350)	(2,393)	(2,662)	(2,903)	(20,212)	(3,504)	(5,012)	(47,489)
Net change in plan net position	409,622	321,852	(879,166)	1,316,536	260,647	341,656	237,137	487,454	172,324	91,125
Plan net position - beginning	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	3,822,553
Plan net position - ending	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
Town's net pension liability (asset)	<u>\$ 563,976</u>	<u>\$ 1,001,529</u>	<u>\$ 888,319</u>	<u>\$ (227,977)</u>	<u>\$ 901,651</u>	<u>\$ 765,456</u>	<u>\$ 851,264</u>	<u>\$ 953,047</u>	<u>\$ 1,150,184</u>	<u>\$ 1,181,000</u>
Plan net pension as percentage of total pension liability (asset)	92.1%	86.0%	86.8%	103.5%	85.7%	87.1%	85.0%	82.8%	78.0%	76.8%
Covered payroll	\$ 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	\$ 1,643,000
Town net pension liability (asset) as a percentage of covered payroll	28.6%	49.5%	41.6%	-11.1%	44.0%	40.7%	50.5%	58.8%	75.9%	71.9%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 11,106	\$ 9,036	\$ 9,036	\$ 6,723	\$ 6,723	\$ 7,507	\$ 7,507	\$ 6,048	\$ 6,048	\$ 6,048
Interest	23,666	24,024	22,746	22,762	21,990	21,552	20,955	20,273	18,236	18,928
Changes of benefit terms	423,235	-	-	-	-	-	-	-	-	-
Actuarial (gains) losses	-	(12,744)	-	(17,582)	-	(3,454)	-	306	-	408
Benefit payments, including refunds	(14,605)	(12,127)	(12,116)	(16,711)	(16,946)	(19,189)	(19,370)	(15,885)	(14,050)	(13,996)
Net change in total pension liability	443,402	8,189	19,666	(4,808)	11,767	6,416	9,092	10,742	10,234	11,388
Total pension liability - beginning	374,732	366,543	346,877	351,685	339,918	333,502	324,410	313,668	303,434	292,046
Total pension liability - ending	818,134	374,732	366,543	346,877	351,685	339,918	333,502	324,410	313,668	303,434
Plan net position										
Contributions - employer	4,830	6,034	6,034	5,921	5,921	5,215	5,215	2,380	2,380	11,577
Contributions - members	-	-	-	-	-	-	-	-	-	-
Net investment income	37,880	37,205	(28,768)	101,202	8,350	33,205	16,544	22,905	4,864	13,442
Benefit payments, including refunds	(14,605)	(12,127)	(12,116)	(16,711)	(16,946)	(19,189)	(19,370)	(15,885)	(14,050)	(13,996)
Administrative expenses	(21,309)	(3,546)	-	-	-	-	(224)	(40)	(117)	-
Net change in plan net position	6,796	27,566	(34,850)	90,412	(2,675)	19,231	2,165	9,360	(6,923)	11,023
Plan net position - beginning	438,801	411,235	446,085	355,673	358,348	339,117	336,952	327,592	334,515	323,492
Plan net position - ending	445,597	438,801	411,235	446,085	355,673	358,348	339,117	336,952	327,592	334,515
Town's net pension liability (asset)	<u>\$ 372,537</u>	<u>\$ (64,069)</u>	<u>\$ (44,692)</u>	<u>\$ (99,208)</u>	<u>\$ (3,988)</u>	<u>\$ (18,430)</u>	<u>\$ (5,615)</u>	<u>\$ (12,542)</u>	<u>\$ (13,924)</u>	<u>\$ (31,081)</u>
Plan net pension as percentage of total pension liability (asset)	54.5%	117.1%	112.2%	128.6%	101.1%	105.4%	101.7%	103.9%	104.4%	110.2%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 141,977	\$ 136,516	\$ 137,368	\$ 132,085	\$ 118,227	\$ 113,680	\$ 118,852	\$ 114,281	\$ 137,126	\$ 131,852
Contributions in relation to actuarially determined contribution	141,977	127,779	137,368	132,085	118,227	118,227	95,000	114,281	137,126	131,852
Excess (deficiency) of contribution	\$ -	\$ (8,737)	\$ -	\$ -	\$ -	\$ 4,547	\$ (23,852)	\$ -	\$ -	\$ -
Covered payroll	\$ 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	\$ 1,368,000
Contributions as a percentage of covered payroll	6.00%	5.11%	5.71%	5.47%	5.09%	5.23%	4.37%	5.80%	9.64%	9.64%
Annual money-weighted rate of return, net of investment expense	8.44%	7.46%	-8.28%	28.11%	2.81%	10.37%	5.80%	8.72%	3.84%	6.73%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 207,832	\$ 184,438	\$ 198,138	\$ 210,321	\$ 213,928	\$ 243,276	\$ 243,276	\$ 268,290	\$ 331,755	\$ 300,592
Contributions in relation to actuarially determined contribution	207,832	184,438	198,138	210,321	213,928	243,276	243,276	268,290	325,789	300,592
Excess (deficiency) of contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,966)</u>	<u>\$ -</u>
Covered payroll	\$ 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	\$ 1,643,000
Contributions as a percentage of covered payroll	10.54%	9.11%	9.29%	10.28%	10.45%	14.42%	14.42%	16.54%	21.50%	18.30%
Annual money-weighted rate of return, net of investment expense	8.62%	9.14%	-12.10%	25.75%	5.11%	6.09%	4.71%	9.08%	1.52%	1.16%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 4,830	\$ 6,034	\$ 6,034	\$ 5,921	\$ 5,921	\$ 5,215	\$ 5,215	\$ 2,380	\$ 2,380	\$ 11,577
Contributions in relation to actuarially determined contribution	4,830	6,034	6,034	5,921	5,921	5,215	5,215	2,380	2,380	11,577
Excess (deficiency) of contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual money-weighted rate of return, net of investment expense	8.82%	9.05%	-6.17%	29.06%	2.48%	10.06%	5.04%	7.13%	1.90%	4.20%

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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	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	27,284,000
Total	<u>\$ 46,271,000</u>	<u>\$ 51,061,000</u>	<u>\$ 40,821,000</u>	<u>\$ 51,541,000</u>	<u>\$ 47,164,000</u>	<u>\$ 36,366,000</u>	<u>\$ 35,533,000</u>	<u>\$ 37,488,000</u>	<u>\$ 29,518,000</u>	<u>\$ 27,284,000</u>
Town's covered payroll	\$ 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	\$ 10,576,000
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 pf the total collective pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

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 SIX FISCAL YEARS*

	2024	2023	2022	2021	2020	2019
Total OPEB liability						
Service cost	\$ 31,096	\$ 37,513	\$ 35,932	\$ 29,506	\$ 27,775	\$ 42,290
Interest	196,437	178,440	175,843	170,405	167,628	216,390
Actuarial (gains) losses	127,751	377,095	80,451	(173)	79,320	(719,208)
Changes in assumptions	-	(5,208)	-	129,179	-	(143,554)
Benefit payments, including refunds	(311,103)	(252,708)	(248,397)	(241,125)	(219,526)	(169,438)
Net change in total OPEB liability	44,181	335,132	43,829	87,792	55,197	(773,520)
Total OPEB liability - beginning	3,396,130	3,060,998	3,017,169	2,929,377	2,874,180	3,647,700
Total OPEB liability - ending	3,440,311	3,396,130	3,060,998	3,017,169	2,929,377	2,874,180
Plan net position						
Contributions - employer	281,552	222,285	243,413	257,645	1,028,443	165,758
Contributions - TRB subsidy	57,640	56,325	37,284	39,480	34,320	31,680
Net investment income	114,352	109,166	(159,363)	250,528	25,095	1,543
Benefit payments, including refunds	(311,103)	(252,708)	(248,397)	(241,125)	(219,526)	(169,438)
Administrative expenses	-	-	-	-	-	-
Net change in plan net position	142,441	135,068	(127,063)	306,528	868,332	29,543
Plan net position - beginning	1,237,407	1,102,339	1,229,402	922,874	54,542	25,000
Plan net position - ending	1,379,848	1,237,407	1,102,339	1,229,402	922,874	54,543
Town's net OPEB liability	<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	40.1%	36.4%	36.0%	40.7%	31.5%	1.9%
Covered payroll	\$ 15,506,000	\$ 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	13.3%	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 SEVEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018 *
Actuarially determined contribution	\$ 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	28,089	-	28,089	56,000	843,237	28,000	25,000
Contributions from General Fund	253,463	222,285	215,324	201,645	185,206	137,758	118,229
	<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>\$ 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	\$ 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	1.63%	1.47%	1.36%	1.31%	1.37%	1.05%	0.90%
Annual money-weighted rate of return, net of investment expense	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 SEVEN FISCAL YEARS*
(Rounded to Nearest Thousand)

	2024	2023	2022	2021	2020	2019	2018
Town's proportion of the collective net OPEB liability	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	4,335,000	4,472,000	4,447,000	7,687,000	7,355,000	7,270,000	9,146,000
Total	<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	\$ 13,595,000	\$ 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%
Plan fiduciary net position as a percentage of the total collective OPEB liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

* 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, 2024

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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, 2024:

	Total Revenues	Total Expenditures	Other Financing Sources	Other Financing Uses	Net Change in Fund Balance
Budgetary basis	\$ 38,334,024	\$ 37,451,629	\$ 125,000	\$ (577,001)	\$ 430,394
"On-behalf" payments - State Teachers Retirement Fund	4,351,761	4,351,761	-	-	-
Reimbursement for certain grant costs recorded as a reduction to expenditures for budgetary purposes	244,390	244,390	-	-	-
Budgetary perspective differences funds combined for GAAP financial reporting purposes:					
Separation Benefits Fund	-	84,023	-	77,001	(7,022)
Revaluation Fund	-	-	-	50,000	50,000
Other	3,000	213	-	-	2,787
GAAP basis	<u>\$ 42,933,175</u>	<u>\$ 42,132,016</u>	<u>\$ 125,000</u>	<u>\$ (450,000)</u>	<u>\$ 476,159</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, 2024.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2024.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2024.

TOWN OF SOMERS, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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, 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, 2024.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2024.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2024.

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, 2022. The July 1, 2022 valuation was utilized to calculate the total pension liability as of July 1, 2022, which was rolled forward to the most recent measurement date of June 30, 2024.

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 as of June 30, 2024.

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, 2024.

Actuarial cost method	Aggregate Cost
Asset valuation method	Market 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, 2024

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, 2023.

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar amount, open
Remaining amortization period	30 years
Asset valuation method	Market 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, 2023.

Actuarial cost method	Aggregate Cost
Asset valuation method	Market Value
Inflation	2.4%
Investment rate of return (net of investment expense)	6.5%
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, 2024

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, 2022. The liabilities were estimated based on a measurement date of June 30, 2023. 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, 2024.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2024.

Assumption Changes - There were no changes in assumptions that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2024.

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, 2024.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the Town's net OPEB liability as of June 30, 2024.

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, 2024.

Investment rate of return	6.00%
Discount rate	6.00%
Inflation rate	2.40%
Healthcare cost trend rate:	
Initial	6.5% in 2020 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, 2024

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, 2022. The liabilities were estimated based on a measurement date of June 30, 2023. 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, 2024.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2024.

Assumption Changes – There were no assumption changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2024.

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, 2024

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PROPERTY TAXES				
Revenues from property taxes	\$ 27,268,400	\$ 27,268,400	\$ 27,400,865	\$ 132,465
Interest and lien fees	65,000	65,000	105,036	40,036
Total property taxes	27,333,400	27,333,400	27,505,901	172,501
INTERGOVERNMENTAL				
Education cost sharing	5,589,381	5,589,381	5,689,393	100,012
Pequot Indian grant	1,564,515	1,564,515	1,564,515	-
Payments in lieu of taxes	1,340,061	1,368,141	1,440,566	72,425
Unbudgeted grants	240,198	240,198	511,424	271,226
Senior bus grant	21,615	21,615	23,076	1,461
Telephone tax	10,000	10,000	14,891	4,891
Property tax relief grants	6,500	6,500	2,845	(3,655)
Police grants	70,000	70,000	1,900	(68,100)
Total intergovernmental	8,842,270	8,870,350	9,248,610	378,260
CHARGES FOR SERVICES				
Building permit fees	248,000	248,000	354,634	106,634
Conveyance taxes	165,000	165,000	133,541	(31,459)
Bulky waste fees	90,000	90,000	128,913	38,913
Cell tower rentals	100,000	100,000	91,521	(8,479)
Police services	65,000	65,000	121,820	56,820
Transfer station permit fees	80,000	80,000	82,495	2,495
Town clerk fees	88,500	88,500	52,977	(35,523)
Fire watch service fees	10,000	10,000	3,429	(6,571)
Other revenue	64,500	64,500	26,245	(38,255)
Other recycling	40,000	40,000	27,409	(12,591)
Sanitarian fees	20,000	20,000	20,039	39
Property rentals	-	-	2,851	2,851
Pistol permit fees	5,000	5,000	5,320	320
Zoning permit fees	3,500	3,500	5,177	1,677
Planning commission fees	-	-	770	770
Zoning Commission fees	3,000	3,000	1,200	(1,800)
Conservation Commission fees	1,500	1,500	1,510	10
Other licenses and permit fees	500	500	1,050	550
Zoning Board of Appeals fees	500	500	900	400
Fire Marshall fees	3,000	3,000	1,074	(1,926)
Mini bus donations	2,500	2,500	-	(2,500)
Total charges for services	990,500	990,500	1,062,875	72,375
INVESTMENT EARNINGS	175,000	175,000	516,638	341,638
Total revenues	37,341,170	37,369,250	38,334,024	964,774
OTHER FINANCING SOURCES				
Operating transfers in:				
Capital Projects Fund	213,508	213,508	125,000	(88,508)
Appropriation from fund balance	493,880	555,881	-	(555,881)
Total other financing sources	707,388	769,389	125,000	(644,389)
Total revenues and other financing sources	\$ 38,048,558	\$ 38,138,639	\$ 38,459,024	\$ 320,385

TOWN OF SOMERS, CONNECTICUT
SCHEDULE OF EDUCATION EXPENDITURES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
EDUCATION				
Instructional salaries	\$ 11,818,348	\$ 11,761,648	\$ 11,760,731	\$ (917)
Insurance/social security	4,709,799	4,537,995	4,517,553	(20,442)
Clerical/aides salaries	2,385,175	2,313,719	2,322,708	8,989
Administrative salaries	1,753,488	1,786,594	1,794,867	8,273
Regular transportation	933,796	1,088,346	1,094,699	6,353
Tuition - special education	881,499	858,999	863,832	4,833
Maintenance salaries	957,695	931,653	944,101	12,448
Other instructional salaries	488,367	546,017	562,067	16,050
General maintenance	642,040	678,245	631,817	(46,428)
Electricity	473,000	408,000	386,401	(21,599)
Special education transportation	408,278	452,328	455,671	3,343
Capital outlay and equipment	187,600	187,600	186,503	(1,097)
Nurses' salaries	293,141	285,241	286,713	1,472
Coaches	209,350	209,350	204,904	(4,446)
Fuel	155,114	201,114	210,029	8,915
Textbooks	78,000	98,125	101,628	3,503
Departmental supplies	136,640	128,340	121,587	(6,753)
Audio visual materials	101,230	108,230	106,266	(1,964)
Athletic equipment and supplies	95,450	95,450	95,092	(358)
Board of education	88,400	110,400	118,520	8,120
Tuition - non special education	117,150	104,150	106,278	2,128
Custodial supplies	48,000	49,250	54,234	4,984
Workbooks and texts	57,500	62,750	81,020	18,270
Equipment rental	51,900	51,700	52,399	699
Activity advisors	60,349	61,523	62,229	706
Athletic/field trip transportation	39,850	57,050	58,123	1,073
Systemwide general supplies	34,350	28,350	27,262	(1,088)
Telephone	36,300	36,300	39,408	3,108
Instructional dues	29,940	29,940	16,708	(13,232)
Travel and conferences in-service	28,150	28,150	30,078	1,928
Equipment replacement	9,500	9,500	8,270	(1,230)
Tuition - vocational education	27,000	34,042	34,115	73
Library books and supplies	14,453	14,453	13,689	(764)
Adult education	15,735	15,735	15,735	-
Health supplies	12,500	8,800	8,424	(376)
Propane gas	8,650	8,650	9,069	419
Office supplies	8,970	8,970	9,528	558
Postage	5,715	5,715	5,708	(7)
Forms and printing	7,710	7,710	5,056	(2,654)
Medical Advisor salary	1,500	1,500	1,500	-
Total education	<u>\$ 27,411,632</u>	<u>\$ 27,411,632</u>	<u>\$ 27,404,522</u>	<u>\$ (7,110)</u>

TOWN OF SOMERS, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2024

Grand List Year	Balance Uncollected July 1, 2023	Current Levy	Lawful Corrections		Transfers to Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2024
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2022	\$ -	\$ 27,880,046	\$ 177,749	\$ 196,292	\$ 16,248	\$ 27,845,255	\$ 27,226,529	\$ 68,044	\$ 27,294,573	\$ 618,726
2021	532,817	-	21,363	22,680	5,550	525,950	105,940	19,958	125,898	420,010
2020	268,338	-	3,958	10,472	735	261,089	11,126	5,159	16,285	249,963
2019	14,159	-	19	6,030	27	8,121	1,313	1,097	2,410	6,808
2018	1,961	-	-	-	-	1,961	1,961	1,736	3,697	-
2017	2,300	-	-	-	-	2,300	2,300	2,139	4,439	-
2016	-	-	4	-	-	4	-	-	-	4
	<u>\$ 819,575</u>	<u>\$ 27,880,046</u>	<u>\$ 203,093</u>	<u>\$ 235,474</u>	<u>\$ 22,560</u>	<u>\$ 28,644,680</u>	<u>\$ 27,349,169</u>	<u>\$ 98,133</u>	<u>\$ 27,447,302</u>	<u>\$ 1,295,511</u>

TOWN OF SOMERS, CONNECTICUT
SCHEDULE OF DEBT LIMITATION -
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2024

Total cash collections for the year ended
June 30, 2024:

Taxes	\$ 27,349,169
Interest and lien fees	98,133
	<u>27,447,302</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	2,845
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Base

<u>\$ 27,450,147</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 61,762,831	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	123,525,662	-	-	-
3-3/4 times base	-	-	102,938,051	-	-
3-1/4 times base	-	-	-	89,212,978	-
3 times base	-	-	-	-	82,350,441
	<u>61,762,831</u>	<u>123,525,662</u>	<u>102,938,051</u>	<u>89,212,978</u>	<u>82,350,441</u>
Total debt limitation					
	<u>61,762,831</u>	<u>123,525,662</u>	<u>102,938,051</u>	<u>89,212,978</u>	<u>82,350,441</u>
Indebtedness:					
Bonds	6,269,000	6,841,000	-	-	-
Add: Authorized but unissued debt	1,257	450,000	-	-	-
Total indebtedness	<u>6,270,257</u>	<u>7,291,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 55,492,574</u>	<u>\$ 116,234,662</u>	<u>\$ 102,938,051</u>	<u>\$ 89,212,978</u>	<u>\$ 82,350,441</u>
Total capacity of borrowing (7 times base)	\$ 192,151,029				
Total present indebtedness	<u>13,561,257</u>				
Margin for additional borrowing	<u>\$ 178,589,772</u>				

Combining Statements

PERMANENT FUND

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

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

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 GOVERNMENTAL FUNDS - BY FUND TYPE
AS OF JUNE 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds		Total Nonmajor Governmental Funds
			Library Trust Fund	Cemetery Trust Fund	
ASSETS					
Cash and cash equivalents	\$ 1,824,006	\$ 636,746	\$ 245,396	\$ 320,813	\$ 3,026,961
Investments	-	-	557,882	917,077	1,474,959
Receivables:					
Assessments and user charges	58,777	-	-	-	58,777
Grants and contracts	58,164	290,704	-	-	348,868
Other	1,607	-	-	-	1,607
Due from other funds	370,160	-	-	-	370,160
Total assets	<u>\$ 2,312,714</u>	<u>\$ 927,450</u>	<u>\$ 803,278</u>	<u>\$ 1,237,890</u>	<u>\$ 5,281,332</u>
LIABILITIES					
Accounts payable	\$ 116,183	\$ 69,830	\$ -	\$ 9,977	\$ 195,990
Due to other funds	556,132	221,125	-	1,131	778,388
Unearned revenue	402,378	123,155	-	-	525,533
Total liabilities	<u>1,074,693</u>	<u>414,110</u>	<u>-</u>	<u>11,108</u>	<u>1,499,911</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>58,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,777</u>
FUND BALANCES					
Nonspendable	-	-	75,000	-	75,000
Restricted	469,175	430,999	728,278	1,226,782	2,855,234
Committed	725,503	131,822	-	-	857,325
Unassigned	(15,434)	(49,481)	-	-	(64,915)
Total fund balances	<u>1,179,244</u>	<u>513,340</u>	<u>803,278</u>	<u>1,226,782</u>	<u>3,722,644</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,312,714</u>	<u>\$ 927,450</u>	<u>\$ 803,278</u>	<u>\$ 1,237,890</u>	<u>\$ 5,281,332</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, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds		Total Nonmajor Governmental Funds
			Library Trust Fund	Cemetery Trust Fund	
REVENUES					
Intergovernmental	\$ 1,835,238	\$ 236,960	\$ -	\$ -	\$ 2,072,198
Charges for services	1,700,554	8,200	-	93,331	1,802,085
Investment earnings	49,594	46,161	71,076	106,486	273,317
Other	423,555	11,058	-	-	434,613
Total revenues	<u>4,008,941</u>	<u>302,379</u>	<u>71,076</u>	<u>199,817</u>	<u>4,582,213</u>
EXPENDITURES					
Current:					
General government	138,807	-	-	-	138,807
Public safety	169,918	-	-	-	169,918
Public works	458,852	-	-	-	458,852
Sanitation	177,149	-	-	-	177,149
Health and welfare	325,649	-	-	75,770	401,419
Library	20,029	-	-	-	20,029
Culture and recreation	79,893	-	-	-	79,893
Education	2,421,608	-	-	-	2,421,608
Debt service:					
Principal payments	-	319,583	-	-	319,583
Interest and fiscal charges	-	9,878	-	-	9,878
Capital outlays	9,343	1,705,973	-	-	1,715,316
Total expenditures	<u>3,801,248</u>	<u>2,035,434</u>	<u>-</u>	<u>75,770</u>	<u>5,912,452</u>
Excess (deficiency) of revenues over expenditures	207,693	(1,733,055)	71,076	124,047	(1,330,239)
OTHER FINANCING SOURCES (USES)					
Financed purchases	-	315,000	-	-	315,000
Transfers in	200,000	327,548	-	-	527,548
Transfers out	-	(125,000)	-	-	(125,000)
Total other financing sources (uses)	<u>200,000</u>	<u>517,548</u>	<u>-</u>	<u>-</u>	<u>717,548</u>
Net change in fund balances	407,693	(1,215,507)	71,076	124,047	(612,691)
Fund balances - beginning	<u>771,551</u>	<u>1,728,847</u>	<u>732,202</u>	<u>1,102,735</u>	<u>4,335,335</u>
Fund balances - ending	<u>\$ 1,179,244</u>	<u>\$ 513,340</u>	<u>\$ 803,278</u>	<u>\$ 1,226,782</u>	<u>\$ 3,722,644</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

TOWN OF SOMERS, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
AS OF JUNE 30, 2024

	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
ASSETS									
Cash and cash equivalents	\$ 50,100	\$ 32,108	\$ 108,016	\$ 233,008	\$ -	\$ 2,799	\$ -	\$ -	\$ 16,956
Receivables:									
Assessments and user charges	-	-	-	-	-	-	-	-	-
Grants and contracts	12,450	-	-	-	-	-	-	41,509	-
Other	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	60,745	-	13,331	-	31,071	-	-
Total assets	<u>\$ 62,550</u>	<u>\$ 32,108</u>	<u>\$ 168,761</u>	<u>\$ 233,008</u>	<u>\$ 13,331</u>	<u>\$ 2,799</u>	<u>\$ 31,071</u>	<u>\$ 41,509</u>	<u>\$ 16,956</u>
LIABILITIES									
Accounts payable	\$ -	\$ 47,542	\$ 39,656	\$ 1,466	\$ 6,552	\$ -	\$ 1,175	\$ 7,092	\$ 14
Due to other funds	8,767	-	-	10,229	-	2,652	-	34,417	10,560
Unearned revenue	53,783	-	-	-	-	-	-	-	-
Total liabilities	<u>62,550</u>	<u>47,542</u>	<u>39,656</u>	<u>11,695</u>	<u>6,552</u>	<u>2,652</u>	<u>1,175</u>	<u>41,509</u>	<u>10,574</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Restricted	-	-	-	187,441	-	-	-	-	-
Committed	-	-	129,105	33,872	6,779	147	29,896	-	6,382
Unassigned	-	(15,434)	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>(15,434)</u>	<u>129,105</u>	<u>221,313</u>	<u>6,779</u>	<u>147</u>	<u>29,896</u>	<u>-</u>	<u>6,382</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 62,550</u>	<u>\$ 32,108</u>	<u>\$ 168,761</u>	<u>\$ 233,008</u>	<u>\$ 13,331</u>	<u>\$ 2,799</u>	<u>\$ 31,071</u>	<u>\$ 41,509</u>	<u>\$ 16,956</u>

Continued

TOWN OF SOMERS, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
AS OF JUNE 30, 2024

	Water Fund	COVID Relief Fund	Cultural Commission Fund	Library Fund	Historic & Land Preservation Fund	Sewer Fund	Flag Fund	Student Activities Fund	Total Nonmajor Special Revenue Funds
ASSETS									
Cash and cash equivalents	\$ 19,085	\$ 207,586	\$ 38,222	\$ 7,182	\$ 21,309	\$ 793,824	\$ -	\$ 293,811	\$ 1,824,006
Receivables:									
Assessments and user charges	28,600	-	-	-	-	30,177	-	-	58,777
Grants and contracts	-	4,205	-	-	-	-	-	-	58,164
Other	-	-	1,607	-	-	-	-	-	1,607
Due from other funds	28,106	183,301	-	-	21,103	32,448	55	-	370,160
Total assets	<u>\$ 75,791</u>	<u>\$ 395,092</u>	<u>\$ 39,829</u>	<u>\$ 7,182</u>	<u>\$ 42,412</u>	<u>\$ 856,449</u>	<u>\$ 55</u>	<u>\$ 293,811</u>	<u>\$ 2,312,714</u>
LIABILITIES									
Accounts payable	\$ -	\$ 4,140	\$ -	\$ 145	\$ 3,674	\$ 4,452	\$ -	\$ 275	\$ 116,183
Due to other funds	-	-	50	-	22,748	466,709	-	-	556,132
Unearned revenue	-	348,157	-	-	-	438	-	-	402,378
Total liabilities	<u>-</u>	<u>352,297</u>	<u>50</u>	<u>145</u>	<u>26,422</u>	<u>471,599</u>	<u>-</u>	<u>275</u>	<u>1,074,693</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues	28,600	-	-	-	-	30,177	-	-	58,777
FUND BALANCES									
Restricted	-	-	-	-	-	-	-	281,734	469,175
Committed	47,191	42,795	39,779	7,037	15,990	354,673	55	11,802	725,503
Unassigned	-	-	-	-	-	-	-	-	(15,434)
Total fund balances	<u>47,191</u>	<u>42,795</u>	<u>39,779</u>	<u>7,037</u>	<u>15,990</u>	<u>354,673</u>	<u>55</u>	<u>293,536</u>	<u>1,179,244</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 75,791</u>	<u>\$ 395,092</u>	<u>\$ 39,829</u>	<u>\$ 7,182</u>	<u>\$ 42,412</u>	<u>\$ 856,449</u>	<u>\$ 55</u>	<u>293,811</u>	<u>\$ 2,312,714</u>
<i>Concluded</i>									

TOWN OF SOMERS, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	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
REVENUES									
Intergovernmental	\$ 930,917	\$ -	\$ 339,979	\$ -	\$ -	\$ -	\$ 25,808	\$ 136,607	\$ -
Charges for services	-	594,036	-	-	2,418	-	-	-	-
Investment earnings	-	-	5,668	272	-	-	-	-	-
Other	-	-	-	354,837	-	-	30,064	-	-
Total revenues	<u>930,917</u>	<u>594,036</u>	<u>345,647</u>	<u>355,109</u>	<u>2,418</u>	<u>-</u>	<u>55,872</u>	<u>136,607</u>	<u>-</u>
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	1,683
Public safety	-	-	-	-	2,229	-	-	-	-
Public works	-	-	458,852	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	167,396	-	511	-	136,607	-
Library	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	39,079	-	-
Education	930,917	622,492	-	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-
Total expenditures	<u>930,917</u>	<u>622,492</u>	<u>458,852</u>	<u>167,396</u>	<u>2,229</u>	<u>511</u>	<u>39,079</u>	<u>136,607</u>	<u>1,683</u>
Excess (deficiency) of revenues over expenditures	-	(28,456)	(113,205)	187,713	189	(511)	16,793	-	(1,683)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	200,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(28,456)	86,795	187,713	189	(511)	16,793	-	(1,683)
Fund balances - beginning	-	13,022	42,310	33,600	6,590	658	13,103	-	8,065
Fund balances - ending	<u>\$ -</u>	<u>\$ (15,434)</u>	<u>\$ 129,105</u>	<u>\$ 221,313</u>	<u>\$ 6,779</u>	<u>\$ 147</u>	<u>\$ 29,896</u>	<u>\$ -</u>	<u>\$ 6,382</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, 2024

	Water Fund	COVID Relief Fund	Cultural Commission Fund	Library Fund	Historic & Land Preservation Fund	Sewer Fund	Flag Fund	Student Activities Fund	Total Nonmajor Special Revenue Funds
REVENUES									
Intergovernmental	\$ -	\$ 345,264	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ 50,663	\$ 1,835,238
Charges for services	-	-	10,005	3,426	2,646	180,058	-	907,965	1,700,554
Investment earnings	1,001	14,556	-	-	1,121	26,976	-	-	49,594
Other	-	-	10,250	15,092	3,116	10,196	-	-	423,555
Total revenues	1,001	359,820	20,255	18,518	12,883	217,230	-	958,628	4,008,941
EXPENDITURES									
Current:									
General government	-	137,124	-	-	-	-	-	-	138,807
Public safety	-	167,689	-	-	-	-	-	-	169,918
Public works	-	-	-	-	-	-	-	-	458,852
Sanitation	-	-	-	-	-	177,149	-	-	177,149
Health and welfare	-	21,135	-	-	-	-	-	-	325,649
Library	-	-	-	20,029	-	-	-	-	20,029
Culture and recreation	-	9,973	17,998	-	12,843	-	-	-	79,893
Education	-	-	-	-	-	-	-	868,199	2,421,608
Capital Outlays	-	9,343	-	-	-	-	-	-	9,343
Total expenditures	-	345,264	17,998	20,029	12,843	177,149	-	868,199	3,801,248
Excess (deficiency) of revenues over expenditures	1,001	14,556	2,257	(1,511)	40	40,081	-	90,429	207,693
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	200,000
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	200,000
Net change in fund balances	1,001	14,556	2,257	(1,511)	40	40,081	-	90,429	407,693
Fund balances - beginning	46,190	28,239	37,522	8,548	15,950	314,592	55	203,107	771,551
Fund balances - ending	\$ 47,191	\$ 42,795	\$ 39,779	\$ 7,037	\$ 15,990	\$ 354,673	\$ 55	\$ 293,536	\$ 1,179,244
									<i>Concluded</i>

CAPITAL PROJECTS FUNDS

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

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, 2024

	Capital Projects Fund	Capital Equipment Fund	Municipal Open Space Fund	Total Nonmajor Capital Projects Funds
ASSETS				
Cash and cash equivalents	\$ 178,820	\$ 157,193	\$ 300,733	\$ 636,746
Grants and contracts receivable	290,704	-	-	290,704
Total assets	<u>\$ 469,524</u>	<u>\$ 157,193</u>	<u>\$ 300,733</u>	<u>\$ 927,450</u>
LIABILITIES				
Accounts payable	\$ 31,842	\$ 37,988	\$ -	\$ 69,830
Due to other funds	50,179	168,686	2,260	221,125
Unearned revenue	123,155	-	-	123,155
Total liabilities	<u>205,176</u>	<u>206,674</u>	<u>2,260</u>	<u>414,110</u>
FUND BALANCES				
Restricted	132,526	-	298,473	430,999
Committed	131,822	-	-	131,822
Unassigned	-	(49,481)	-	(49,481)
Total fund balances	<u>264,348</u>	<u>(49,481)</u>	<u>298,473</u>	<u>513,340</u>
Total liabilities and fund balances	<u>\$ 469,524</u>	<u>\$ 157,193</u>	<u>\$ 300,733</u>	<u>\$ 927,450</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, 2024

	Capital Projects Fund	Capital Equipment Fund	Municipal Open Space Fund	Total Nonmajor Capital Projects Funds
REVENUES				
Intergovernmental	\$ 236,960	\$ -	\$ -	\$ 236,960
Charges for services	-	-	8,200	8,200
Investment earnings	32,754	2,671	10,736	46,161
Other	2,358	8,700	-	11,058
Total revenues	<u>272,072</u>	<u>11,371</u>	<u>18,936</u>	<u>302,379</u>
EXPENDITURES				
Debt service:				
Principal payments	-	319,583	-	319,583
Interest and fiscal charges	-	9,878	-	9,878
Capital outlays	1,254,270	451,703	-	1,705,973
Total expenditures	<u>1,254,270</u>	<u>781,164</u>	<u>-</u>	<u>2,035,434</u>
Excess (deficiency) of revenues over expenditures	(982,198)	(769,793)	18,936	(1,733,055)
OTHER FINANCING SOURCES (USES)				
Financed purchases	-	315,000	-	315,000
Transfers in	-	327,548	-	327,548
Transfers out	(125,000)	-	-	(125,000)
Total other financing sources (uses)	<u>(125,000)</u>	<u>642,548</u>	<u>-</u>	<u>517,548</u>
Net change in fund balances	(1,107,198)	(127,245)	18,936	(1,215,507)
Fund balances - beginning	<u>1,371,546</u>	<u>77,764</u>	<u>279,537</u>	<u>1,728,847</u>
Fund balances - ending	<u>\$ 264,348</u>	<u>\$ (49,481)</u>	<u>\$ 298,473</u>	<u>\$ 513,340</u>

Fiduciary Funds

PENSION TRUST FUNDS

Pension trust funds are used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other 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 TRUST FUNDS
AS OF JUNE 30, 2024

	Town Employees' Plan	Board of Education Employees' Plan	Volunteer Firefighters' Incentive Plan	Other Post-Employment Benefits Plan	Total
ASSETS					
Cash and cash equivalents	\$ 296,439	\$ 247,669	\$ 12,067	\$ 50,498	\$ 606,673
Investments	6,348,985	6,315,572	468,950	1,325,764	14,459,271
Accrued income receivable	16,986	18,499	1,698	3,586	40,769
Total assets	<u>6,662,410</u>	<u>6,581,740</u>	<u>482,715</u>	<u>1,379,848</u>	<u>15,106,713</u>
LIABILITIES					
Payables	<u>194,892</u>	<u>-</u>	<u>37,118</u>	<u>-</u>	<u>232,010</u>
Total liabilities	<u>194,892</u>	<u>-</u>	<u>37,118</u>	<u>-</u>	<u>232,010</u>
NET POSITION					
Restricted for pensions and other post-employment benefits	<u>\$ 6,467,518</u>	<u>\$ 6,581,740</u>	<u>\$ 445,597</u>	<u>\$ 1,379,848</u>	<u>\$ 14,874,703</u>

TOWN OF SOMERS, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Town Employees' Plan	Board of Education Employees' Plan	Volunteer Firefighters' Incentive Plan	Other Post-Employment Benefits Plan	Total
ADDITIONS					
Contributions:					
Employer	\$ 141,977	\$ 207,832	\$ 4,830	\$ 28,089	\$ 382,728
Plan members	132,988	62,989	-	-	195,977
Total contributions	<u>274,965</u>	<u>270,821</u>	<u>4,830</u>	<u>28,089</u>	<u>578,705</u>
Investment earnings:					
Interest and dividends	195,791	144,140	13,185	30,978	384,094
Net change in the fair value of investments, net of investment fees	<u>313,717</u>	<u>379,746</u>	<u>24,695</u>	<u>83,374</u>	<u>801,532</u>
Total investment earnings, net	<u>509,508</u>	<u>523,886</u>	<u>37,880</u>	<u>114,352</u>	<u>1,185,626</u>
Total additions	<u>784,473</u>	<u>794,707</u>	<u>42,710</u>	<u>142,441</u>	<u>1,764,331</u>
DEDUCTIONS					
Benefit payments	266,592	383,770	14,605	-	664,967
Administrative expenses	<u>21,566</u>	<u>1,315</u>	<u>21,309</u>	<u>-</u>	<u>44,190</u>
Total deductions	<u>288,158</u>	<u>385,085</u>	<u>35,914</u>	<u>-</u>	<u>709,157</u>
Change in net position	496,315	409,622	6,796	142,441	1,055,174
NET POSITION					
Beginning	<u>5,971,203</u>	<u>6,172,118</u>	<u>438,801</u>	<u>1,237,407</u>	<u>13,819,529</u>
Ending	<u>\$ 6,467,518</u>	<u>\$ 6,581,740</u>	<u>\$ 445,597</u>	<u>\$ 1,379,848</u>	<u>\$ 14,874,703</u>

STATISTICAL SECTION

STATISTICAL SECTION

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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Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time. 104

Revenue Capacity

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Debt Capacity

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. 113

Demographic and Economic Information

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Operating Information

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. 117

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				
	2015 *	2016	2017	2018 **	2019
Governmental activities					
Net investment in capital assets	\$ 42,583,307	\$ 44,264,729	\$ 44,266,549	\$ 44,271,097	\$ 44,003,337
Restricted	663,739	1,443,238	1,523,850	1,588,894	2,061,984
Unrestricted	5,400,289	4,416,124	3,550,294	3,849,162	4,876,460
Total governmental activities net position	<u>\$ 48,647,335</u>	<u>\$ 50,124,091</u>	<u>\$ 49,340,693</u>	<u>\$ 49,709,153</u>	<u>\$ 50,941,781</u>
	Fiscal Year				
	2020 ***	2021	2022	2023	2024
Governmental activities					
Net investment in capital assets	\$ 43,808,492	\$ 43,042,424	\$ 41,791,885	\$ 39,890,182	\$ 40,642,751
Restricted	2,025,655	2,250,533	2,664,871	2,810,525	3,134,582
Unrestricted	5,137,482	5,155,887	5,647,467	7,838,061	6,737,640
Total governmental activities net position	<u>\$ 50,971,629</u>	<u>\$ 50,448,844</u>	<u>\$ 50,104,223</u>	<u>\$ 50,538,768</u>	<u>\$ 50,514,973</u>

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

** 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.

Table 2

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

	2015	2016	2017	2018	2019	2020 *	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 2,331,088	\$ 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
Public safety	1,533,228	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
Public works	3,052,927	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
Sanitation	575,329	692,430	674,764	592,701	709,466	681,177	721,844	928,241	1,023,587	967,519
Health and social services	324,383	323,088	291,320	290,005	343,674	364,605	497,948	447,737	431,496	722,377
Library	596,012	680,409	677,282	691,750	757,731	797,596	751,564	762,365	804,183	736,142
Culture and recreation	172,374	337,360	406,739	410,187	489,167	546,393	540,577	659,760	1,107,406	1,293,592
Education	25,355,643	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
Interest expense	474,218	459,038	421,121	380,625	338,083	369,754	397,060	385,248	302,044	300,190
Total governmental activities expenses	34,415,202	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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	647,983	482,309	319,745	438,025	628,702	581,513	789,916	740,123	737,438	774,246
Public safety	345,569	381,644	369,869	420,819	492,392	536,104	595,452	794,978	762,461	855,311
Public works	-	-	-	-	-	-	-	13,900	31,552	10,558
Sanitation	105,876	303,371	484,124	394,537	310,057	313,942	351,019	305,132	364,280	361,896
Health and social services	77,059	107,493	58,516	67,933	67,374	92,509	100,224	104,573	115,369	119,139
Library	7,897	5,783	7,457	10,085	10,439	4,758	2,808	5,651	7,914	12,582
Culture and recreation	96,025	178,098	180,662	264,769	321,574	275,864	151,695	273,023	377,210	404,163
Education	372,690	436,625	438,503	461,283	469,874	792,302	467,606	973,980	1,268,839	1,502,001
Operating grants and contributions	9,678,492	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
Capital grants and contributions	1,473,996	1,485,386	548,896	707,582	369,181	99,338	147,776	156,917	549,992	236,960
Total governmental activities program revenues	12,805,587	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
Net (Expense)/Revenue										
Governmental activities	(21,609,615)	(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)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, levied for general purposes	19,562,114	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
Grants and contributions not restricted to specific programs	3,285,474	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
Unrestricted investment earnings	45,561	96,463	189,850	217,487	401,210	244,243	387,697	(49,331)	591,329	819,918
Total governmental activities	22,893,149	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
Change in Net Position										
Governmental activities	\$ 1,283,534	\$ 1,476,756	\$ (783,398)	\$ 795,071	\$ 1,232,628	\$ (185,205)	\$ (522,785)	\$ (344,621)	\$ 434,545	\$ (23,795)

* 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				
	2015	2016	2017	2018	2019
Governmental activities:					
General government	\$ 647,983	\$ 414,257	\$ 332,539	\$ 2,182,383	\$ 865,063
Public safety	418,008	407,095	389,328	468,786	603,661
Public works	1,972,328	699,840	753,807	1,018,418	648,143
Sanitation	105,876	303,371	493,524	394,537	310,057
Health and social services	78,617	151,919	64,969	67,933	113,632
Library	18,081	16,294	12,005	16,559	15,783
Culture and recreation	101,025	216,678	180,662	264,769	425,074
Education	9,463,669	11,253,497	9,673,098	11,437,313	10,729,346
Total governmental activities	<u>\$ 12,805,587</u>	<u>\$ 13,462,951</u>	<u>\$ 11,899,932</u>	<u>\$ 15,850,698</u>	<u>\$ 13,710,759</u>

Function/Program	Fiscal Year				
	2020	2021	2022	2023	2024
Governmental activities:					
General government	\$ 663,535	\$ 823,987	\$ 1,343,821	\$ 1,274,817	\$ 955,111
Public safety	635,881	692,451	1,026,375	1,098,825	1,154,073
Public works	460,353	492,998	515,893	711,579	587,497
Sanitation	326,381	351,019	305,132	369,280	372,092
Health and social services	92,509	192,082	168,780	194,420	631,718
Library	9,310	6,801	34,401	11,213	18,518
Culture and recreation	286,172	176,045	321,883	561,514	415,396
Education	12,773,473	14,859,785	10,439,393	14,012,093	12,369,311
Total governmental activities	<u>\$ 15,247,614</u>	<u>\$ 17,595,168</u>	<u>\$ 14,155,678</u>	<u>\$ 18,233,741</u>	<u>\$ 16,503,716</u>

Table 4

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

	Fiscal Year				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ 163,398	\$ 132,912	\$ 188,227	\$ -	\$ -
Committed	814,624	787,237	787,237	780,737	787,237
Assigned	611,645	629,566	803,174	-	561,381
Unassigned	6,182,226	6,144,025	5,287,089	6,207,225	7,060,613
Total general fund	<u>\$ 7,771,893</u>	<u>\$ 7,693,740</u>	<u>\$ 7,065,727</u>	<u>\$ 6,987,962</u>	<u>\$ 8,409,231</u>
All Other Governmental Funds					
Nonspendable	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Restricted	4,186,015	3,843,971	2,991,165	1,874,519	3,862,219
Committed	2,555,611	1,531,383	1,489,903	1,870,913	1,670,090
Assigned	-	-	-	-	64,056
Unassigned	(132,912)	(132,912)	(132,912)	(1,000)	(2,000,000)
Total all other governmental funds	<u>\$ 6,683,714</u>	<u>\$ 5,317,442</u>	<u>\$ 4,423,156</u>	<u>\$ 3,819,432</u>	<u>\$ 3,671,365</u>
	Fiscal Year				
	2020 *	2021	2022	2023	2024
General Fund					
Nonspendable	\$ -	\$ 13,313	\$ 70,190	\$ 4,432	\$ 1,970
Committed	7,000	11,900	30,263	11,900	61,900
Assigned	1,185,836	623,667	75,000	493,880	420,000
Unassigned	6,535,770	6,339,430	6,837,496	6,843,179	7,345,680
Total general fund	<u>\$ 7,728,606</u>	<u>\$ 6,988,310</u>	<u>\$ 7,012,949</u>	<u>\$ 7,353,391</u>	<u>\$ 7,829,550</u>
All Other Governmental Funds					
Nonspendable	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Restricted	3,320,956	5,490,166	4,735,631	2,880,468	2,855,234
Committed	1,916,998	2,108,445	1,640,766	2,132,241	1,731,053
Assigned	64,056	-	-	-	-
Unassigned	-	-	(179,256)	-	(64,915)
Total all other governmental funds	<u>\$ 5,377,010</u>	<u>\$ 7,673,611</u>	<u>\$ 6,272,141</u>	<u>\$ 5,087,709</u>	<u>\$ 4,596,372</u>

*: The Town implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of GASB No. 84 resulted in a cumulative effect adjustment on the fund balance of other governmental funds in the amount of \$183,663.

Table 5

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

	2015	2016	2017	2018	2019	2020 *	2021	2022	2023	2024
Revenues										
Property taxes	\$ 19,918,176	\$ 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
Intergovernmental	14,853,013	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
Charges for services	1,645,771	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
Investment income	45,561	96,463	189,850	217,487	401,210	244,243	387,697	(49,331)	591,329	819,918
Other	8,213	49,202	142,090	47,583	120,771	78,287	64,355	80,314	208,098	564,880
Total revenues	36,470,734	36,797,634	35,916,361	39,572,425	40,074,656	40,305,778	40,217,342	43,001,491	47,526,836	48,768,457
Expenditures										
General government	2,295,288	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
Public safety	1,352,487	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
Public works	2,402,320	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
Sanitation	569,211	656,268	633,252	553,341	667,048	644,084	684,389	897,591	996,803	937,699
Health and social services	310,116	258,547	214,380	218,774	229,184	252,721	412,825	394,276	380,302	1,246,564
Library	478,247	455,190	459,693	471,217	500,774	543,316	499,200	534,880	554,900	464,943
Culture and recreation	170,633	273,401	334,447	353,624	397,718	464,241	425,002	423,728	649,211	658,692
Education	25,011,634	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
Debt service:										
Principal payments	1,233,884	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
Interest and fiscal charges	473,253	471,313	431,009	382,432	350,115	302,311	307,645	612,528	431,216	388,416
Capital outlays	2,354,344	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
Total expenditures	36,651,417	38,810,820	37,606,352	40,105,672	39,175,622	45,924,688	43,243,997	44,716,417	48,370,826	49,098,635
Excess of revenues over (under) expenditures	(180,683)	(2,013,186)	(1,689,991)	(533,247)	899,034	(5,618,910)	(3,026,655)	(1,714,926)	(843,990)	(330,178)

Table 5 (Continued)

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources (Uses)										
Issuance of bonds	\$ 5,320,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,405,000	\$ -	\$ -	\$ -
Premium on issuance of bonds	271,122	-	-	-	3,520	-	799,369	-	-	-
Issuance of bond anticipation notes	-	-	-	-	-	6,000,000	-	-	-	-
Payment of bond anticipation notes	(1,750,000)	-	-	-	-	-	(6,000,000)	-	-	-
Issuance of financed purchases	417,324	545,429	167,692	121,049	101,357	428,877	378,591	338,095	-	315,000
Other	209,717	71,753	-	-	-	-	-	-	-	-
Transfers in	525,000	406,099	532,009	671,054	852,461	876,803	1,072,314	1,077,406	1,786,681	652,548
Transfers out	(525,000)	(406,099)	(532,009)	(671,054)	(852,461)	(876,803)	(1,072,314)	(1,077,406)	(1,786,681)	(652,548)
Total other financing sources (uses)	4,468,163	617,182	167,692	121,049	104,877	6,428,877	4,582,960	338,095	-	315,000
Net change in fund balances	\$ 4,287,480	\$ (1,396,004)	\$ (1,522,299)	\$ (412,198)	\$ 1,003,911	\$ 809,967	\$ 1,556,305	\$ (1,376,831)	\$ (843,990)	\$ (15,178)
Debt service as a percentage of noncapital expenditures	5.0%	5.9%	5.1%	5.1%	5.0%	4.9%	4.5%	4.6%	4.6%	4.3%

Table 6

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

Fiscal Year Ended June 30,	Residential Property	Motor Vehicle Property	Personal Property	Commercial Property	Industrial Property	Total Assessment	Less: Tax Exempt Property	Total Taxable Assessed Value	(1) Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2015	\$ 705,017,950	\$ 78,372,110	\$ 34,638,870	\$ 33,245,770	\$ 9,404,600	\$ 860,679,300	\$ 8,951,131	851,728,169	23.37	1,216,754,527	70.00%
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%

(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)

	2024		2015	
	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value
Taxpayer				
Eversource (formerly CL&P)	\$ 22,336,340	1.58%	\$ 8,449,760	0.69%
Somers Solar Center LLC	10,136,120	0.72%	16,820,500	1.38%
Somers Ag Holding Company LLC	6,682,690	0.47%	4,354,590	0.36%
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	0.19%
The Connecticut Water Company	2,474,340	0.17%	2,129,570	0.18%
Farm Credit Leasing Services	2,053,600	0.15%	1,388,870	0.11%
349 Main Street LLC	1,999,580	0.14%	582,850	0.05%
Pleasant View Farms Realty Company	1,866,490	0.13%	755,400	0.06%
Somers Recreation Inc	1,828,190	0.13%	1,750,360	0.14%
Total	\$ 55,606,750	3.93%	\$ 40,359,960	3.32%
Total Taxable Assessed Value	\$ 1,413,947,827		\$ 1,216,754,527	

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
2015	\$	19,620,357	\$ 19,353,138	98.64%	\$ 205,974	\$ 19,559,112	99.69%
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%	264,495	20,442,210	99.85%
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%	114,819	23,362,292	99.49%
2020		23,790,855	23,589,997	99.16%	81,453	23,671,450	99.50%
2021		24,059,533	23,914,550	99.40%	99,335	24,013,885	99.81%
2022		24,991,627	24,540,687	98.20%	107,643	24,648,330	98.63%
2023		26,815,707	26,295,924	98.06%	107,239	26,403,163	98.46%
2024		27,880,046	27,226,529	97.66%	-	27,226,529	97.66%

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

Table 9

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Actual Property Value	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Bond Anticipation Notes*	Financed Purchases				
2015	\$ 16,012,613	\$ -	\$ 612,771	\$ 16,625,384	1.37%	4.36%	\$ 1,471
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

* 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							
2015	\$	16,012,613	\$	16,012,613	1.32%	4.20%	\$	1,417
2016		14,605,458		14,605,458	1.18%	3.82%		1,278
2017		13,216,854		13,216,854	1.09%	2.94%		1,135
2018		11,838,930		11,838,930	0.97%	3.04%		1,066
2019		10,374,099		10,374,099	0.84%	2.37%		958
2020		8,937,789		8,937,789	0.72%	1.91%		829
2021		17,719,321		17,719,321	1.41%	3.66%		1,748
2022		16,587,167		16,587,167	1.25%	3.69%		1,614
2023		15,157,098		15,157,098	1.09%	3.52%		1,540
2024		13,737,349		13,737,349	0.97%	2.68%		1,281

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

Table 11

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Legal Debt Margin Calculation:										
Total capacity of borrowing (7 times base)	\$ 138,462,688	\$ 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
Total present indebtedness	15,416,000	14,091,000	12,781,000	11,476,000	20,075,000	14,695,000	17,176,257	16,201,257	14,881,257	13,561,257
Margin for additional borrowing	<u>\$ 123,046,688</u>	<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>
Total net debt applicable to the debt limit as a percentage of the debt limit	11.13%	9.92%	8.84%	7.25%	12.08%	8.70%	10.24%	9.32%	8.02%	7.06%

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
2015	11,303	\$ 380,911,100	\$ 33,700	41.8	12.0	1,473	4.5%
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%

(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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/Program										
General government										
Finance	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0
Building	2.0	2.0	2.0	2.0	1.5	1.5	1.5	1.0	1.0	1.0
Other	8.0	8.0	8.0	12.0	12.0	11.5	11.0	13.0	12.0	12.0
Police										
Officers	3.5	4.5	5.0	6.5	7.0	6.5	6.0	5.5	5.5	5.5
State Troopers	2.0	2.0	3.0	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
Fire										
Firefighters and officers	10.5	8.0	8.0	7.5	8.0	9.5	10.5	10.0	10.0	10.0
Refuse collection	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0
Public works	8.0	8.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.0
Parks and recreation	4.5	5.5	4.0	4.0	4.0	6.5	6.0	6.0	7.0	7.0
Library	9.5	9.5	7.5	7.5	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	2.0	2.0
Transit	3.0	4.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	<u>57.0</u>	<u>57.5</u>	<u>52.5</u>	<u>56.5</u>	<u>57.5</u>	<u>60.5</u>	<u>60.0</u>	<u>60.5</u>	<u>60.5</u>	<u>60.5</u>

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

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

Source: Town of Somers, Treasurer's Office.

Table 14

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

Function/Program	2015	2016	2017	2018	2019 *	2020	2021	2022**	2023	2024
Police										
Criminal investigations	297	351	364	331	218	126	156	139	117	102
Motor vehicle accidents	133	110	109	117	107	116	98	109	104	103
DUI arrests	34	13	24	27	18	15	5	8	12	14
Miscellaneous calls for service	-	-	-	-	7,005	7,894	8,790	11,170	13,477	12,186
Fire										
Emergency responses	1,046	1,144	1,175	1,310	1,407	1,836	2,329	2,584	2,548	2,328
Fires extinguished	12	30	32	36	22	27	46	30	44	33
Inspections	317	207	255	293	291	164	175	206	278	243
Refuse collection										
Refuse collected (tons per year)	3,598	3,818	3,784	3,205	3,560	3,482	3,573	3,163	3,002	3,219
Bulky waste (tons per year)	786	761	586	690	590	711	725	731	764	756
Recycling (tons per year)	3,820	1,120	790	854	675	633	698	601	977	882
Other public works (miles)										
Street resurfacing	11	2	2	-	-	14	-	-	-	-
Paved surface	1	2	2	-	2	2	7	-	4	-
Crack sealing	1	-	1	-	4	8	-	-	-	-
Library										
Volumes in collection	65,409	65,439	66,585	67,658	69,467	68,875	70,843	71,469	72,019	66,216
Total volumes circulated	74,435	74,614	63,487	61,103	58,708	40,800	31,359	42,633	53,661	53,732
Water										
New connections	5	3	2	2	-	-	-	6	-	-
New well permits	7	12	15	5	10	6	8	13	14	11
Wastewater										
New septic permits	10	13	7	10	9	13	9	29	10	6
Septic repair permits	-	-	-	-	-	-	-	34	32	24
New sewer connections	4	3	7	1	5	1	3	3	1	-
Average yearly sewage treatment (thousands of gallons)/day	28	32	36	41	46	43	39	59	35	36
Transit (senior bus)										
Total route miles	26,746	25,248	28,020	29,013	28,948	17,176	17,047	20,872	19,582	20,276
Passengers	3,808	3,306	3,543	3,680	3,542	2,120	1,532	2,313	2,902	3,457

* - 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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	4	5	5	5	6	6	6	7	7	7
State patrol units	2	2	3	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	431	460	464	464	464	464	464	464	464	464 *
Traffic signals	8	9	9	9	9	9	9	9	9	9
Parks and recreation										
Acreage	118	122	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	1
Water										
Water mains (miles)	5	5	5	5	5	5	5	5	5	5 **
Fire hydrants	193	193	193	193	193	193	193	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.