

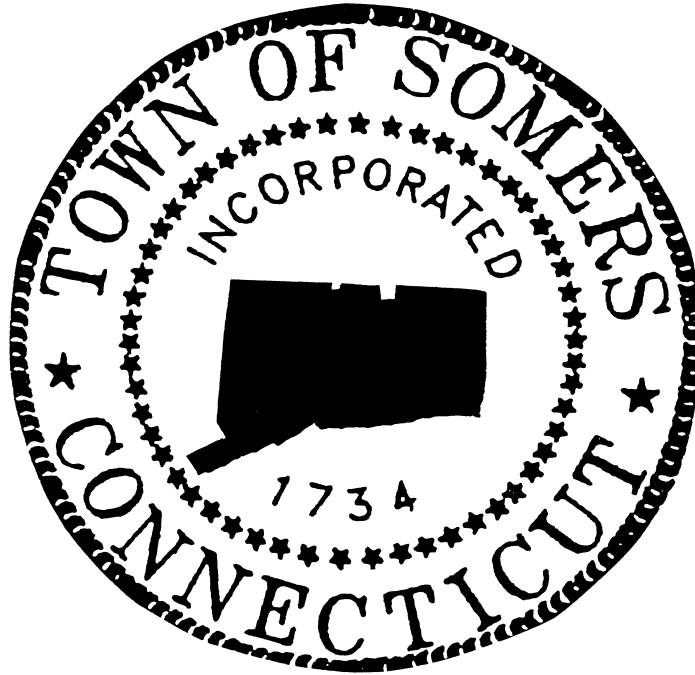
**TOWN OF SOMERS,
CONNECTICUT**



**Annual Comprehensive
Financial Report**

**For The Year Ended
June 30, 2022**

**TOWN OF SOMERS,
CONNECTICUT**



**Annual Comprehensive
Financial Report**

**For The Year Ended
June 30, 2022**

Prepared by:

Finance & Treasury Department

TOWN OF SOMERS, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION

TOWN OF SOMERS

600 Main Street
Somers, Connecticut 06071
www.somersct.gov

FIRST SELECTMAN
Timothy R. E. Keeney

TEL (860) 763-8200
FAX (860) 763-8228

SELECTMEN
William Meier III
Robert Schmidt

December 22, 2022

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, 2022.

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, 2022 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, 2022. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of the Town was part of broader 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 report of the independent auditors.

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 nine full-time staff, including the Chief. There are also ten part-time firefighters, and the department has a roster of 75 volunteers. The department responds to an average of 2,600 incidents per year with approximately 60% 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 \$35 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 120 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, volleyball, tennis 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 for all other departments.
- A separately issued budgetary report demonstrating legal compliance with the adopted budget is available from the Town. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects.
- Additional appropriations of less than \$20,000 must be approved by the Board of Finance. Appropriations in excess of \$20,000 must be 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 September 2022 unemployment rate at 3.6% (not seasonally adjusted), which is lower than the state unemployment rate of 3.9% and higher than the federal unemployment rate of 3.3%. 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. In FY 2022, the Town experienced an increase of 3.76% 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'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 120-180 days. The Town's investment practices are in compliance with its Charter and the Connecticut General Statutes.

Risk Management

The Town is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Insurance coverage is purchased from the Connecticut Interlocal Risk Management Agency (CIRMA), 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.

In 2021, the Northern Correctional Institution, the state’s highest security prison, was taken out of service. the Town has not experienced any negative economic impact as a result of this closure. There were no layoffs associated with the closure and the 175 workers who staffed Northern have been transferred to nearby prisons. Town residents who worked there were not laid off and continue to be employed. Also, the Town continues to receive its payment in lieu of taxes (PILOT) from the State.

In addition, in 2021, the Town updated its zoning regulations with an eye toward simplifying and encouraging economic growth and housing development. Fiscal 2022 also saw the latest expansion of Sonny’s Place, a popular family amusement destination with additional miniature golf and ride attractions currently under construction. Finally, the Town saw the opening of the state’s newest winery, Worthington Vineyard and Winery, on a picturesque and tranquil 98-acre property.

After a period of dormancy brought on by the economic uncertainties associated with the pandemic, the Town is again having discussions with potential developers of the Somersville Mill site. These talks will ultimately lead to the Town negotiating the agreements necessary to proceed with the construction at the Somersville Mill site of a proposed affordable housing/apartment/retail complex. This project would expand the tax base and stimulate added commercial development. The site has successfully undergone a Phase III environmental assessment and the study results are positive. Plans are now able to move forward with finalizing the execution of the development and control agreements with the developer.

With the passage of the American Rescue Plan Act (ARPA), the Town has been awarded \$3,191,531 of federal aid. With this funding, the Town believes it has an unprecedented opportunity to strengthen the services provided to the community through significant investments in one-time ARPA dollars. These funds will allow for the Town to meet the long-standing needs and challenges that heretofore it has been unable to address because of the absence of financial resources. The following is a project listing of ARPA approved funds the Town has allocated, to date:

<u>Project Name</u>	<u>Amount</u>
Transfer to Board of Education	\$ 215,050
Fire/EMS Life Support Apparatus	62,000
IT Services	88,000
Small Business/Non-Profit Grant Initiative	480,000
Social Services/Senior Center Renovations	35,000
Town Government Initiatives FY2023	169,660
Board of Education Initiatives FY2023	474,000
Capital Equipment Purchases FY2023	531,691
Mental Health Services	132,000
Cybersecurity/IT Infrastructure	340,000
Historical Museum Restoration	65,000
Police Body/Dash Cameras	110,000
Board of Education Phone System	<u>9,341</u>
Total Allocated to Date	<u>\$2,711,744</u>
Award Remaining Unallocated	<u>\$ 479,787</u>

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 the fiscal year ended June 30, 2021. 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. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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, 2022 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,



Michael D. Marinaccio
Treasurer/ Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

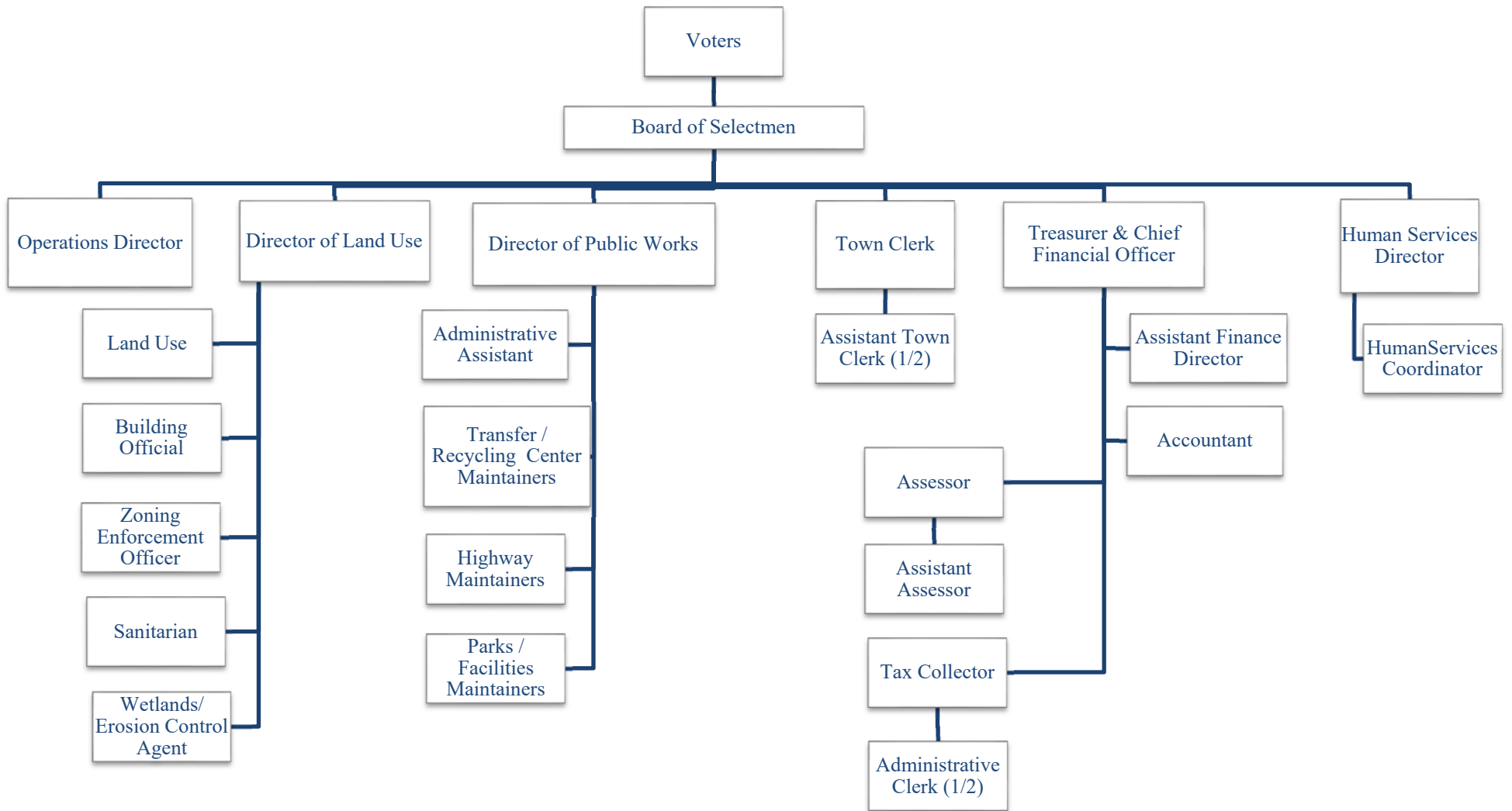
**Town of Somers
Connecticut**

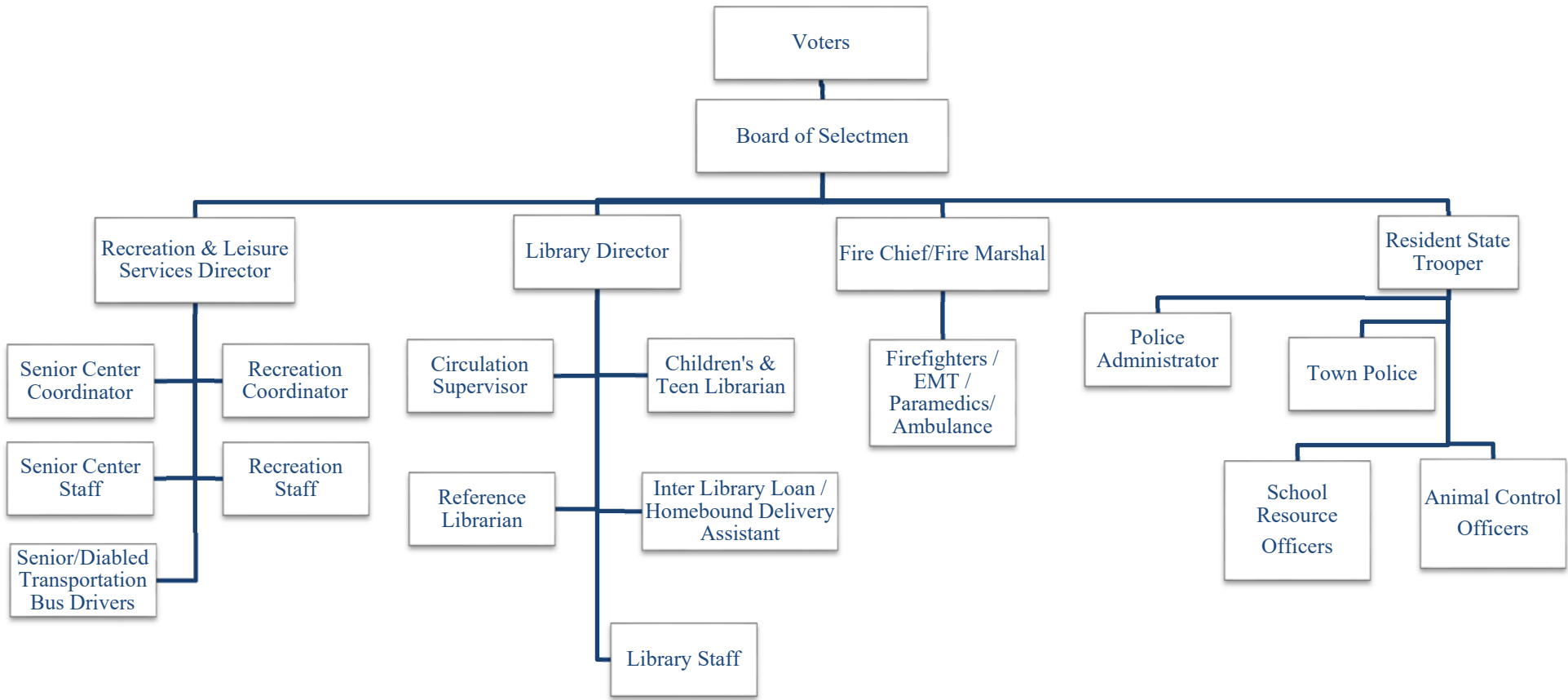
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

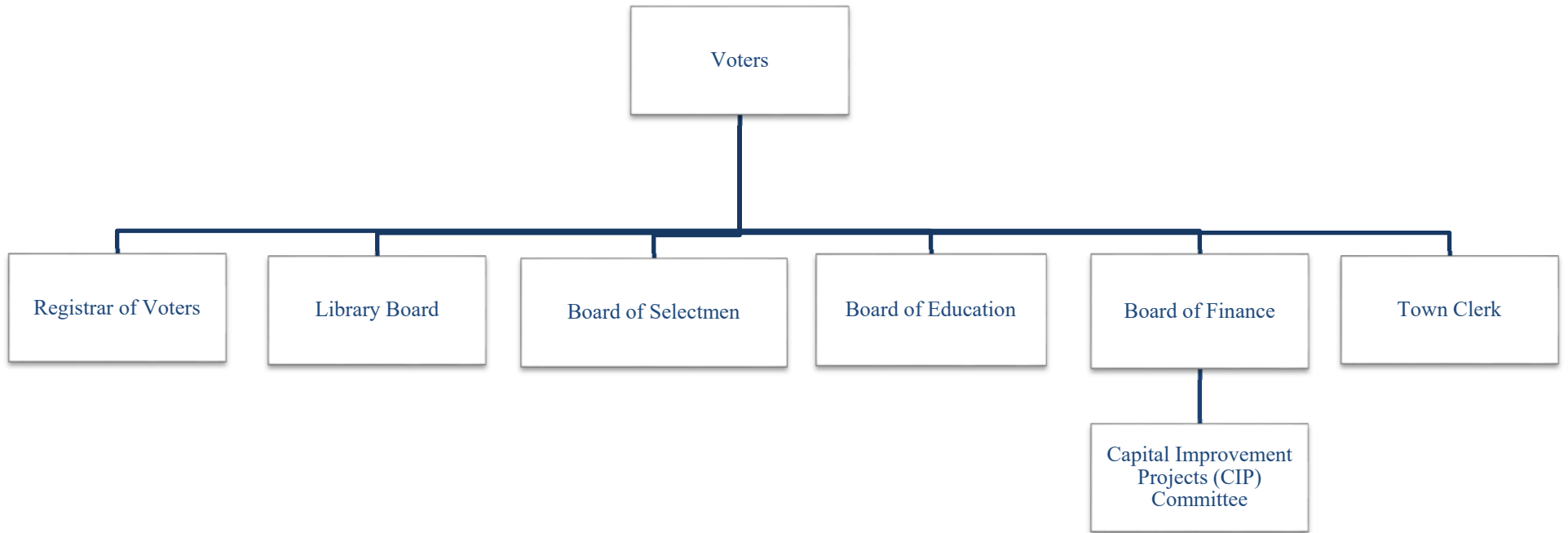
June 30, 2021

Christopher P. Morill

Executive Director/CEO







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

TOWN MEETING – BOARD OF SELECTMEN FORM OF GOVERNMENT

BOARD OF SELECTMEN

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

Acting Building Official	Glenn Setzler
Assessor	Walter E. Topliff, Jr.
Chief Financial Officer/Treasurer	Michael D. Marinaccio
Chief of Police	Timothy Keeney
Collector of Taxes	Lisa A. Madden
Fire Chief	John Roache
Human Services Director	Allison Maynard
Interim Superintendent of Schools	Dr. Paul Gagliarducci
Land Use Director	Daniel Parisi
Library Director	Joanne Nichting
Public Works Director	Todd Rolland
Recreation & Leisure Services	Maureen Parsell
Town Attorney	Carl Landolina
Town Clerk	David Marti
Town Sanitarian	Andrea Vitrano

BOARD OF EDUCATION

Anne Kirkpatrick, Chair
Kim Radziewicz, Vice Chair
Krista Cherry, Secretary
Michael Briggs
Ed Depeau
Marissa Marks
Jan Martin
Carl Stebbins
Chris Thiesing

BOARD OF FINANCE

Michael Parker, Chair
Kathy Devlin, Vice Chair
William Salka, Clerk
Bruce Devlin
Joseph Tolisano
Ralph Williams

FINANCIAL SECTION

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Somers, Connecticut

Report on 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, 2022, 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, 2022, 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 14 and the information on pages 68 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.

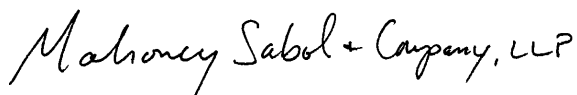
Other Information

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 22, 2022, 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 22, 2022

Management's Discussion and Analysis

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. 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 \$50,104,223 (net position). Of this amount, \$5,647,467 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors. The Town's overall net position decreased by \$344,621.
- The Town's total long-term debt consisting of general obligation bonds and financed purchases of capital assets decreased by \$1,039,010 or 5.9% during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,285,090, a decrease of \$1,376,831 in comparison with the prior year.
- At the end of the current fiscal year, fund balance of the General Fund was \$7,012,949. Of this amount, \$6,837,496 represents unassigned fund balance that may be appropriated for future spending and \$75,000 has been assigned for use in the Town's fiscal year 2023 budget. Unassigned fund balance is sufficient to cover 2.2 months of and represents 18.6% of the Town's General Fund budgetary expenditure appropriation for fiscal year 2023.

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 15 and 16 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 Capital Projects Fund, and the COVID Relief 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 17 through 21 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 22 through 24 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 25 and 26 of this report.

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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 \$50,111,723 as of June 30, 2022 and \$50,448,844 as of June 30, 2021 and are summarized as follows:

	<u>2022</u>	<u>2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current and other assets	\$ 19,687,438	\$ 23,591,401	\$ (3,903,963)	-16.5%
Capital assets, net	<u>57,064,421</u>	<u>58,189,121</u>	<u>(1,124,700)</u>	-1.9%
Total assets	<u>76,751,859</u>	<u>81,780,522</u>	<u>(5,028,663)</u>	-6.1%
Deferred outflows of resources	<u>1,169,322</u>	<u>566,605</u>	<u>602,717</u>	106.4%
Current and other liabilities	2,707,273	3,722,805	(1,015,532)	-27.3%
Long-term liabilities	<u>21,249,252</u>	<u>21,682,802</u>	<u>(433,550)</u>	-2.0%
Total liabilities	<u>23,956,525</u>	<u>25,405,607</u>	<u>(1,449,082)</u>	-5.7%
Deferred inflows of resources	<u>3,860,433</u>	<u>6,492,676</u>	<u>(2,632,243)</u>	-40.5%
Net position:				
Net investment in capital assets	41,791,885	43,042,424	(1,250,539)	-2.9%
Restricted	2,664,871	2,250,533	414,338	18.4%
Unrestricted	<u>5,647,467</u>	<u>5,155,887</u>	<u>491,580</u>	9.5%
Total net position	<u>\$ 50,104,223</u>	<u>\$ 50,448,844</u>	<u>\$ (344,621)</u>	-0.7%

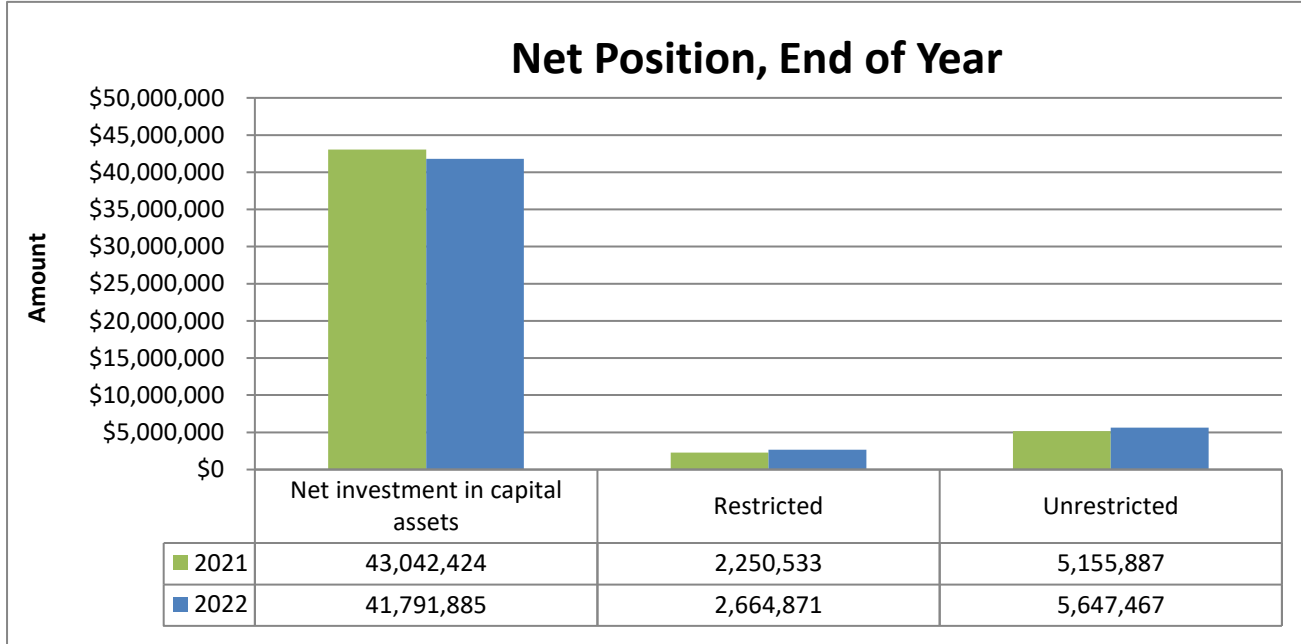
Current year activities that impacted the Town's statement of net position are as follows:

- The Town's pension plans experienced unfavorable investment returns on plan assets, which impacted the Town's net pension assets, liability and related deferrals.
- The Town's current and other assets decreased in part due to the use of restricted cash to pay for authorized capital improvements.

TOWN OF SOMERS, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Net Position *(Continued)*



83.4% of the Town's net position as of June 30, 2022 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.

5.3% of the Town's net position as of June 30, 2022 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, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position

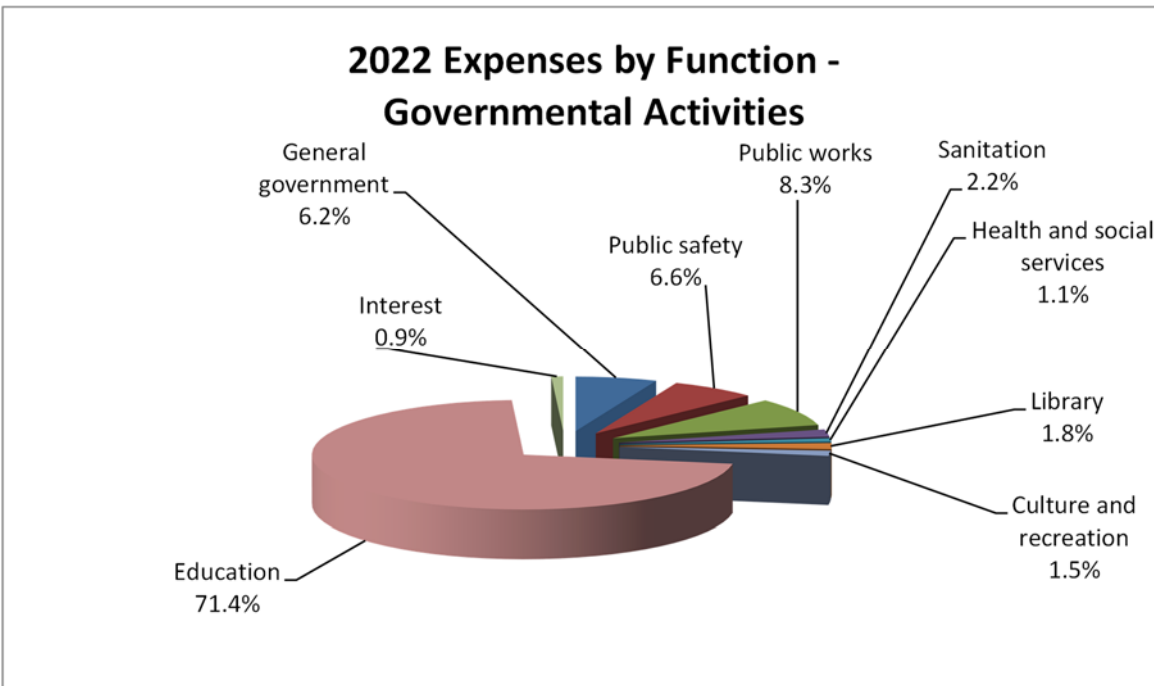
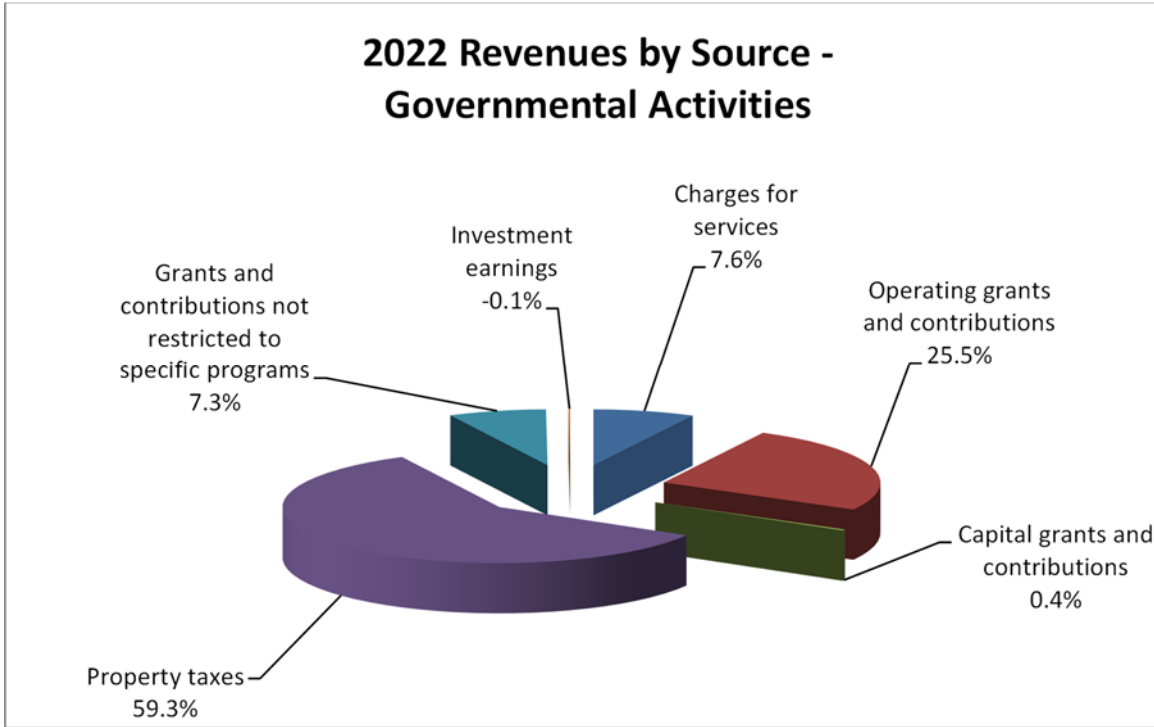
Changes in net position for the years ended June 30, 2022 and 2021 are as follows.

	<u>2022</u>	<u>2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues				
Program revenues:				
Charges for services	\$ 3,211,360	\$ 2,458,720	\$ 752,640	30.6%
Operating grants and contributions	10,787,401	14,988,672	(4,201,271)	-28.0%
Capital grants and contributions	156,917	147,776	9,141	6.2%
General revenues:				
Property taxes	25,053,390	24,102,730	950,660	3.9%
Grants and contributions not restricted to specific programs	3,091,989	2,538,030	553,959	21.8%
Investment earnings	(49,331)	387,697	(437,028)	-112.7%
Total revenues	<u>42,251,726</u>	<u>44,623,625</u>	<u>(2,371,899)</u>	-5.3%
Program expenses				
General government	2,653,030	1,959,076	693,954	35.4%
Public safety	2,800,265	2,584,548	215,717	8.3%
Public works	3,532,337	3,101,000	431,337	13.9%
Sanitation	928,241	721,844	206,397	28.6%
Health and social services	447,737	497,948	(50,211)	-10.1%
Library	762,365	751,564	10,801	1.4%
Culture and recreation	659,760	540,577	119,183	22.0%
Education	30,427,364	34,592,793	(4,165,429)	-12.0%
Interest expense	385,248	397,060	(11,812)	-3.0%
Total expenses	<u>42,596,347</u>	<u>45,146,410</u>	<u>(2,550,063)</u>	-5.6%
Change in net position	(344,621)	(522,785)	<u>\$ 178,164</u>	-34.1%
Net position - beginning	<u>50,448,844</u>	<u>50,971,629</u>		
Net position - ending	<u>\$ 50,104,223</u>	<u>\$ 50,448,844</u>		

TOWN OF SOMERS, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position *(Continued)*

The Town's net position decreased by \$344,621 during the year ended June 30, 2022, compared to a decrease of \$522,785 during the year ended June 30, 2021.

Overall revenues decreased by \$2,371,899 or 5.3% over the prior year. The change over the prior year was driven by an decrease in operating grants and contributions of \$4.2 million, offset by an increase in property tax revenues of \$951 thousand and charges for services of \$753 thousand. The decrease in operating grants and contributions is primarily due to a decrease in on-behalf pension and OPEB contributions recognized by the Town in connection with its participation in the Connecticut Teachers' Retirement System. This non-cash contribution is offset by a related education expense and does not have an impact on the Town's overall change in net assets for the year.

Overall expenses decreased by \$2,550,063 or 5.6% over the prior year. The change over the prior year was driven by decreases in education expenses offset by an increase in general government and public works expenses. The decrease in education expenses is primarily due to the decrease in on-behalf pension and OPEB expenses associated with the Connecticut Teachers' Retirement System as discussed above. The increase in general government and public works expenses is primarily related to an increase in pension expense and non-capitalized infrastructure repairs and maintenance.

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 \$13,285,090, a decrease of \$1,376,831 over the prior year. Approximately 66.3% or \$8,404,269 of this amount is considered to be unrestricted (committed, assigned or unassigned) and is available for spending at the Town's discretion.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, fund balance of the General Fund was \$7,012,949. Of this amount, \$6,837,496 represents unassigned fund balance that may be appropriated for future spending and \$75,000 has been assigned for use in the Town's fiscal year 2023 budget. Unassigned fund balance is sufficient to cover 2.2 months of and represents 18.6% of the General Fund budgetary expenditure appropriation for fiscal year 2023.

The fund balance of the Town's General Fund increased by \$24,639 during the current fiscal year. The increase reflects a planned use of fund balance in the amount of \$767,386, offset by favorable budgetary revenue results. Refer to General Fund budgetary highlights discussed below for additional discussions regarding the decrease in the fund balance of the General Fund.

TOWN OF SOMERS, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Governmental Funds *(Continued)*

Capital Projects Fund

At the close of the current fiscal year, the fund balance of the Capital Projects Fund totaled \$2,893,742. Fund balance consisted of \$2,603,936 in unspent bond proceeds restricted for authorized capital projects and debt service, and \$289,806 of fund balance committed for capital purposes. The decrease in fund balance reflects current year capital outlays of \$984,921, offset by intergovernmental revenue and resources transferred in other funds.

COVID Relief Fund

The COVID Relief Fund was established during the prior year to account for federal grants awarded under the American Rescue Plan Act of 2021. The Town recognized intergovernmental revenues of \$673,977 to fund authorized uses under the Act.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the year ended June 30, 2022 planned for the utilization of fund balance in the amount of \$623,667. Supplemental appropriations were authorized during the year in the amount of \$143,719, resulting in a planned use of fund balance of \$767,386. The actual change in fund balance of the General Fund on a budgetary basis was an increase of \$6,276. Revenues were \$745,071 more than expected and expenditures were \$28,591 lower than budgeted. The revenue surplus was driven by higher than anticipated revenues received from the State of Connecticut for payment in lieu of taxes and favorable collections on building permit fees and conveyance taxes.

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, 2022 and 2021 totaled \$57,064,421 and \$58,189,121, 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 \$1,124,700 or 1.9%. Current year additions totaled \$1,227,167, which was offset by depreciation and amortization of \$2,351,867. The following table is a two-year comparison of the investment in capital assets, net of accumulated depreciation and amortization:

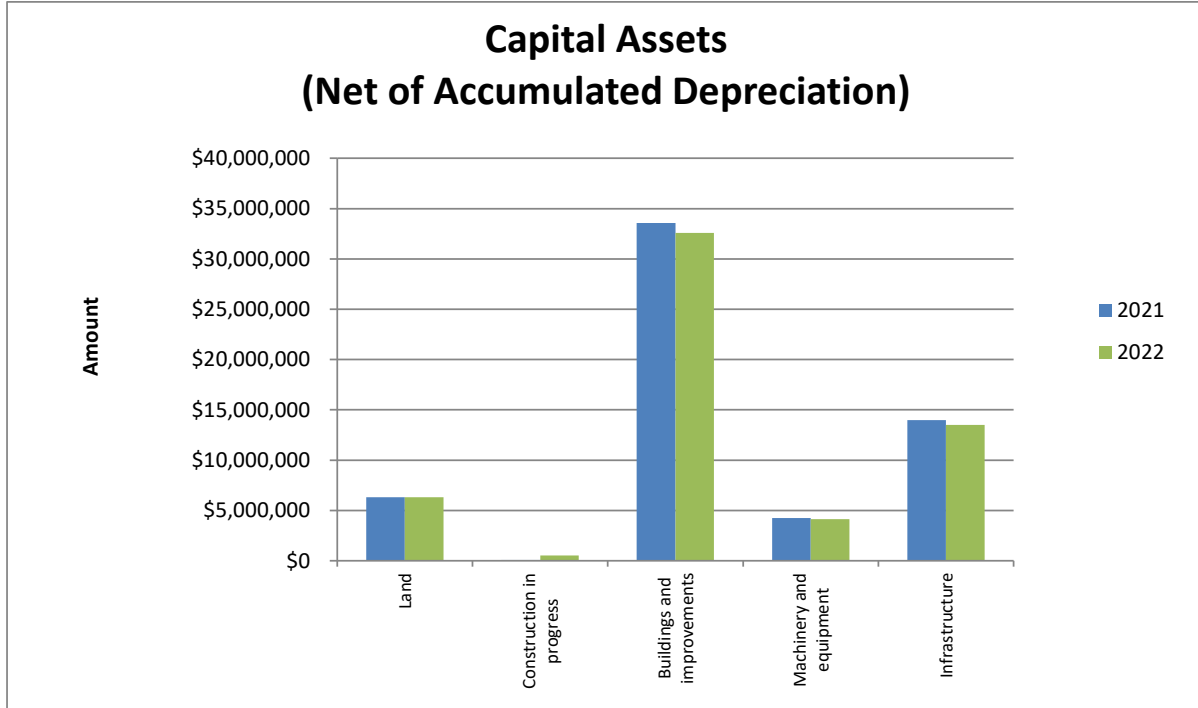
	<u>2022</u>	<u>2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
Land	\$ 6,322,158	\$ 6,322,158	\$ -	0.0%
Construction in progress	526,051	84,560	441,491	522.1%
Buildings and improvements	32,581,270	33,575,053	(993,783)	-3.0%
Machinery and equipment	4,124,964	4,231,943	(106,979)	-2.5%
Infrastructure	13,509,978	13,975,407	(465,429)	-3.3%
Totals	<u>\$ 57,064,421</u>	<u>\$ 58,189,121</u>	<u>\$ (1,124,700)</u>	-1.9%

Major capital additions consisted of school-wide security improvements and technology purchases, school boiler replacement, purchases of vehicles and equipment for public works and public safety, construction of a recreational Splash Pad and road improvements.

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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 \$16,547,252. 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.

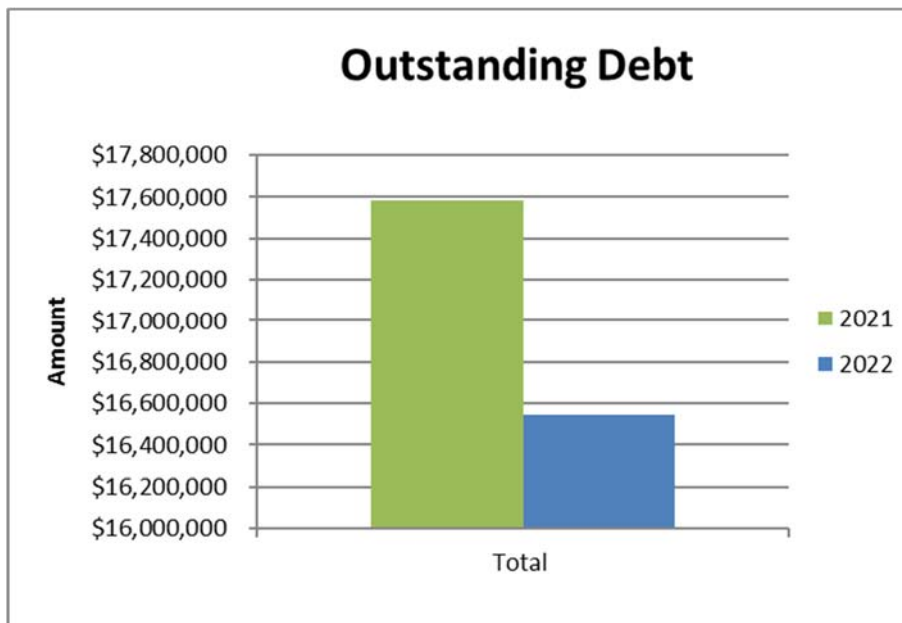
TOWN OF SOMERS, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Long-term Debt

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

	<u>2022</u>	<u>2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
General obligation bonds	\$ 15,750,000	\$ 16,725,000	\$ (975,000)	-5.8%
Financed purchases	797,252	861,262	(64,010)	-7.4%
Total	<u>\$ 16,547,252</u>	<u>\$ 17,586,262</u>	<u>\$ (1,039,010)</u>	-5.9%



Additional information on the Town's long-term debt can be found in Note 7 to the basic financial statements beginning on page 40.

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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 2023, 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 2023.

The fiscal year 2023 budget was adopted by the Town in May 2022. The fiscal year 2023 budget authorized expenditure appropriations of \$36,830,186, which represents an overall increase of 4.30% over the fiscal year 2022 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 \$75,000.

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, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 16,931,679
Investments	1,331,810
Receivables:	
Property taxes, interest and fees	470,761
Grants and contracts	195,688
Assessments and user charges	53,044
Other	443,139
Other	70,190
Net pension assets	191,127
Capital assets:	
Non-depreciable	6,848,209
Depreciable, net	50,216,212
Total assets	76,751,859
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	768,470
OPEB related	318,440
Deferred charges on refundings	82,412
Total deferred outflows of resources	1,169,322
LIABILITIES	
Accounts payable	1,192,404
Accrued liabilities	322,882
Deposits payable	65,932
Unearned revenue	1,126,055
Noncurrent liabilities:	
Due within one year	1,927,461
Due in more than one year	19,321,791
Total liabilities	23,956,525
DEFERRED INFLOWS OF RESOURCES	
Pension related	392,008
OPEB related	600,756
Advanced tax collections	2,867,669
Total deferred inflows of resources	3,860,433
NET POSITION	
Net investment in capital assets	41,791,885
Restricted for:	
Cemetery - Expendable	1,026,202
Library - Expendable	645,126
Library - Nonexpendable	75,000
Other purposes	918,543
Unrestricted	5,647,467
Total net position	\$ 50,104,223

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

TOWN OF SOMERS, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

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	\$ 2,653,030	\$ 740,123	\$ 603,698	\$ -	\$ (1,309,209)
Public safety	2,800,265	794,978	231,397	-	(1,773,890)
Public works	3,532,337	13,900	345,076	156,917	(3,016,444)
Sanitation	928,241	305,132	-	-	(623,109)
Health and social services	447,737	104,573	64,207	-	(278,957)
Library	762,365	5,651	28,750	-	(727,964)
Culture and recreation	659,760	273,023	48,860	-	(337,877)
Education	30,427,364	973,980	9,465,413	-	(19,987,971)
Interest expense	385,248	-	-	-	(385,248)
Total governmental activities	<u>\$ 42,596,347</u>	<u>\$ 3,211,360</u>	<u>\$ 10,787,401</u>	<u>\$ 156,917</u>	<u>(28,440,669)</u>
General revenues:					
					25,053,390
					3,091,989
					(49,331)
					<u>28,096,048</u>
					(344,621)
					<u>50,448,844</u>
					<u>\$ 50,104,223</u>

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

TOWN OF SOMERS, CONNECTICUT

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	General Fund	Capital Projects Fund	COVID Relief Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 10,394,519	\$ 1,827,368	\$ 944,496	\$ 3,691,802	\$ 16,858,185
Investments	-	-	-	1,331,810	1,331,810
Receivables:					
Property taxes, interest and fees	470,761	-	-	-	470,761
Assessments and user charges	-	-	-	53,044	53,044
Grants and contracts	-	161,556	-	34,132	195,688
Other	244,706	-	-	198,433	443,139
Due from other funds	1,419,666	1,021,107	-	224,676	2,665,449
Prepaid items	70,190	-	-	-	70,190
Total assets	<u>\$ 12,599,842</u>	<u>\$ 3,010,031</u>	<u>\$ 944,496</u>	<u>\$ 5,533,897</u>	<u>\$ 22,088,266</u>
LIABILITIES					
Accounts payable	\$ 732,964	\$ 116,289	\$ 66,874	\$ 272,817	\$ 1,188,944
Accrued liabilities	189,545	-	-	-	189,545
Deposits payable	65,932	-	-	-	65,932
Due to other funds	1,254,759	-	152,442	1,267,224	2,674,425
Unearned revenue	5,263	-	723,710	397,082	1,126,055
Total liabilities	<u>2,248,463</u>	<u>116,289</u>	<u>943,026</u>	<u>1,937,123</u>	<u>5,244,901</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	470,761	-	-	219,845	690,606
Advanced tax collections	2,867,669	-	-	-	2,867,669
Total deferred inflows of resources	<u>3,338,430</u>	<u>-</u>	<u>-</u>	<u>219,845</u>	<u>3,558,275</u>
FUND BALANCES					
Nonspendable	70,190	-	-	75,000	145,190
Restricted for:					
Capital purposes	-	2,145,760	-	-	2,145,760
Other purposes	-	458,176	1,470	2,130,225	2,589,871
Committed for:					
Capital purposes	-	289,806	-	-	289,806
Other purposes	30,263	-	-	1,350,960	1,381,223
Assigned	75,000	-	-	-	75,000
Unassigned	6,837,496	-	-	(179,256)	6,658,240
Total fund balances	<u>7,012,949</u>	<u>2,893,742</u>	<u>1,470</u>	<u>3,376,929</u>	<u>13,285,090</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,599,842</u>	<u>\$ 3,010,031</u>	<u>944,496</u>	<u>\$ 5,533,897</u>	<u>\$ 22,088,266</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, 2022

Total fund balances for governmental funds		\$ 13,285,090
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.		57,064,421
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.		82,412
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.		191,127
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.		690,606
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.		94,146
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	\$ (15,750,000)	
Premium on bonds	(837,167)	
Financed purchases	(797,252)	
Accrued interest	(133,337)	
Other long-term liabilities:		
Compensated absences	(975,855)	
Landfill post-closure care costs	(42,000)	
Net pension liability	(888,319)	
Net OPEB liability	(1,958,659)	
Total long-term liabilities	<u>(21,382,589)</u>	<u>(21,382,589)</u>
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.		<u>79,010</u>
Net position of governmental activities		<u><u>\$ 50,104,223</u></u>

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, 2022

	General Fund	Capital Projects Fund	COVID Relief Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 24,858,665	\$ -	\$ -	\$ -	\$ 24,858,665
Intergovernmental	12,611,942	216,296	673,977	1,520,886	15,023,101
Charges for services	1,033,800	-	-	2,054,942	3,088,742
Investment income	39,498	9,565	1,442	(99,836)	(49,331)
Other	-	-	-	80,314	80,314
Total revenues	<u>38,543,905</u>	<u>225,861</u>	<u>675,419</u>	<u>3,556,306</u>	<u>43,001,491</u>
EXPENDITURES					
Current:					
General government	3,200,303	-	520,154	150	3,720,607
Public safety	1,863,930	-	72,645	81,664	2,018,239
Public works	1,621,397	-	-	550,111	2,171,508
Sanitation	691,761	-	-	205,830	897,591
Health and social services	210,164	-	64,207	119,905	394,276
Library	494,164	-	16,971	23,745	534,880
Culture and recreation	165,659	-	-	258,069	423,728
Education	28,699,176	-	-	2,043,954	30,743,130
Debt service:					
Principal payments	975,000	-	-	402,105	1,377,105
Interest and fiscal charges	582,188	-	-	30,340	612,528
Capital outlays	230,182	984,921	-	607,722	1,822,825
Total expenditures	<u>38,733,924</u>	<u>984,921</u>	<u>673,977</u>	<u>4,323,595</u>	<u>44,716,417</u>
Excess (deficiency) of revenues over expenditures	(190,019)	(759,060)	1,442	(767,289)	(1,714,926)
OTHER FINANCING SOURCES (USES)					
Financed purchases	-	-	-	338,095	338,095
Transfers in	592,158	18,500	-	466,748	1,077,406
Transfers out	(377,500)	(172,158)	-	(527,748)	(1,077,406)
Total other financing sources (uses)	<u>214,658</u>	<u>(153,658)</u>	<u>-</u>	<u>277,095</u>	<u>338,095</u>
Net change in fund balances	24,639	(912,718)	1,442	(490,194)	(1,376,831)
Fund balances - beginning	<u>6,988,310</u>	<u>3,806,460</u>	<u>28</u>	<u>3,867,123</u>	<u>14,661,921</u>
Fund balances - ending	<u>\$ 7,012,949</u>	<u>\$ 2,893,742</u>	<u>\$ 1,470</u>	<u>\$ 3,376,929</u>	<u>\$ 13,285,090</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, 2022

Net change in fund balances for governmental funds \$ (1,376,831)

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	\$ 1,227,167	
Depreciation and amortization expense	<u>(2,351,867)</u>	
Net adjustment		(1,124,700)

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	(338,095)	
Principal repayments:		
Bonds	975,000	
Financed purchases	<u>402,105</u>	
Net adjustment		1,039,010

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.

278,057
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, 2022

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. \$ 2,556,726

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	\$	282,597	
Accrued interest		106,967	
Amortization of deferred charges on refundings		(36,841)	
Amortization of bond premium		157,154	
Landfill post-closure care costs		14,000	
Net pension assets		(1,156,645)	
Net pension liability		(888,319)	
Net OPEB liability		<u>(170,892)</u>	
			<u>(1,691,979)</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.

(24,904)

Change in net position of governmental activities

\$ (344,621)

Concluded

TOWN OF SOMERS, CONNECTICUT
STATEMENT OF NET POSITION -
PROPRIETARY FUND
AS OF JUNE 30, 2022

	Governmental Activities - Internal Service Fund - Dental Benefits Fund
ASSETS	
Current assets:	
Cash	\$ 73,494
Due from other funds	8,976
Total assets	82,470
LIABILITIES	
Current liabilities:	
Claims payable	3,460
Total liabilities	3,460
NET POSITION	
Unrestricted	\$ 79,010

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, 2022

	Governmental Activities - Internal Service Fund - Dental Benefits Fund
OPERATING REVENUES	
Charges for services	\$ 152,836
Total operating revenues	152,836
OPERATING EXPENSES	
Claims incurred	165,786
Administration	11,954
Total operating expenses	177,740
Operating loss/change in net position	(24,904)
Net position - beginning	103,914
Net position - ending	\$ 79,010

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, 2022

	Governmental Activities - Internal Service Fund - Dental Benefits Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from participants	\$ 49,215
Receipts from employer	100,372
Payments for claims and administration	(177,588)
Net cash from operating activities	<u>(28,001)</u>
Net decrease in cash	(28,001)
Cash, beginning of year	<u>101,495</u>
Cash, end of year	<u><u>\$ 73,494</u></u>
Reconciliation of operating loss to net cash from operating activities:	
Operating loss	\$ (24,904)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in due from other funds	(3,249)
Increase in claims payable	152
Net cash from operating activities	<u><u>\$ (28,001)</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, 2022

	Pension and Other Employee Benefit Trust Funds
ASSETS	
Cash and cash equivalents	\$ 521,503
Investments:	
Fixed income securities	3,249,596
Equity securities	9,261,855
Certificate of deposits	56,845
	12,568,296
Accrued income receivable	18,149
Total assets	13,107,948
LIABILITIES	
Payables	138,393
Total liabilities	138,393
NET POSITION	
Restricted for:	
Pensions	11,867,216
Other post-employment benefits	1,102,339
	\$ 12,969,555

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, 2022

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 373,840
Plan members	192,864
Total contributions	566,704
Investment earnings:	
Interest and dividends	311,615
Net change in the fair value of investments, net of investment fees	(1,842,870)
Total investment earnings, net	(1,531,255)
Total additions	(964,551)
DEDUCTIONS	
Benefit payments	588,287
Administrative expenses	6,350
Total deductions	594,637
Change in net position	(1,559,188)
Net position - beginning	14,528,743
Net position - ending	\$ 12,969,555

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, 2022

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. The Town has determined that there are no agencies or entities, which should be presented within the Town's financial statements based on these criteria.

Related Organization

The Town is responsible for appointing members to the Board of Directors of the Housing Authority of the Town of Somers (the Authority), but the Town's accountability for the Authority does not extend beyond making the appointments. The Town made no appropriations for the operation of this agency for the fiscal year ended June 30, 2022.

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.

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

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.

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

COVID Relief Fund - This fund is used to account for the receipt of Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act.

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.

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Measurement Focus and Basis of Accounting *(Continued)*

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.

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

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 \$1,671,328 as of June 30, 2022 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, no allowance for uncollectible taxes and interest has been recorded as of June 30, 2022.

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.

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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)*

Land and construction in progress are not depreciated. Other tangible and intangible property and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

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

Deferred Outflows and Inflows of Resources

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

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

Deferred inflows of resources also include unavailable revenues from property taxes and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Unearned Revenue

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

Long-term Obligations

Long-term Debt

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

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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)*

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

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.

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.

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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)*

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.

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

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, 2022 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 16,931,679
Statement of fiduciary net position:	
Cash and cash equivalents	521,503
	17,453,182
Less: cash equivalents considered investments for disclosure purposes	(5,169,596)
	\$ 12,283,586

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, 2022, the carrying amount of the Town's cash deposits was \$12,283,586. As of June 30, 2022, \$10,892,530 of the Town's bank balance of \$12,297,446 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 9,803,277
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	1,089,253
	\$ 10,892,530

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits (Continued)

Custodial Credit Risk (Continued)

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, 2022 is as follows:

Government-wide statement of net position:	
Investments	\$ 1,331,810
Statement of fiduciary net position:	
Investments	<u>12,586,446</u>
	13,918,256
Add: cash equivalents considered investments for disclosure purposes	<u>5,169,596</u>
	<u><u>\$ 19,087,852</u></u>

As of June 30, 2022, 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	\$ 4,583,485	\$ 4,583,485	\$ -	\$ -	\$ -
<i>Permanent Funds:</i>						
Money market mutual funds	Amortized cost	151,596	151,596	-	-	-
Fixed income securities	Fair value	185,892	46,392	139,500	-	-
<i>Fiduciary Funds:</i>						
Money market mutual funds	Amortized cost	434,515	434,515	-	-	-
U.S. Treasury securities	Fair value	512,959	1,582	384,537	126,840	-
U.S. Agency securities	Fair value	92,629	-	-	-	92,629
Fixed income securities	Fair value	2,662,158	605,375	1,972,959	65,117	18,707
		<u>8,623,234</u>	<u>\$ 5,822,945</u>	<u>\$ 2,496,996</u>	<u>\$ 191,957</u>	<u>\$ 111,336</u>
Other investments:						
<i>Permanent Funds:</i>						
Equity securities	Fair value	1,145,918				
<i>Fiduciary Funds:</i>						
Equity securities	Fair value	9,261,855				
Certificates of deposit	Amortized cost	56,845				
		<u>\$ 19,087,852</u>				

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Investments (Continued)

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. 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, 2022:

<u>Investment type</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>Unrated</u>	<u>Total</u>
Debt Securities:						
<i>Governmental Activities</i>						
<i>(excluding Permanent Funds):</i>						
Short-term Investment Fund	\$ 4,583,485	\$ -	\$ -	\$ -	\$ -	\$ 4,583,485
<i>Permanent Funds:</i>						
Money market mutual funds	-	-	-	-	151,596	151,596
Fixed income securities	-	12,318	97,122	76,452	-	185,892
<i>Fiduciary Funds:</i>						
Money market mutual funds	-	-	-	-	434,515	434,515
U.S. Agency securities	-	92,629	-	-	-	92,629
Fixed income securities	66,897	219,133	823,112	1,543,525	9,491	2,662,158
	<u>\$ 4,650,382</u>	<u>\$ 324,080</u>	<u>\$ 920,234</u>	<u>\$ 1,619,977</u>	<u>\$ 595,602</u>	8,110,275
				U.S. Treasury securities		512,959
						<u>\$ 8,623,234</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Investments (Continued)

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, 2022, 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, 2022, 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. Additional disclosures regarding concentration of credit risks related to the Town's pension and OPEB trust funds have been disclosed in Note 8 & 10.

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, 2022, 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	\$ -	\$ 185,892	\$ -	\$ 185,892
Equity securities	1,145,918	-	-	1,145,918
<i>Fiduciary Funds:</i>				
U.S. Treasury securities	512,959	-	-	512,959
U.S. Agency securities	-	92,629	-	92,629
Fixed income securities	-	2,662,158	-	2,662,158
Equity securities	9,261,855	-	-	9,261,855
	<u>\$ 10,920,732</u>	<u>\$ 2,940,679</u>	<u>\$ -</u>	<u>13,861,411</u>
		Investments measured at a amortized cost		<u>5,226,441</u>
				<u>\$ 19,087,852</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3 - FAIR VALUE MEASUREMENTS *(Continued)*

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.

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.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases Transfers</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 6,322,158	\$ -	\$ -	\$ 6,322,158
Construction in progress	84,560	441,491	-	526,051
Total capital assets, not being depreciated	<u>6,406,718</u>	<u>441,491</u>	<u>-</u>	<u>6,848,209</u>
Capital assets, being depreciated:				
Buildings and improvements	66,121,330	217,399	-	66,338,729
Vehicles, machinery and equipment	11,536,226	568,277	-	12,104,503
Infrastructure	24,799,797	-	-	24,799,797
Total capital assets, being depreciated	<u>102,457,353</u>	<u>785,676</u>	<u>-</u>	<u>103,243,029</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(32,546,277)	(1,211,182)	-	(33,757,459)
Vehicles, machinery and equipment	(7,304,283)	(675,256)	-	(7,979,539)
Infrastructure	(10,824,390)	(465,429)	-	(11,289,819)
Total accumulated depreciation and amortization	<u>(50,674,950)</u>	<u>(2,351,867)</u>	<u>-</u>	<u>(53,026,817)</u>
Total capital assets, being depreciated, net	<u>51,782,403</u>	<u>(1,566,191)</u>	<u>-</u>	<u>50,216,212</u>
Governmental activities capital assets, net	<u>\$ 58,189,121</u>	<u>\$ (1,124,700)</u>	<u>\$ -</u>	<u>\$ 57,064,421</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4 - CAPITAL ASSETS *(Continued)*

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

Governmental Activities:		
General government	\$	78,187
Public safety		235,122
Public works		661,829
Sanitation		12,702
Health and social services		21,793
Library		117,765
Culture and recreation		121,775
Education		<u>1,102,694</u>
Total depreciation and amortization expense - governmental activities		<u><u>\$ 2,351,867</u></u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2022 are as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General Fund	Nonmajor Governmental Funds COVID Relief Fund	\$ 1,267,224 <u>152,442</u> 1,419,666
Capital Project Fund	General Fund	1,021,107
Nonmajor Governmental Funds	General Fund	<u>224,676</u>
		<u><u>\$ 2,665,449</u></u>
Proprietary Funds:		
Internal Service Fund	General Fund	<u>\$ 8,976</u>

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made.

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022 consisted of the following:

Transfers In	Transfers Out	Amount
Governmental Funds		
General Fund	Nonmajor Governmental Funds Capital Project Fund	\$ 420,000 <u>172,158</u> 592,158
Capital Project Fund	Nonmajor Governmental Funds	18,500
Nonmajor Governmental Funds	General Fund Nonmajor Governmental Funds	377,500 <u>89,248</u> <u>466,748</u>
		<u><u>\$ 905,248</u></u>

TOWN OF SOMERS, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 - INTERFUND TRANSFERS *(Continued)*

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

NOTE 7 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2022, are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 16,725,000	\$ -	\$ (975,000)	\$ 15,750,000	\$ 1,320,000
Unamortized premiums	994,321	-	(157,154)	837,167	-
Total bonds payable	17,719,321	-	(1,132,154)	16,587,167	1,320,000
Financed purchases	861,262	338,095	(402,105)	797,252	264,353
Compensated absences	1,258,452	826,508	(1,109,105)	975,855	329,108
Landfill post closure care liability	56,000	-	(14,000)	42,000	14,000
Net pension liability <i>(see Note 8)</i>	-	888,319	-	888,319	-
Net OPEB liability <i>(see Note 10)</i>	1,787,767	170,892	-	1,958,659	-
	<u>\$ 21,682,802</u>	<u>\$ 2,223,814</u>	<u>\$ (2,657,364)</u>	<u>\$ 21,249,252</u>	<u>\$ 1,927,461</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.

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:

Governmental Activities	Fiscal Year of Issue	Original Issue	Interest Rates	Maturity Date	Amount Outstanding
Bonds Payable					
General Obligation Refunding Bonds	2013	\$ 7,610,000	2.0% - 3.0%	8/2027	\$ 3,015,000
General Obligation Bonds	2015	5,320,000	2.0% - 4.0%	11/2034	3,330,000
General Obligation Bonds	2020	9,405,000	2.0% - 4.0%	10/2041	9,405,000
					<u>\$ 15,750,000</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 4.0% through various maturity dates.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Advance Refundings

The Town has refunded general obligation bonds in prior years. At June 30, 2022, \$2,900,000 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 \$36,841 for the year ended June 30, 2022.

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, 2022.

Authorized and unissued debt as of June 30, 2022 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
2023	\$ 1,320,000	\$ 417,838	\$ 264,353	\$ 17,733
2024	1,320,000	378,538	250,291	11,258
2025	1,300,000	337,600	163,196	5,423
2026	1,005,000	300,762	16,754	2,545
2027	1,015,000	279,756	17,135	2,164
2028-2032	3,960,000	913,650	85,523	21,415
2033-2037	3,460,000	410,937	-	-
2038-2042	2,370,000	106,000	-	-
	<u>\$ 15,750,000</u>	<u>\$ 3,145,081</u>	<u>\$ 797,252</u>	<u>\$ 60,538</u>

TOWN OF SOMERS, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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 5 years are estimated to be \$42,000. 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. As of and for the year ended June 30, 2022, 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	\$ 146,435	\$ -	\$ 257,026	\$ 217,437	\$ -	\$ 59,909
Board of Education Employees' Plan	-	888,319	506,363	153,028	-	121,649
Volunteer Firefighters Incentive Plan	44,692	-	5,081	21,543	-	(448)
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	-	2,635,087	2,635,087
	<u>\$ 191,127</u>	<u>\$ 888,319</u>	<u>\$ 768,470</u>	<u>\$ 392,008</u>	<u>\$ 2,635,087</u>	<u>\$ 2,816,197</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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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)*

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, 2022. As of June 30, 2022, 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, 2022, 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 -8.28%, -12.10% and -6.17%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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:

	Town Plan	Board of Education Plan	Firefighters' Plan
Retired participants and beneficiaries receiving benefits	11	33	15
Terminated members entitled to, but not yet receiving benefits	11	9	27
Active members	38	47	61
	60	89	103

Benefit Provisions

Town Plan

All Town employees who are not governed by a collective bargaining agreement, under which retirement benefits were the subject of good faith bargaining, are eligible to participate in the plan. Benefits vest after 5 years of service. Normal retirement date is the participant's 65th birthday or the 5th anniversary of joining the plan, if later. Pension benefits for normal retirement under the plan are based on the average annual earnings received during the five consecutive plan years immediately preceding the date on which the participants' employment terminates. The participant's monthly benefit shall be equal to 1.67% of the average monthly compensation multiplied by the total number of years of employment with the Town (limited to 25 years). The plan permits early retirement for participants at age 55 with 10 years of service. Benefits for early retirement shall be equal to the present value of the participants' accrued benefit. Prior to September 1, 2011, non-union participants contributed 1% and union participants contributed 2.0% 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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

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

Benefit Provisions *(Continued)*

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.

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.

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, 2022, employer contributions to the Town Plan represented approximately 5.71% of covered payroll.

For the year ended June 30, 2022, employer contributions to the Board of Education Plan represented approximately 9.29% of covered payroll.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS (Continued)

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

Net Pension Liability (Assets)

The components of the Town's net pension liability (asset) for each plan as of June 30, 2022 were as follows:

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
Total pension liability	\$ 5,459,280	\$ 6,738,585	\$ 366,543
Plan fiduciary net position	5,605,715	5,850,266	411,235
Town's net pension liability (assets)	<u>\$ (146,435)</u>	<u>\$ 888,319</u>	<u>\$ (44,692)</u>
Plan fiduciary net position as a percentage of the total pension liability	102.68%	86.82%	112.19%

The components of the Town's changes in the net pension liability (asset) for each of the plans for the year ended June 30, 2022 were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Town Plan			
Balance as of June 30, 2021	\$ 5,103,237	\$ 6,123,824	\$ (1,020,587)
Changes for the year:			
Service cost	256,956	-	256,956
Interest	340,771	-	340,771
Actuarial (gains) losses	(2,809)	-	(2,809)
Contributions	-	250,153	(250,153)
Net investment income	-	(529,387)	529,387
Benefit payments, including refunds	(238,875)	(238,875)	-
Net changes	<u>356,043</u>	<u>(518,109)</u>	<u>874,152</u>
Balance as of June 30, 2022	<u>\$ 5,459,280</u>	<u>\$ 5,605,715</u>	<u>\$ (146,435)</u>
Board of Education Plan			
Balance as of June 30, 2021	\$ 6,501,455	\$ 6,729,432	\$ (227,977)
Changes for the year:			
Service cost	186,280	-	186,280
Interest	382,343	-	382,343
Actuarial (gains) losses	5,803	-	5,803
Contributions	-	278,217	(278,217)
Net investment income	-	(813,737)	813,737
Benefit payments, including refunds	(337,296)	(337,296)	-
Administrative expenses	-	(6,350)	6,350
Net changes	<u>237,130</u>	<u>(879,166)</u>	<u>1,116,296</u>
Balance as of June 30, 2022	<u>\$ 6,738,585</u>	<u>\$ 5,850,266</u>	<u>\$ 888,319</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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)*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Firefighters' Plan			
Balance as of June 30, 2021	\$ 346,877	\$ 446,085	\$ (99,208)
Changes for the year:			
Service cost	9,036	-	9,036
Interest	22,746	-	22,746
Actuarial (gains) losses	-	-	-
Contributions	-	6,034	(6,034)
Net investment income	-	(28,768)	28,768
Benefit payments, including refunds	(12,116)	(12,116)	-
Net changes	19,666	(34,850)	54,516
Balance as of June 30, 2022	\$ 366,543	\$ 411,235	\$ (44,692)

Actuarial assumptions - The total pension liabilities were determined by actuarial valuations as of July 1, 2021 for the Town Plan, as of July 1, 2020 for the Volunteer Firefighters' Plan, and as of July 1, 2020 for the Board of Education Plan, using the following actuarial assumptions, applied to all periods included in the measurement:

	Town Plan	Board of Education Plan	Firefighters' Plan
Inflation	3.0%	2.4%	2.4%
Salary increases (average, including inflation)	4.0%	3.5%	Not applicable
Investment rate of return (net of investment expense)	6.5%	6.0%	6.5%

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, projected to the date of decrement using Scale MP-2020 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-2020 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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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)*

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, 2022 are summarized in the following table:

Asset Class	Target Allocation			Long-term Expected Real Rate of Return		
	Town	Board of	Firefighters'	Town	Board of	Firefighters'
	Plan	Education Plan	Plan	Plan	Education Plan	Plan
Equity	60%	65%	60%	3.4%	5.7%	5.7%
Fixed income	37%	30%	37%	0.7%	1.2%	1.2%
Cash	3%	5%	3%	0.0%	0.0%	0.0%
Long-term inflation				4.1%	4.0%	3.4%
				2.4%	2.4%	2.4%
				6.5%	6.4%	5.8%

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

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)	\$ 492,020	\$ (146,435)	\$ (688,614)
Board of Education Plan - Net pension liability (liability)	1,574,327	888,319	300,366
Firefighters' Plan - Net pension liability (asset)	11,957	(44,692)	(89,850)
	<u>\$ 2,078,304</u>	<u>\$ 697,192</u>	<u>\$ (478,098)</u>

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, the Town recognized total pension expense of \$181,110, including \$59,909 for the Town Plan, \$121,649 for the Board of Education Plan and \$(448) for the Volunteer Firefighters' Plan.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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)*

At June 30, 2022, the Town reported deferred outflows and inflows of resources related to each plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferrals</u>
Town Plan			
Net difference between projected and actual earnings on pension plan investments	\$ 142,359	\$ -	\$ 142,359
Differences between expected and actual experience	36,199	(175,826)	(139,627)
Changes of assumptions	78,468	(41,611)	36,857
	<u>257,026</u>	<u>(217,437)</u>	<u>39,589</u>
Board of Education Plan			
Net difference between projected and actual earnings on pension plan investments	351,627	-	351,627
Differences between expected and actual experience	50,534	(107,798)	(57,264)
Changes of assumptions	104,202	(45,230)	58,972
	<u>506,363</u>	<u>(153,028)</u>	<u>353,335</u>
Firefighters' Plan			
Net difference between projected and actual earnings on pension plan investments	552	-	552
Differences between expected and actual experience	96	(19,454)	(19,358)
Changes of assumptions	4,433	(2,089)	2,344
	<u>5,081</u>	<u>(21,543)</u>	<u>(16,462)</u>
Total	<u>\$ 768,470</u>	<u>\$ (392,008)</u>	<u>\$ 376,462</u>

Amounts reported as deferred outflows and inflows of resources related each plan will be recognized as a component of pension expense in future years as follows:

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>	<u>Total</u>
Year ended June 30,				
2023	\$ (50,666)	\$ 31,046	\$ (5,726)	\$ (25,346)
2024	(20,094)	32,916	(3,376)	9,446
2025	(53,528)	41,226	(6,222)	(18,524)
2026	165,611	253,519	9,677	428,807
2027	(8,532)	(3,031)	(1,574)	(13,137)
Thereafter	6,798	(2,341)	(9,241)	(4,784)
Total	<u>\$ 39,589</u>	<u>\$ 353,335</u>	<u>\$ (16,462)</u>	<u>\$ 376,462</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

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

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, 2022.

	Town Plan	Board of Education Plan	Firefighters' Plan
Assets			
Cash and cash equivalents	\$ 251,102	\$ 227,577	\$ 13,896
Investments	5,483,874	5,612,073	399,890
Accrued income receivable	6,581	10,616	-
Total assets	5,741,557	5,850,266	413,786
Liabilities			
Accounts payable	135,842	-	2,551
Total liabilities	135,842	-	2,551
Net Position			
Restricted for pension benefits	\$ 5,605,715	\$ 5,850,266	\$ 411,235
Additions			
Contributions:			
Employer	\$ 137,368	\$ 198,138	\$ 6,034
Plan members	112,785	80,079	-
Total contributions	250,153	278,217	6,034
Investment earnings:			
Interest and dividends	143,691	134,792	8,669
Net change in the fair value of investments, net of investment fees	(673,078)	(948,529)	(37,437)
Total investment earnings, net	(529,387)	(813,737)	(28,768)
Total additions	(279,234)	(535,520)	(22,734)
Deductions			
Benefit payments	238,875	337,296	12,116
Administrative expenses	-	6,350	-
Total deductions	238,875	343,646	12,116
Change in net position	(518,109)	(879,166)	(34,850)
Net Position Restricted for Pension Benefits			
Beginning	6,123,824	6,729,432	446,085
Ending	\$ 5,605,715	\$ 5,850,266	\$ 411,235

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

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.

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% 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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

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 - Effective January 1, 2018, the required contribution increased to 7.0% of pensionable salary.

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, 2021. The net pension liability at June 30, 2021 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 0.273% as of the most recent measurement date.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2021, 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>\$ 14,926,263,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.273%	<u>\$ 40,821,000</u>

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$3,418,098 or 0.273% 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, 2021.

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 \$2,635,087 or 0.273% 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, 2022.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, 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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Actuarial Assumptions *(Continued)*

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%.

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.0%	5.6%
Developed Market Intl. Stock Fund	11.0%	6.0%
Emerging Market Intl. Stock Fund	9.0%	7.9%
Core Fixed Income Fund	16.0%	2.1%
Inflation Linked Bond Fund	5.0%	1.1%
Emerging Market Debt Fund	5.0%	2.7%
High Yield Bond Fund	6.0%	4.0%
Real Estate Fund	10.0%	4.5%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	2.9%
Liquidity Fund	1.0%	0.4%
	100%	

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

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

Volunteer Firefighters' Deferred Compensation Plan

The Town offers its full-time 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 participant's base wages in addition to accumulated sick time earned up to five days. 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 \$28,900 for the year ended June 30, 2022.

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 approximately \$25,000 for the year ended June 30, 2022.

TOWN OF SOMERS, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, 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	\$ 1,958,659	\$ 318,440	\$ 600,756	\$ -	\$ 63,897
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	(164,227)	(164,227)
	\$ 1,958,659	\$ 318,440	\$ 600,756	\$ (164,227)	\$ (100,330)

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.

Plan membership - As of July 1, 2020, the date of the most recent actuarial valuation, membership data was as follows:

Active plan members	223
Retirees and beneficiaries receiving benefits	19
	242

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, 2022, the amount contributed towards OPEB benefits totaled \$243,413 of which \$32,300 was contributed directly into the OPEB Trust.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

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.

Rate of return - For the year ended June 30, 2022, the annual money-weighted rate of return on OPEB plan investments, net of investment expense, was -12.86%. 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, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

The components of the Town's net OPEB liability for the OPEB Plan at June 30, 2022 were as follows:

Total OPEB liability	\$ 3,060,998
Plan fiduciary net position	<u>1,102,339</u>
Town's net OPEB liability	<u><u>\$ 1,958,659</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	36.01%

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

Net OPEB Liability *(Continued)*

The components of the change in the Town's net OPEB liability for the OPEB Plan for the year ended June 30, 2022 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2021	\$ 3,017,169	\$ 1,229,402	\$ 1,787,767
Changes for the year:			
Service cost	35,932	-	35,932
Interest	175,843	-	175,843
Actuarial (gains) losses	80,451	-	80,451
Changes in assumptions	-	-	-
Contributions - employer	-	243,413	(243,413)
Contributions - TRB subsidies	-	37,284	(37,284)
Net investment income	-	(159,363)	159,363
Benefit payments, including refunds	(248,397)	(248,397)	-
Net changes	43,829	(127,063)	170,892
Balance as of June 30, 2022	<u>\$ 3,060,998</u>	<u>\$ 1,102,339</u>	<u>\$ 1,958,659</u>

Actuarial Assumptions - The total OPEB liability in the July 1, 2020 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 2020 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- 2019.

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

Net OPEB Liability *(Continued)*

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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-term Expected Rate of Return</u>
Equity	65.0%	5.7%
Fixed income	30.0%	1.2%
Cash	5.0%	0.0%
	100.0%	4.0%
Long-term inflation		2.4%
		<u>6.4%</u>

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.

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%):

	<u>Discount Rates</u>		
	<u>-1.0%</u>	<u>Current</u>	<u>+1.0%</u>
Net OPEB liability	\$ 2,273,563	\$ 1,958,659	\$ 1,687,266

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:

	<u>Healthcare Cost Trend Rates</u>		
	<u>-1.0%</u>	<u>Current</u>	<u>+1.0%</u>
Net OPEB liability	\$ 1,622,566	\$ 1,958,659	\$ 2,353,489

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

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, 2022.

	Board of Education Plan
Assets	
Cash and cash equivalents	\$ 28,928
Investments	<u>1,073,411</u>
Total assets	<u>1,102,339</u>
Net Position	
Restricted for OPEB benefits	<u>\$ 1,102,339</u>
Additions	
Contributions:	
Employer	\$ 32,300
Total contributions	<u>32,300</u>
Investment earnings:	
Interest and dividends	24,463
Net change in the fair value of investments, net of investment fees	<u>(183,825)</u>
Total investment earnings, net	<u>(159,362)</u>
Total additions	<u>(127,062)</u>
Deductions	
Benefit payments	-
Administrative expenses	<u>-</u>
Total deductions	<u>-</u>
Change in net position	(127,062)
Net Position	
Beginning	<u>1,229,402</u>
Ending	<u>\$ 1,102,340</u>

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, the Town recognized OPEB expense of \$63,897.

TOWN OF SOMERS, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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)*

As of June 30, 2022, 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	\$ 72,567	\$ -	\$ 72,567
Differences between expected and actual experience	135,690	(501,034)	(365,344)
Changes of assumptions	110,183	(99,722)	10,461
Total	\$ 318,440	\$ (600,756)	\$ (282,316)

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as a component of OPEB expense as follows:

Year ended June 30,	
2023	\$ (36,021)
2024	(36,177)
2025	(36,544)
2026	2,414
2027	(44,403)
Thereafter	(131,585)
Total	\$ (282,316)

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Connecticut Teachers' Retirement System *(Continued)*

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.

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.

TOWN OF SOMERS, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Connecticut Teachers' Retirement System *(Continued)*

Basis of Presentation

The components associated with other postemployment benefits (OPEB) 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, 2021. The net pension liability at June 30, 2021 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 0.273% 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, 2021, 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>\$ 1,626,189,000</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	0.273%	<u>\$ 4,447,000</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Connecticut Teachers' Retirement System *(Continued)*

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$80,434 or 0.273% 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, 2022.

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 \$(164,227) or 0.273% of the total collective OPEB expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2022.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 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	5.125% for 2020 decreasing to an ultimate rate of 4.50% by 2023

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.

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.

TOWN OF SOMERS, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return *(Continued)*

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	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	-0.42%	1.78%

Discount Rate

The discount rate used to measure the total OPEB liability was 2.17%. 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, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020 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 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, unassigned fund balance in the General Fund represented 2.2 months of the Town's fiscal year 2013 General Fund budgetary expenditure appropriations.

The components of fund balance for the governmental funds at June 30, 2022 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>COVID Relief Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:					
Library	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000
Prepaid items	70,190	-	-	-	70,190
	<u>70,190</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>145,190</u>
Restricted for:					
Capital purposes - School improvements	-	1,253,988	-	-	1,253,988
Capital purposes - Roads and bridges	-	891,772	-	-	891,772
Repayment of debt	-	458,176	-	-	458,176
Library operations	-	-	-	645,126	645,126
Cemetery operations	-	-	-	1,026,202	1,026,202
Open space	-	-	-	258,305	258,305
Education programs	-	-	-	200,592	200,592
Other	-	-	1,470	-	1,470
	<u>-</u>	<u>2,603,936</u>	<u>1,470</u>	<u>2,130,225</u>	<u>4,735,631</u>
Committed to:					
Sewer operations	-	-	-	378,421	378,421
Ambulance operations	-	-	-	597,557	597,557
Capital purposes	-	289,806	-	-	289,806
Education programs	-	-	-	223,664	223,664
Separation benefits	18,363	-	-	-	18,363
Other purposes	11,900	-	-	151,318	163,218
	<u>30,263</u>	<u>289,806</u>	<u>-</u>	<u>1,350,960</u>	<u>1,671,029</u>
Assigned to:					
Use in fiscal year 2023 budget	75,000	-	-	-	75,000
Unassigned	6,837,496	-	-	(179,256)	6,658,240
	<u>\$ 7,012,949</u>	<u>\$ 2,893,742</u>	<u>\$ 1,470</u>	<u>\$ 3,376,929</u>	<u>\$ 13,285,090</u>

Deficit Fund Balances

The Capital and Nonrecurring Fund and the Recreation Commission Fund, nonmajor governmental funds, have deficit fund balances as of June 30, 2022. These deficits do not constitute a violation of statutory provisions. The deficits are expected to be eliminated through future program revenues and or budgetary transfers in from the General Fund.

TOWN OF SOMERS, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. In addition, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

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

Workers' Compensation Pool

The Town is a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

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.

Self-Insured Dental Benefits

The Town provides dental coverage to employees of the Board of Education through a self-insured plan. The Town retains the risk of loss under the plan. Claims are processed by a third party administrator. The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2022. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

A summary of claims activity for the years ended June 30, 2022 and 2021 is as follows:

<u>Year Ended June 30</u>	<u>Claims Payable, Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable, End of Year</u>
2022	\$ 3,308	\$ 165,786	\$ 165,634	\$ 3,460
2021	3,501	171,230	171,423	3,308

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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.

**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, 2022

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 24,909,216	\$ 24,909,216	\$ 24,858,665	\$ (50,551)
Intergovernmental	8,306,604	8,306,604	8,843,089	536,485
Charges for services	858,600	858,600	1,098,239	239,639
Investment income	20,000	20,000	39,498	19,498
Total revenues	<u>34,094,420</u>	<u>34,094,420</u>	<u>34,839,491</u>	<u>745,071</u>
EXPENDITURES				
Current:				
General government	3,083,192	3,085,668	3,081,110	(4,558)
Public safety	1,936,989	1,866,462	1,863,490	(2,972)
Public works	1,583,704	1,621,397	1,621,397	-
Sanitation	655,609	693,253	691,761	(1,492)
Health and social services	195,332	210,464	210,164	(300)
Library	496,480	494,164	494,164	-
Culture and recreation	167,009	166,244	165,659	(585)
Education	25,239,742	25,239,742	25,225,409	(14,333)
Other	20,000	4,326	(25)	(4,351)
Debt service	1,557,188	1,557,188	1,557,188	-
Total expenditures	<u>34,935,245</u>	<u>34,938,908</u>	<u>34,910,317</u>	<u>(28,591)</u>
Excess (deficiency) of revenues over expenditures	(840,825)	(844,488)	(70,826)	773,662
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	623,667	767,386	-	(767,386)
Transfers in	592,158	592,158	592,158	-
Transfers out	(375,000)	(515,056)	(515,056)	-
Total other financing sources (uses)	<u>840,825</u>	<u>844,488</u>	<u>77,102</u>	<u>(767,386)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,276</u>	<u>\$ 6,276</u>

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 NINE FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 256,956	\$ 247,073	\$ 252,025	\$ 242,331	\$ 229,981	\$ 221,135	\$ 182,897	\$ 169,099	\$ 162,595
Interest	340,771	316,711	285,657	260,419	250,831	226,607	211,827	190,542	171,627
Actuarial (gains) losses	(2,809)	-	94,402	-	(233,420)	-	(152,472)	-	-
Benefit payments, including refunds	(238,875)	(169,225)	(130,198)	(118,278)	(106,400)	(62,075)	(44,496)	(47,364)	(52,004)
Net change in total pension liability	356,043	394,559	501,886	384,472	140,992	385,667	197,756	312,277	282,218
Total pension liability - beginning	5,103,237	4,708,678	4,206,792	3,822,320	3,681,328	3,295,661	3,097,905	2,785,628	2,503,410
Total pension liability - ending	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
Plan net position									
Contributions - employer	137,368	132,085	118,227	113,680	95,000	114,281	137,126	131,852	186,330
Contributions - members	112,785	111,969	113,265	118,737	114,982	101,721	104,933	69,948	79,388
Net investment income	(529,387)	1,327,315	120,525	413,354	212,193	283,987	13,638	187,253	377,680
Benefit payments, including refunds	(238,875)	(169,225)	(130,198)	(118,278)	(106,400)	(62,075)	(44,496)	(47,364)	(52,004)
Administrative expenses	-	-	-	(644)	(478)	(1,451)	(3,196)	-	-
Net change in plan net position	(518,109)	1,402,144	221,819	526,849	315,297	436,463	208,005	341,689	591,394
Plan net position - beginning	6,123,824	4,721,680	4,499,861	3,973,012	3,657,715	3,221,252	3,013,247	2,671,558	2,080,164
Plan net position - ending	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
Town's net pension (asset) liability	\$ (146,435)	\$ (1,020,587)	\$ (13,002)	\$ (293,069)	\$ (150,692)	\$ 23,613	\$ 74,409	\$ 84,658	\$ 114,070
Plan net pension as percentage of total pension liability	102.7%	120.0%	100.3%	107.0%	103.9%	99.4%	97.7%	97.3%	95.9%
Covered payroll	\$ 2,405,455	\$ 2,413,777	\$ 2,320,939	\$ 2,262,289	\$ 2,175,278	\$ 1,971,124	\$ 1,422,470	\$ 1,367,760	\$ 1,367,760
Town net pension (asset) liability as a percentage of covered payroll	-6.1%	-42.3%	-0.6%	-13.0%	-6.9%	1.2%	5.2%	6.2%	8.3%

* 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 CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS - PENSION -
BOARD OF EDUCATION EMPLOYEES' PENSION PLAN (UNAUDITED)
LAST NINE FISCAL YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability									
Service cost	\$ 186,280	\$ 195,611	\$ 181,706	\$ 178,892	\$ 172,012	\$ 185,360	\$ 142,155	\$ 188,446	\$ 183,963
Interest	382,343	380,274	357,357	342,577	334,152	307,379	298,952	285,926	284,622
Actuarial (gains) losses	5,803	(39,350)	148,900	510	(108,369)	25,742	(81,477)	(41,393)	(165,334)
Benefit payments, including refunds	(337,296)	(349,627)	(291,121)	(266,131)	(262,441)	(228,164)	(218,122)	(205,772)	(179,476)
Net change in total pension liability	237,130	186,908	396,842	255,848	135,354	290,317	141,508	227,207	123,775
Total pension liability - beginning	6,501,455	6,314,547	5,917,705	5,661,857	5,526,503	5,236,186	5,094,678	4,867,471	4,743,696
Total pension liability - ending	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
Plan net position									
Contributions - employer	198,138	210,321	213,928	243,276	243,276	268,290	279,225	246,409	256,031
Contributions - members	80,079	78,237	78,372	75,815	65,893	57,499	55,390	54,183	56,031
Net investment income	(813,737)	1,379,998	262,130	291,599	210,621	393,333	60,843	43,794	386,335
Benefit payments, including refunds	(337,296)	(349,627)	(291,121)	(266,131)	(262,441)	(228,164)	(218,122)	(205,772)	(179,476)
Administrative expenses	(6,350)	(2,393)	(2,662)	(2,903)	(20,212)	(3,504)	(5,012)	(47,489)	(12,516)
Net change in plan net position	(879,166)	1,316,536	260,647	341,656	237,137	487,454	172,324	91,125	506,405
Plan net position - beginning	6,729,432	5,412,896	5,152,249	4,810,593	4,573,456	4,086,002	3,913,678	3,822,553	3,316,148
Plan net position - ending	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
Town's net pension liability (asset)	\$ 888,319	\$ (227,977)	\$ 901,651	\$ 765,456	\$ 851,264	\$ 953,047	\$ 1,150,184	\$ 1,181,000	\$ 1,044,918
Plan net pension as percentage of total pension liability (asset)	86.8%	103.5%	85.7%	87.1%	85.0%	82.8%	78.0%	76.8%	78.5%
Covered payroll	\$ 2,133,354	\$ 2,046,238	\$ 2,046,966	\$ 1,881,109	\$ 1,687,217	\$ 1,622,324	\$ 1,515,260	\$ 1,642,588	\$ 1,558,932
Town net pension liability (asset) as a percentage of covered payroll	41.6%	-11.1%	44.0%	40.7%	50.5%	58.7%	75.9%	71.9%	67.0%

* 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 CHANGES IN THE TOWN'S NET PENSION ASSET AND RELATED RATIOS - PENSION -
VOLUNTEER FIREFIGHTERS' PENSION PLAN (UNAUDITED)
LAST NINE FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 9,036	\$ 6,723	\$ 6,723	\$ 7,507	\$ 7,507	\$ 6,048	\$ 6,048	\$ 6,048	\$ 6,092
Interest	22,746	22,762	21,990	21,552	20,955	20,273	18,236	18,928	18,377
Actuarial (gains) losses	-	(17,582)	-	(3,454)	-	306	-	408	-
Benefit payments, including refunds	(12,116)	(16,711)	(16,946)	(19,189)	(19,370)	(15,885)	(14,050)	(13,996)	(17,836)
Net change in total pension liability	19,666	(4,808)	11,767	6,416	9,092	10,742	10,234	11,388	6,633
Total pension liability - beginning	346,877	351,685	339,918	333,502	324,410	313,668	303,434	292,046	285,413
Total pension liability - ending	366,543	346,877	351,685	339,918	333,502	324,410	313,668	303,434	292,046
Plan net position									
Contributions - employer	6,034	5,921	5,921	5,215	5,215	2,380	2,380	11,577	11,577
Contributions - members	-	-	-	-	-	-	-	-	-
Net investment income	(28,768)	101,202	8,350	33,205	16,544	22,905	4,864	13,442	72,286
Benefit payments, including refunds	(12,116)	(16,711)	(16,946)	(19,189)	(19,370)	(15,885)	(14,050)	(13,996)	(17,836)
Administrative expenses	-	-	-	-	(224)	(40)	(117)	-	-
Net change in plan net position	(34,850)	90,412	(2,675)	19,231	2,165	9,360	(6,923)	11,023	66,027
Plan net position - beginning	446,085	355,673	358,348	339,117	336,952	327,592	334,515	323,492	257,465
Plan net position - ending	411,235	446,085	355,673	358,348	339,117	336,952	327,592	334,515	323,492
Town's net pension asset	\$ (44,692)	\$ (99,208)	\$ (3,988)	\$ (18,430)	\$ (5,615)	\$ (12,542)	\$ (13,924)	\$ (31,081)	\$ (31,446)
Plan net pension as percentage of total pension liability	112.2%	128.6%	101.1%	105.4%	101.7%	103.9%	104.4%	110.2%	110.8%

* 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 - PENSION -
TOWN EMPLOYEES' PENSION PLAN (UNAUDITED)
LAST NINE FISCAL YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 137,368	\$ 132,085	\$ 118,227	\$ 113,680	\$ 118,852	\$ 114,281	\$ 137,126	\$ 131,852	\$ 186,330
Contributions in relation to actuarially determined contribution	<u>137,368</u>	<u>132,085</u>	<u>118,227</u>	<u>113,680</u>	<u>95,000</u>	<u>114,281</u>	<u>137,126</u>	<u>131,852</u>	<u>186,330</u>
Excess (deficiency) of contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,405,455	\$ 2,413,777	\$ 2,320,939	\$ 2,262,289	\$ 2,175,278	\$ 1,971,124	\$ 1,422,470	\$ 1,367,760	\$ 1,367,760
Contributions as a percentage of covered payroll	5.71%	5.47%	5.09%	5.02%	4.37%	5.80%	9.64%	9.64%	13.62%
Annual money-weighted rate of return, net of investment expense	-8.28%	28.11%	2.81%	10.37%	5.80%	8.72%	3.84%	6.73%	16.77%

* 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 - PENSION -
BOARD OF EDUCATION EMPLOYEES' PENSION PLAN (UNAUDITED)
LAST NINE FISCAL YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 198,138	\$ 210,321	\$ 213,928	\$ 243,276	\$ 243,276	\$ 268,290	\$ 331,755	\$ 300,592	\$ 312,031
Contributions in relation to actuarially determined contribution	<u>198,138</u>	<u>210,321</u>	<u>213,928</u>	<u>243,276</u>	<u>243,276</u>	<u>268,290</u>	<u>325,789</u>	<u>300,592</u>	<u>312,270</u>
Excess (deficiency) of contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,966)</u>	<u>\$ -</u>	<u>\$ 239</u>
Covered payroll	\$ 2,133,354	\$ 2,046,238	\$ 2,046,966	\$ 1,881,109	\$ 1,687,217	\$ 1,622,324	\$ 1,515,260	\$ 1,642,588	\$ 1,558,932
Contributions as a percentage of covered payroll	9.29%	10.28%	10.45%	14.42%	14.42%	16.54%	21.50%	18.30%	20.03%
Annual money-weighted rate of return, net of investment expense	-12.10%	25.75%	5.11%	6.09%	4.71%	9.08%	1.52%	1.16%	13.80%

* 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 - PENSION -
VOLUNTEER FIREFIGHTERS' PENSION PLAN (UNAUDITED)
LAST NINE FISCAL YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 6,034	\$ 5,921	\$ 5,921	\$ 5,215	\$ 5,215	\$ 2,380	\$ 2,380	\$ 11,577	\$ 11,577
Contributions in relation to actuarially determined contribution	<u>6,034</u>	<u>5,921</u>	<u>5,921</u>	<u>5,215</u>	<u>5,215</u>	<u>2,380</u>	<u>2,380</u>	<u>11,577</u>	<u>11,577</u>
Excess (deficiency) of contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Annual money-weighted rate of return, net of investment expense	-6.17%	29.06%	2.48%	10.06%	5.04%	7.13%	1.90%	4.20%	28.48%

* 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 PENSION LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST EIGHT FISCAL YEARS*
(Rounded to nearest thousand)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
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%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	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>\$ 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	\$ 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%
Plan fiduciary net position as a percentage of the total collective pension liability	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

* 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 CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST FOUR FISCAL YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OEPB liability				
Service cost	\$ 35,932	\$ 29,506	\$ 27,775	\$ 42,290
Interest	175,843	170,405	167,628	216,390
Actuarial (gains) losses	80,451	(173)	79,320	(719,208)
Changes in assumptions	-	129,179	-	(143,554)
Benefit payments, including refunds	(248,397)	(241,125)	(219,526)	(169,438)
Net change in total OPEB liability	43,829	87,792	55,197	(773,520)
Total OPEB liability - beginning	3,017,169	2,929,377	2,874,180	3,647,700
Total OPEB liability - ending	<u>3,060,998</u>	<u>3,017,169</u>	<u>2,929,377</u>	<u>2,874,180</u>
Plan net position				
Contributions - employer	243,413	257,645	1,028,443	165,758
Contributions - TRB subsidy	37,284	39,480	34,320	31,680
Net investment income	(159,363)	250,528	25,095	1,543
Benefit payments, including refunds	(248,397)	(241,125)	(219,526)	(169,438)
Administrative expenses	-	-	-	-
Net change in plan net position	(127,063)	306,528	868,332	29,543
Plan net position - beginning	1,229,402	922,874	54,542	25,000
Plan net position - ending	<u>1,102,339</u>	<u>1,229,402</u>	<u>922,874</u>	<u>54,543</u>
Town's net OPEB liability	<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	36.0%	40.7%	31.5%	1.9%
Covered payroll	\$ 15,800,376	\$ 15,430,055	\$ 13,498,000	\$ 13,156,000
Town net OPEB liability as a percentage of covered payroll	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 FIVE FISCAL YEARS**

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 *</u>
Actuarially determined contribution	\$ 202,556	\$ 240,578	\$ 239,834	\$ 285,605	\$ 284,590
Contributions in relation to actuarially determined contribution:					
Contributions to OPEB Trust	32,300	56,000	843,237	28,000	25,000
Contributions from General Fund	211,113	201,645	185,206	137,758	118,229
	<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>\$ 40,857</u>	<u>\$ 17,067</u>	<u>\$ 788,609</u>	<u>\$ (119,847)</u>	<u>\$ (141,361)</u>
Covered payroll	\$ 15,800,000	\$ 15,430,000	\$ 13,498,000	\$ 13,156,000	\$ 13,194,000
Contributions as a percentage of covered employee payroll	1.34%	1.31%	1.37%	1.05%	0.90%
Annual money-weighted rate of return, net of investment expense	-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 FIVE FISCAL YEARS*
(Rounded to Nearest Thousand)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	<u>4,447,000</u>	<u>7,687,000</u>	<u>7,355,000</u>	<u>7,270,000</u>	<u>9,146,000</u>
Total	<u>\$ 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	\$ 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%
Plan fiduciary net position as a percentage of the total collective OPEB liability	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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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 budget control is the department level for the Board of Education and the object level for all other departments. A separately issued budgetary report demonstrating legal compliance with the adopted budget is available from the Town. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects. Additional appropriations of less than \$20,000 must be approved by the Board of Finance. Appropriations in excess of \$20,000 must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Intergovernmental revenues and other reimbursement for certain special education costs are recorded as reductions to expenditures for budgetary purposes and "on-behalf" payments made by the State of Connecticut into the State Teacher's Retirement System are not recorded for budgetary purposes. In addition, activity of the Revaluation Fund is excluded for budgetary purposes due to perspective differences. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- All unexpended and unencumbered appropriations lapse at year-end, except those for Capital Projects Funds.

TOWN OF SOMERS, CONNECTICUT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2022:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 34,839,491	\$ 34,910,317	\$ 77,102	\$ 6,276
"On-behalf" payments - State Teachers Retirement Fund	3,498,532	3,498,532	-	-
Reimbursement for certain grant costs recorded as a reduction to expenditures for budgetary purposes	205,882	205,882	-	-
Budgetary perspective differences funds combined for GAAP financial reporting purposes:				
Separation Benefits Fund	-	121,693	140,056	18,363
Reclassification of transfers	-	(2,500)	(2,500)	-
GAAP basis	<u>\$ 38,543,905</u>	<u>\$ 38,733,924</u>	<u>\$ 214,658</u>	<u>\$ 24,639</u>

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

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 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. Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2021. The July 1, 2021 valuation was utilized to calculate the total pension liability as of July 1, 2021, which was rolled forward to the most recent measurement date of June 30, 2022.

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

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 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. Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2020. The July 1, 2020 valuation was utilized to calculate the total pension liability as of July 1, 2020, which was rolled forward to the most recent measurement date of June 30, 2022.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the Town's total pension liability. Employees hired on or after July 1, 2018 are no longer eligible to participate in the plan.

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

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

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 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. Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2020. The July 1, 2020 valuation was utilized to calculate the total pension liability as of July 1, 2020, which was rolled forward to the most recent measurement date of June 30, 2022.

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

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the Town's total pension liability.

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

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 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, prior to the end of the fiscal year in which contributions are reported.

TOWN OF SOMERS, CONNECTICUT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - TOWN EMPLOYEES' PENSION PLAN
(Continued)

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2022.

Actuarial cost method	Aggregate Cost
Asset valuation method	Fair Value
Inflation	3.0%
Salary increases (average, including inflation)	4.0%
Investment rate of return (net of investment expense)	6.5%
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.

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

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 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, 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, 2022.

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

Mortality rates were based on the Pub-2010(B) Public Retirement Plans Mortality Tables with separate male and female rates, with no collar adjustment, combined tables for non-annuitants and annuitants, projected to the valuation date with Scale MP-2019.

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

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 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, prior to the end of the subsequent two fiscal years in which contributions are reported.

TOWN OF SOMERS, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - VOLUNTEER FIREFIGHTER'S PENSION PLAN
(Continued)

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2022.

Actuarial cost method	Aggregate Cost
Asset valuation method	Fair 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-2020.

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

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 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, 2020. The liabilities were estimated based on a measurement date of June 30, 2021. 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, 2022.

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

Assumption changes - There were no changes in assumptions that had a significant effect on the measurement of the collective net pension liability.

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

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

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the Town's total OPEB liability.

TOWN OF SOMERS, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the Town's total OPEB liability.

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, 2022.

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%

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, 2020. This information is utilized by the Town for reporting as of June 30, 2021. 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, 2022.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net OPEB liability.

Assumption Changes - There were no changes in assumptions that had a significant effect on the measurement of the collective net OPEB liability.

Combining and Individual Fund Statements and Schedules

Governmental Funds

General Fund

TOWN OF SOMERS, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PROPERTY TAXES				
Revenues from property taxes	\$ 24,834,216	\$ 24,834,216	\$ 24,754,227	\$ (79,989)
Interest and lien fees	75,000	75,000	104,438	29,438
Total property taxes	<u>24,909,216</u>	<u>24,909,216</u>	<u>24,858,665</u>	<u>(50,551)</u>
INTERGOVERNMENTAL				
Education cost sharing	5,702,872	5,702,872	5,694,254	(8,618)
Pequot Indian grant	1,564,515	1,564,515	1,564,515	-
Payments in lieu of taxes	715,904	715,904	1,278,139	562,235
Municipal stabilization grant	240,198	240,198	240,198	-
Senior bus grant	21,615	21,615	21,615	-
Other grants	5,000	5,000	30,330	25,330
Telephone tax	10,000	10,000	8,511	(1,489)
Police grants	40,000	40,000	4,901	(35,099)
Property tax relief grants	6,500	6,500	626	(5,874)
Total intergovernmental	<u>8,306,604</u>	<u>8,306,604</u>	<u>8,843,089</u>	<u>536,485</u>
CHARGES FOR SERVICES				
Building permit fees	189,500	189,500	246,875	57,375
Conveyance taxes	135,000	135,000	185,507	50,507
Bulky waste fees	90,000	90,000	119,654	29,654
Cell tower rentals	80,000	80,000	98,052	18,052
Town clerk fees	72,600	72,600	92,240	19,640
Transfer station permit fees	90,000	90,000	85,680	(4,320)
Police services	60,000	60,000	72,459	12,459
Fire watch service fees	5,000	5,000	40,785	35,785
Other revenue	45,000	45,000	42,963	(2,037)
Other recycling	30,000	30,000	37,787	7,787
Sanitarian fees	20,000	20,000	31,770	11,770
Tuition	14,000	14,000	22,217	8,217
Pistol permit fees	6,000	6,000	4,760	(1,240)
Zoning Commission fees	3,000	3,000	4,430	1,430
Conservation Commission fees	1,500	1,500	2,370	870
Planning commission fees	-	-	2,306	2,306
Mini bus donations	2,500	2,500	2,103	(397)
Property rentals	6,000	6,000	2,076	(3,924)
Zoning Board of Appeals fees	500	500	1,500	1,000
CPR Registrations	500	500	1,440	940
Fire Marshall fees	3,500	3,500	550	(2,950)
Zoning permit fees	3,500	3,500	450	(3,050)
Other licenses and permit fees	500	500	265	(235)
Total charges for services	<u>858,600</u>	<u>858,600</u>	<u>1,098,239</u>	<u>239,639</u>
INVESTMENT EARNINGS				
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>39,498</u>	<u>19,498</u>
OTHER FINANCING SOURCES				
Operating transfers in:				
Ambulance Fund	400,000	400,000	400,000	-
Capital Projects Fund	172,158	172,158	172,158	-
Recreation Fund	20,000	20,000	20,000	-
Appropriation from fund balance	623,667	767,386	-	(767,386)
Total other financing sources	<u>1,215,825</u>	<u>1,359,544</u>	<u>592,158</u>	<u>(767,386)</u>
Total revenues and other financing sources	<u>\$ 35,310,245</u>	<u>\$ 35,453,964</u>	<u>\$ 35,431,649</u>	<u>\$ (22,315)</u>

TOWN OF SOMERS, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
GENERAL GOVERNMENT				
Employee Benefits	\$ 1,424,737	\$ 1,431,820	\$ 1,431,670	\$ (150)
Selectmen	433,975	485,690	485,851	161
Finance	269,763	276,501	276,463	(38)
Information Technology	175,054	165,843	165,843	-
Assessor	173,594	163,084	162,784	(300)
Land Use	164,777	149,487	148,585	(902)
Tax Collector	125,369	127,678	127,075	(603)
Town Clerk	133,542	125,375	124,324	(1,051)
Building Department	64,056	62,343	61,943	(400)
Board of Finance	44,500	41,086	41,086	-
Election	43,800	33,736	33,346	(390)
Conservation	18,970	18,970	18,760	(210)
Zoning	1,950	1,773	1,462	(311)
Zoning Board of Appeals	1,500	1,500	1,136	(364)
Planning	500	595	595	-
Board of Assessment Appeals	105	187	187	-
Probate Court	7,000	-	-	-
Total general government	<u>3,083,192</u>	<u>3,085,668</u>	<u>3,081,110</u>	<u>(4,558)</u>
PUBLIC SAFETY				
Police Protection	1,092,905	1,125,295	1,124,576	(719)
Fire Protection	831,084	730,310	728,675	(1,635)
Civil Preparedness	13,000	10,857	10,239	(618)
Total public safety	<u>1,936,989</u>	<u>1,866,462</u>	<u>1,863,490</u>	<u>(2,972)</u>
PUBLIC WORKS				
Public Works	795,718	799,397	799,397	-
Town Facilities	561,321	599,539	599,539	-
Highway Department	174,000	166,490	166,490	-
Park and Recreation Maintenance	52,665	55,971	55,971	-
Total public works	<u>1,583,704</u>	<u>1,621,397</u>	<u>1,621,397</u>	<u>-</u>
SANITATION				
Transfer Station	544,583	593,411	593,050	(361)
Water Pollution Control Authority	111,026	99,842	98,711	(1,131)
Total sanitation	<u>655,609</u>	<u>693,253</u>	<u>691,761</u>	<u>(1,492)</u>
HEALTH AND SOCIAL SERVICES				
Human Services	187,332	202,464	202,164	(300)
Eldery Services	8,000	8,000	8,000	-
Total health and social services	<u>195,332</u>	<u>210,464</u>	<u>210,164</u>	<u>(300)</u>
LIBRARY	496,480	494,164	494,164	-
CULTURE AND RECREATION				
Community Services	123,109	128,119	127,534	(585)
Senior and Disabled Transportation	35,500	31,691	31,690	(1)
Senior Services	8,400	6,434	6,435	1
Total culture and recreation	<u>167,009</u>	<u>166,244</u>	<u>165,659</u>	<u>(585)</u>
OTHER	20,000	4,326	(25)	(4,351)

Continued

TOWN OF SOMERS, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
EDUCATION				
Instructional salaries	\$ 11,207,686	\$ 11,001,686	\$ 10,952,608	\$ (49,078)
Insurance/social security	4,211,863	4,021,863	4,003,045	(18,818)
Clerical/aides salaries	1,849,640	1,985,640	2,014,051	28,411
Administrative salaries	1,601,987	1,601,987	1,628,489	26,502
Regular transportation	790,200	923,200	931,387	8,187
Maintenance salaries	892,182	892,182	889,072	(3,110)
General maintenance	538,933	730,433	752,479	22,046
Tuition - special education	1,038,300	802,300	735,531	(66,769)
Other instructional salaries	552,541	610,541	601,010	(9,531)
Electricity	416,800	518,300	547,952	29,652
Special education transportation	375,300	312,300	314,266	1,966
Nurses' salaries	259,233	259,233	272,140	12,907
Capital outlay and equipment	241,690	241,690	240,905	(785)
Coaches	181,624	181,624	184,453	2,829
Fuel	118,700	131,200	143,085	11,885
Audio visual materials	61,980	103,480	112,324	8,844
Tuition - non special education	105,000	105,000	112,215	7,215
Departmental supplies	130,219	130,219	99,996	(30,223)
Textbooks	22,000	88,000	97,429	9,429
Athletic equipment and supplies	90,400	90,400	89,456	(944)
Board of education	90,915	78,415	73,334	(5,081)
Athletic/field trip transportation	39,950	39,950	50,719	10,769
Equipment rental	53,120	46,620	45,899	(721)
Custodial supplies	37,800	37,800	42,519	4,719
Activity advisors	59,108	59,108	41,587	(17,521)
Telephone	41,700	33,700	33,339	(361)
Instructional dues	29,200	29,200	31,142	1,942
COVID-19 expenditures	-	23,000	27,682	4,682
Systemwide general supplies	34,290	23,790	27,099	3,309
Tuition - vocational education	14,000	16,500	26,212	9,712
Travel and conferences in-service	31,715	31,715	23,651	(8,064)
Adult education	13,800	13,800	15,398	1,598
Propane gas	6,000	6,000	13,063	7,063
Library books and supplies	14,220	14,220	10,053	(4,167)
Equipment replacement	10,620	9,120	9,021	(99)
Health supplies	13,050	9,050	8,932	(118)
Office supplies	11,025	9,525	6,354	(3,171)
Postage	6,251	6,251	5,615	(636)
Workbooks and texts	36,200	10,200	5,602	(4,598)
Forms and printing	9,000	9,000	4,795	(4,205)
Medical Advisor salary	1,500	1,500	1,500	-
Total education	<u>25,239,742</u>	<u>25,239,742</u>	<u>25,225,409</u>	<u>(14,333)</u>
DEBT SERVICE	<u>1,557,188</u>	<u>1,557,188</u>	<u>1,557,188</u>	<u>-</u>
TOTAL EXPENDITURES	<u>34,935,245</u>	<u>34,938,908</u>	<u>34,910,317</u>	<u>(28,592)</u>
OTHER FINANCING USES				
Operating transfers out:				
Capital Project Fund	250,000	250,000	250,000	-
Road Maintenance Fund	125,000	125,000	125,000	-
Separation Benefits Fund	-	140,056	140,056	-
Total other financing uses	<u>375,000</u>	<u>515,056</u>	<u>515,056</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 35,310,245</u>	<u>\$ 35,453,964</u>	<u>\$ 35,425,373</u>	<u>\$ (28,592)</u>

Concluded

TOWN OF SOMERS, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2022

Grand List Year	Balance Uncollected July 1, 2021	Current Levy	Lawful Corrections		Transfers to Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2022
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2020	\$ -	\$ 24,991,627	\$ 115,937	\$ 152,786	\$ 37,489	\$ 24,917,289	\$ 24,547,603	\$ 57,687	\$ 24,605,290	\$ 369,686
2019	192,813	-	8,308	7,488	12,222	181,411	158,890	25,531	184,421	22,521
2018	39,621	-	966	1,604	10,463	28,520	24,864	7,820	32,684	3,656
2017	4,672	-	1,394	2,749	576	2,741	531	126	657	2,210
2016	89	-	-	-	-	89	89	53	142	-
	<u>\$ 237,195</u>	<u>\$ 24,991,627</u>	<u>\$ 126,605</u>	<u>\$ 164,627</u>	<u>\$ 60,750</u>	<u>\$ 25,130,050</u>	<u>\$ 24,731,977</u>	<u>\$ 91,217</u>	<u>\$ 24,823,194</u>	<u>\$ 398,073</u>

TOWN OF SOMERS, CONNECTICUT
SCHEDULE OF DEBT LIMITATION -
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2022

Total cash collections for the year ended
June 30, 2022:

Taxes	\$ 24,731,977
Interest and lien fees	91,217
	24,823,194

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	4,901
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Base	\$ 24,828,095
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	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 55,863,214	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	111,726,428	-	-	-
3-3/4 times base	-	-	93,105,356	-	-
3-1/4 times base	-	-	-	80,691,309	-
3 times base	-	-	-	-	74,484,285
Total debt limitation	55,863,214	111,726,428	93,105,356	80,691,309	74,484,285
Indebtedness:					
Bonds	7,411,000	8,339,000	-	-	-
Add: Authorized but unissued debt	1,257	450,000	-	-	-
Total indebtedness	7,412,257	8,789,000	-	-	-
Debt limitation in excess of outstanding and authorized debt	\$ 48,450,957	\$ 102,937,428	\$ 93,105,356	\$ 80,691,309	\$ 74,484,285
Total capacity of borrowing (7 times base)	\$ 173,796,665				
Total present indebtedness	16,201,257				
Margin for additional borrowing	\$ 157,595,408				

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, 2022

	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	\$ 2,860,768	\$ 408,835	\$ 269,619	\$ 152,580	\$ 3,691,802
Investments	-	-	450,507	881,303	1,331,810
Receivables:					
Assessments and user charges	53,044	-	-	-	53,044
Grants and contracts	34,132	-	-	-	34,132
Other	198,433	-	-	-	198,433
Due from other funds	224,676	-	-	-	224,676
Total assets	<u>\$ 3,371,053</u>	<u>\$ 408,835</u>	<u>\$ 720,126</u>	<u>\$ 1,033,883</u>	<u>\$ 5,533,897</u>
LIABILITIES					
Accounts payable	\$ 195,025	\$ 71,242	\$ -	\$ 6,550	\$ 272,817
Due to other funds	1,101,141	164,952	-	1,131	1,267,224
Unearned revenue	397,082	-	-	-	397,082
Total liabilities	<u>1,693,248</u>	<u>236,194</u>	<u>-</u>	<u>7,681</u>	<u>1,937,123</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	219,845	-	-	-	219,845
FUND BALANCES					
Nonspendable	-	-	75,000	-	75,000
Restricted	200,592	258,305	645,126	1,026,202	2,130,225
Committed	1,350,960	-	-	-	1,350,960
Unassigned	(93,592)	(85,664)	-	-	(179,256)
Total fund balances	<u>1,457,960</u>	<u>172,641</u>	<u>720,126</u>	<u>1,026,202</u>	<u>3,376,929</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,371,053</u>	<u>\$ 408,835</u>	<u>\$ 720,126</u>	<u>\$ 1,033,883</u>	<u>\$ 5,533,897</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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds		Total Nonmajor Governmental Funds
			Fund - Library Trust Fund	Fund - Cemetery Trust Fund	
REVENUES					
Intergovernmental	\$ 1,520,886	\$ -	\$ -	\$ -	\$ 1,520,886
Charges for services	1,965,122	13,900	-	75,920	2,054,942
Investment earnings	5,156	916	(47,067)	(58,841)	(99,836)
Other	79,765	549	-	-	80,314
Total revenues	<u>3,570,929</u>	<u>15,365</u>	<u>(47,067)</u>	<u>17,079</u>	<u>3,556,306</u>
EXPENDITURES					
Current:					
General government	150	-	-	-	150
Public safety	81,664	-	-	-	81,664
Public works	550,111	-	-	-	550,111
Sanitation	205,830	-	-	-	205,830
Health and social services	345	-	-	119,560	119,905
Library	23,745	-	-	-	23,745
Culture and recreation	258,069	-	-	-	258,069
Education	2,043,954	-	-	-	2,043,954
Debt service:					
Principal payments	-	402,105	-	-	402,105
Interest and fiscal charges	-	30,340	-	-	30,340
Capital outlays	224,011	383,711	-	-	607,722
Total expenditures	<u>3,387,879</u>	<u>816,156</u>	<u>-</u>	<u>119,560</u>	<u>4,323,595</u>
Excess (deficiency) of revenues over expenditures	183,050	(800,791)	(47,067)	(102,481)	(767,289)
OTHER FINANCING SOURCES (USES)					
Financed purchases	-	338,095	-	-	338,095
Transfers in	140,000	327,548	(800)	-	466,748
Transfers out	(497,548)	(18,500)	(11,700)	-	(527,748)
Total other financing sources (uses)	<u>(357,548)</u>	<u>647,143</u>	<u>(12,500)</u>	<u>-</u>	<u>277,095</u>
Net change in fund balances	(174,498)	(153,648)	(59,567)	(102,481)	(490,194)
Fund balances - beginning	<u>1,632,458</u>	<u>326,289</u>	<u>779,693</u>	<u>1,128,683</u>	<u>3,867,123</u>
Fund balances - ending	<u>\$ 1,457,960</u>	<u>\$ 172,641</u>	<u>\$ 720,126</u>	<u>\$ 1,026,202</u>	<u>\$ 3,376,929</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.

Preschool Program Fund - To account for tuition revenues that have been committed by the Town to fund the operations of the preschool program.

Medicaid Program Fund - To account for Medicaid reimbursements that have been committed by the Town to fund the education expenditures.

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.

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

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

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

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

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

Recreation Commission Fund - To account for revenues that have been committed by the Town to fund recreation programs.

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, 2022

	Educational Grants Fund	School Lunch Fund	Preschool Program Fund	Medicaid Program Fund	Road Maintenance Fund	Emergency Fund	Dog Fund	Meals on Wheels Fund	Come Together Fund	Economic Development Fund
ASSETS										
Cash and cash equivalents	\$ 194,535	\$ 31,456	\$ -	\$ -	\$ 98,477	\$ 27,479	\$ -	\$ 2,799	\$ -	\$ 16,956
Receivables:										
Assessments and user charges	-	-	-	-	-	-	-	-	-	-
Grants and contracts	34,132	-	-	-	-	-	-	-	-	-
Other	-	-	11,624	20,008	-	-	-	-	-	-
Due from other funds	-	-	-	-	130,807	-	10,327	-	7,558	-
Total assets	<u>\$ 228,667</u>	<u>\$ 31,456</u>	<u>\$ 11,624</u>	<u>\$ 20,008</u>	<u>\$ 229,284</u>	<u>\$ 27,479</u>	<u>\$ 10,327</u>	<u>\$ 2,799</u>	<u>\$ 7,558</u>	<u>\$ 16,956</u>
LIABILITIES										
Accounts payable	\$ 3,644	\$ -	\$ -	\$ -	\$ 44,512	\$ -	\$ 5,458	\$ -	\$ 866	\$ -
Due to other funds	-	-	-	-	-	6,378	-	2,105	-	3,203
Unearned revenue	225,023	-	-	-	-	-	-	-	-	-
Total liabilities	<u>228,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,512</u>	<u>6,378</u>	<u>5,458</u>	<u>2,105</u>	<u>866</u>	<u>3,203</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenues	-	-	-	-	-	-	-	-	-	-
FUND BALANCES										
Restricted	-	-	-	20,008	-	-	-	-	-	-
Committed	-	31,456	11,624	-	184,772	21,101	4,869	694	6,692	13,753
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>31,456</u>	<u>11,624</u>	<u>20,008</u>	<u>184,772</u>	<u>21,101</u>	<u>4,869</u>	<u>694</u>	<u>6,692</u>	<u>13,753</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 228,667</u>	<u>\$ 31,456</u>	<u>\$ 11,624</u>	<u>\$ 20,008</u>	<u>\$ 229,284</u>	<u>\$ 27,479</u>	<u>\$ 10,327</u>	<u>\$ 2,799</u>	<u>\$ 7,558</u>	<u>\$ 16,956</u>

Continued

TOWN OF SOMERS, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
AS OF JUNE 30, 2022

	Water Fund	Ambulance Fund	Cultural Commission Fund	Recreation 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	\$ 17,401	\$ 971,319	\$ 31,750	\$ 640,950	\$ 10,257	\$ 19,422	\$ 585,751	\$ -	\$ 212,216	\$ 2,860,768
Receivables:										
Assessments and user charges	28,600	-	-	-	-	-	24,444	-	-	53,044
Grants and contracts	-	-	-	-	-	-	-	-	-	34,132
Other	-	166,801	-	-	-	-	-	-	-	198,433
Due from other funds	28,106	-	-	-	-	29,096	18,727	55	-	224,676
Total assets	<u>\$ 74,107</u>	<u>\$ 1,138,120</u>	<u>\$ 31,750</u>	<u>\$ 640,950</u>	<u>\$ 10,257</u>	<u>\$ 48,518</u>	<u>\$ 628,922</u>	<u>\$ 55</u>	<u>\$ 212,216</u>	<u>\$ 3,371,053</u>
LIABILITIES										
Accounts payable	\$ -	\$ 12,272	\$ -	\$ 51,410	\$ -	\$ 5,431	\$ 39,800	\$ -	\$ 31,632	\$ 195,025
Due to other funds	-	361,490	50	511,487	-	30,585	185,843	-	-	1,101,141
Unearned revenue	-	-	-	171,645	-	-	414	-	-	397,082
Total liabilities	<u>-</u>	<u>373,762</u>	<u>50</u>	<u>734,542</u>	<u>-</u>	<u>36,016</u>	<u>226,057</u>	<u>-</u>	<u>31,632</u>	<u>1,693,248</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenues	28,600	166,801	-	-	-	-	24,444	-	-	219,845
FUND BALANCES										
Restricted	-	-	-	-	-	-	-	-	180,584	200,592
Committed	45,507	597,557	31,700	-	10,257	12,502	378,421	55	-	1,350,960
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(93,592)	-	-	-	-	-	(93,592)
Total fund balances	<u>45,507</u>	<u>597,557</u>	<u>31,700</u>	<u>(93,592)</u>	<u>10,257</u>	<u>12,502</u>	<u>378,421</u>	<u>55</u>	<u>180,584</u>	<u>1,457,960</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 74,107</u>	<u>\$ 1,138,120</u>	<u>\$ 31,750</u>	<u>\$ 640,950</u>	<u>\$ 10,257</u>	<u>\$ 48,518</u>	<u>\$ 628,922</u>	<u>\$ 55</u>	<u>212,216</u>	<u>\$ 3,371,053</u>

Concluded

TOWN OF SOMERS, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Educational Grants Fund	School Lunch Fund	Preschool Program Fund	Medicaid Program Fund	Road Maintenance Fund	Emergency Fund	Dog Fund	Meals on Wheels Fund	Come Together Fund	Economic Development Fund
REVENUES										
Intergovernmental	\$ 1,061,112	\$ -	\$ -	\$ 12,155	\$ 345,076	\$ -	\$ -	\$ -	\$ 28,049	\$ -
Charges for services	-	288,513	60,123	-	-	-	3,285	-	-	-
Investment earnings	-	-	-	-	287	14	-	-	-	-
Other	-	-	-	-	-	9,519	-	-	5,000	-
Total revenues	<u>1,061,112</u>	<u>288,513</u>	<u>60,123</u>	<u>12,155</u>	<u>345,363</u>	<u>9,533</u>	<u>3,285</u>	<u>-</u>	<u>33,049</u>	<u>-</u>
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	-	150
Public safety	-	-	-	-	-	13,378	2,114	-	-	-
Public works	-	-	-	-	550,111	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	345	-	-
Library	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	34,033	-
Education	1,061,112	266,339	59,027	41,263	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>1,061,112</u>	<u>266,339</u>	<u>59,027</u>	<u>41,263</u>	<u>550,111</u>	<u>13,378</u>	<u>2,114</u>	<u>345</u>	<u>34,033</u>	<u>150</u>
Excess (deficiency) of revenues over expenditures	-	22,174	1,096	(29,108)	(204,748)	(3,845)	1,171	(345)	(984)	(150)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	125,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	22,174	1,096	(29,108)	(79,748)	(3,845)	1,171	(345)	(984)	(150)
Fund balances - beginning	-	9,282	10,528	49,116	264,520	24,946	3,698	1,039	7,676	13,903
Fund balances - ending	<u>\$ -</u>	<u>\$ 31,456</u>	<u>\$ 11,624</u>	<u>\$ 20,008</u>	<u>\$ 184,772</u>	<u>\$ 21,101</u>	<u>\$ 4,869</u>	<u>\$ 694</u>	<u>\$ 6,692</u>	<u>\$ 13,753</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, 2022

	Water Fund	Ambulance Fund	Cultural Commission Fund	Recreation Commission Fund	Library Fund	Historic & Land Preservation Fund	Sewer Fund	Flag Fund	Student Activities Fund	Total Nonmajor Special Revenue Funds
REVENUES										
Intergovernmental	\$ -	\$ 68,994	\$ -	\$ -	\$ -	\$ 5,500	\$ -	\$ -	\$ -	\$ 1,520,886
Charges for services	2,600	620,591	21,782	243,387	4,209	3,702	113,803	-	603,127	1,965,122
Investment earnings	74	622	-	894	-	57	3,208	-	-	5,156
Other	-	-	-	48,860	12,234	4,152	-	-	-	79,765
Total revenues	<u>2,674</u>	<u>690,207</u>	<u>21,782</u>	<u>293,141</u>	<u>16,443</u>	<u>13,411</u>	<u>117,011</u>	<u>-</u>	<u>603,127</u>	<u>3,570,929</u>
EXPENDITURES										
Current:										
Government	-	-	-	-	-	-	-	-	-	150
Public safety	-	66,172	-	-	-	-	-	-	-	81,664
Public works	-	-	-	-	-	-	-	-	-	550,111
Sanitation	-	-	-	-	-	-	205,830	-	-	205,830
Health and social services	-	-	-	-	-	-	-	-	-	345
Library	-	-	-	-	23,745	-	-	-	-	23,745
Culture and recreation	-	-	24,108	192,221	-	7,707	-	-	-	258,069
Education	-	-	-	-	-	-	-	-	616,213	2,043,954
Capital Outlays	-	-	-	224,011	-	-	-	-	-	224,011
Total expenditures	<u>-</u>	<u>66,172</u>	<u>24,108</u>	<u>416,232</u>	<u>23,745</u>	<u>7,707</u>	<u>205,830</u>	<u>-</u>	<u>616,213</u>	<u>3,387,879</u>
Excess (deficiency) of revenues over expenditures	2,674	624,035	(2,326)	(123,091)	(7,302)	5,704	(88,819)	-	(13,086)	183,050
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	2,500	-	12,500	-	-	-	-	140,000
Transfers out	-	(477,548)	-	(20,000)	-	-	-	-	-	(497,548)
Total other financing sources (uses)	<u>-</u>	<u>(477,548)</u>	<u>2,500</u>	<u>(20,000)</u>	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(357,548)</u>
Net change in fund balances	2,674	146,487	174	(143,091)	5,198	5,704	(88,819)	-	(13,086)	(174,498)
Fund balances - beginning	42,833	451,070	31,526	49,499	5,059	6,798	467,240	55	193,670	1,632,458
Fund balances - ending	<u>\$ 45,507</u>	<u>\$ 597,557</u>	<u>\$ 31,700</u>	<u>\$ (93,592)</u>	<u>\$ 10,257</u>	<u>\$ 12,502</u>	<u>\$ 378,421</u>	<u>\$ 55</u>	<u>\$ 180,584</u>	<u>\$ 1,457,960</u>

Concluded

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 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, 2022

	Capital Equipment Fund	Municipal Open Space Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and cash equivalents	\$ 148,920	\$ 259,915	\$ 408,835
Total assets	\$ 148,920	\$ 259,915	\$ 408,835
LIABILITIES			
Accounts payable	\$ 71,242	\$ -	\$ 71,242
Due to other funds	163,342	1,610	164,952
Total liabilities	234,584	1,610	236,194
FUND BALANCES			
Restricted	-	258,305	258,305
Unassigned	(85,664)	-	(85,664)
Total fund balances	(85,664)	258,305	172,641
Total liabilities and fund balances	\$ 148,920	\$ 259,915	\$ 408,835

TOWN OF SOMERS, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Capital Equipment Fund	Municipal Open Space Fund	Total Nonmajor Capital Projects Funds
REVENUES			
Charges for services	\$ -	\$ 13,900	\$ 13,900
Investment earnings	373	543	916
Other	549	-	549
Total revenues	<u>922</u>	<u>14,443</u>	<u>15,365</u>
EXPENDITURES			
Debt service:			
Principal payments	402,105	-	402,105
Interest and fiscal charges	30,340	-	30,340
Capital outlays	383,392	319	383,711
Total expenditures	<u>815,837</u>	<u>319</u>	<u>816,156</u>
Excess (deficiency) of revenues over expenditures	(814,915)	14,124	(800,791)
OTHER FINANCING SOURCES (USES)			
Financed purchases	338,095	-	338,095
Transfers in	327,548	-	327,548
Transfers out	(18,500)	-	(18,500)
Total other financing sources (uses)	<u>647,143</u>	<u>-</u>	<u>647,143</u>
Net change in fund balances	(167,772)	14,124	(153,648)
Fund balances - beginning	<u>82,108</u>	<u>244,181</u>	<u>326,289</u>
Fund balances - ending	<u>\$ (85,664)</u>	<u>\$ 258,305</u>	<u>\$ 172,641</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, 2022

	Town Employees' Plan	Board of Education Employees' Plan	Volunteer Firefighters' Incentive Plan	Other Post-Employment Benefits Plan	Total
ASSETS					
Cash and cash equivalents	\$ 251,102	\$ 227,577	\$ 13,896	\$ 28,928	\$ 521,503
Investments	5,483,874	5,612,073	399,890	1,072,459	12,568,296
Accrued income receivable	6,581	10,616	-	952	18,149
Total assets	<u>5,741,557</u>	<u>5,850,266</u>	<u>413,786</u>	<u>1,102,339</u>	<u>13,107,948</u>
LIABILITIES					
Payables	<u>135,842</u>	-	<u>2,551</u>	-	<u>138,393</u>
Total liabilities	<u>135,842</u>	-	<u>2,551</u>	-	<u>138,393</u>
NET POSITION					
Restricted for pensions and other post-employment benefits	<u>\$ 5,605,715</u>	<u>\$ 5,850,266</u>	<u>\$ 411,235</u>	<u>\$ 1,102,339</u>	<u>\$ 12,969,555</u>

TOWN OF SOMERS, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 PENSION TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Town Employees' Plan	Board of Education Employees' Plan	Volunteer Firefighters' Incentive Plan	Other Post-Employment Benefits Plan	Total
ADDITIONS					
Contributions:					
Employer	\$ 137,368	\$ 198,138	\$ 6,034	\$ 32,300	\$ 373,840
Plan members	112,785	80,079	-	-	192,864
Total contributions	<u>250,153</u>	<u>278,217</u>	<u>6,034</u>	<u>32,300</u>	<u>566,704</u>
Investment earnings:					
Interest and dividends	143,691	134,792	8,669	24,463	311,615
Net change in the fair value of investments, net of investment fees	(673,078)	(948,529)	(37,437)	(183,826)	(1,842,870)
Total investment earnings, net	<u>(529,387)</u>	<u>(813,737)</u>	<u>(28,768)</u>	<u>(159,363)</u>	<u>(1,531,255)</u>
Total additions	<u>(279,234)</u>	<u>(535,520)</u>	<u>(22,734)</u>	<u>(127,063)</u>	<u>(964,551)</u>
DEDUCTIONS					
Benefit payments	238,875	337,296	12,116	-	588,287
Administrative expenses	-	6,350	-	-	6,350
Total deductions	<u>238,875</u>	<u>343,646</u>	<u>12,116</u>	<u>-</u>	<u>594,637</u>
Change in net position	(518,109)	(879,166)	(34,850)	(127,063)	(1,559,188)
NET POSITION					
Beginning	<u>6,123,824</u>	<u>6,729,432</u>	<u>446,085</u>	<u>1,229,402</u>	<u>14,528,743</u>
Ending	<u>\$ 5,605,715</u>	<u>\$ 5,850,266</u>	<u>\$ 411,235</u>	<u>\$ 1,102,339</u>	<u>\$ 12,969,555</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. 105

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the Town’s ability to generate its property taxes. 111

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. 114

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place and to help make comparisons over time and with other governments. 117

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. 118

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				
	2013	2014	2015 *	2016	2017
Governmental activities					
Net investment in capital assets	\$ 39,917,453	\$ 41,657,339	\$ 42,583,307	\$ 44,264,729	\$ 44,266,549
Restricted	552,290	632,490	663,739	1,443,238	1,523,850
Unrestricted	5,666,268	6,129,427	5,400,289	4,416,124	3,550,294
Total governmental activities net position	<u>\$ 46,136,011</u>	<u>\$ 48,419,256</u>	<u>\$ 48,647,335</u>	<u>\$ 50,124,091</u>	<u>\$ 49,340,693</u>
	Fiscal Year				
	2018 **	2019	2020 ***	2021	2022
Governmental activities					
Net investment in capital assets	\$ 44,271,097	\$ 44,003,337	\$ 43,808,492	\$ 43,042,424	\$ 41,791,885
Restricted	1,588,894	2,061,984	2,025,655	2,250,533	2,664,871
Unrestricted	3,849,162	4,876,460	5,137,482	5,155,887	5,647,467
Total governmental activities net position	<u>\$ 49,709,153</u>	<u>\$ 50,941,781</u>	<u>\$ 50,971,629</u>	<u>\$ 50,448,844</u>	<u>\$ 50,104,223</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.

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

	2013	2014	2015	2016	2017	2018	2019	2020 *	2021	2022
Expenses										
Governmental activities:										
General government	\$ 2,157,177	\$ 2,325,664	\$ 2,331,088	\$ 2,002,274	\$ 1,914,009	\$ 3,906,070	\$ 2,271,372	\$ 2,289,221	\$ 1,959,076	\$ 2,653,030
Public safety	1,780,489	1,798,758	1,533,228	1,958,451	2,326,702	2,241,666	2,276,243	2,684,744	2,584,548	2,800,265
Public works	2,225,255	2,545,433	3,052,927	3,248,072	3,148,082	2,861,556	3,080,041	2,921,774	3,101,000	3,532,337
Sanitation	713,943	716,871	575,329	692,430	674,764	592,701	709,466	681,177	721,844	928,241
Health and social services	144,374	170,823	324,383	323,088	291,320	290,005	343,674	364,605	497,948	447,737
Library	482,812	476,667	596,012	680,409	677,282	691,750	757,731	797,596	751,564	762,365
Culture and recreation	264,883	288,716	172,374	337,360	406,739	410,187	489,167	546,393	540,577	659,760
Education	24,225,731	25,147,599	25,355,643	25,824,877	26,760,107	29,290,483	28,892,110	31,273,013	34,592,793	30,427,364
Interest expense	605,379	405,209	474,218	459,038	421,121	380,625	338,083	369,754	397,060	385,248
Total governmental activities expenses	32,600,043	33,875,740	34,415,202	35,525,999	36,620,126	40,665,043	39,157,887	41,928,277	45,146,410	42,596,347
Program Revenues										
Governmental activities:										
Charges for services:										
General government	926,179	576,834	647,983	482,309	319,745	438,025	628,702	581,513	789,916	754,023
Public safety	282,149	307,782	345,569	381,644	369,869	420,819	492,392	536,104	595,452	794,978
Sanitation	181,864	133,313	105,876	303,371	484,124	394,537	310,057	313,942	351,019	305,132
Health and social services	63,045	58,282	77,059	107,493	58,516	67,933	67,374	92,509	100,224	104,573
Library	16,873	9,411	7,897	5,783	7,457	10,085	10,439	4,758	2,808	5,651
Culture and recreation	123,409	93,661	96,025	178,098	180,662	264,769	321,574	275,864	151,695	273,023
Education	397,739	395,133	372,690	436,625	438,503	461,283	469,874	792,302	467,606	973,980
Operating grants and contributions	9,546,817	10,288,334	9,678,492	10,082,242	9,492,160	13,085,665	11,041,166	12,551,284	14,988,672	10,787,401
Capital grants and contributions	134,708	1,573,883	1,473,996	1,485,386	548,896	707,582	369,181	99,338	147,776	156,917
Total governmental activities program revenues	11,672,783	13,436,633	12,805,587	13,462,951	11,899,932	15,850,698	13,710,759	15,247,614	17,595,168	14,155,678
Net (Expense)/Revenue										
Governmental activities	(20,927,260)	(20,439,107)	(21,609,615)	(22,063,048)	(24,720,194)	(24,814,345)	(25,447,128)	(26,680,663)	(27,551,242)	(28,440,669)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, levied for general purposes	19,129,203	19,488,998	19,562,114	20,304,828	20,551,031	22,557,391	23,741,168	23,717,011	24,102,730	25,053,390
Grants and contributions not restricted to specific programs	3,193,542	3,049,172	3,285,474	3,138,513	3,195,915	2,834,538	2,537,378	2,534,204	2,538,030	3,091,989
Unrestricted investment earnings	124,247	184,182	45,561	96,463	189,850	217,487	401,210	244,243	387,697	(49,331)
Total governmental activities	22,446,992	22,722,352	22,893,149	23,539,804	23,936,796	25,609,416	26,679,756	26,495,458	27,028,457	28,096,048
Change in Net Position										
Governmental activities	\$ 1,519,732	\$ 2,283,245	\$ 1,283,534	\$ 1,476,756	\$ (783,398)	\$ 795,071	\$ 1,232,628	\$ (185,205)	\$ (522,785)	\$ (344,621)

* 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				
	2013	2014	2015	2016	2017
Governmental activities:					
General government	\$ 934,326	\$ 576,834	\$ 647,983	\$ 414,257	\$ 332,539
Public safety	316,560	479,391	418,008	407,095	389,328
Public works	410,069	1,459,630	1,972,328	699,840	753,807
Sanitation	181,864	141,088	105,876	303,371	493,524
Health and social services	63,045	75,447	78,617	151,919	64,969
Library	20,185	21,484	18,081	16,294	12,005
Culture and recreation	123,409	543,661	101,025	216,678	180,662
Education	9,623,325	10,139,098	9,463,669	11,253,497	9,673,098
Total governmental activities	<u>\$ 11,672,783</u>	<u>\$ 13,436,633</u>	<u>\$ 12,805,587</u>	<u>\$ 13,462,951</u>	<u>\$ 11,899,932</u>

Function/Program	Fiscal Year				
	2018	2019	2020	2021	2022
Governmental activities:					
General government	\$ 2,182,383	\$ 865,063	\$ 663,535	\$ 823,987	\$ 1,343,821
Public safety	468,786	603,661	635,881	692,451	1,026,375
Public works	1,018,418	648,143	460,353	492,998	515,893
Sanitation	394,537	310,057	326,381	351,019	305,132
Health and social services	67,933	113,632	92,509	192,082	168,780
Library	16,559	15,783	9,310	6,801	34,401
Culture and recreation	264,769	425,074	286,172	176,045	321,883
Education	11,437,313	10,729,346	12,773,473	14,859,785	10,439,393
Total governmental activities	<u>\$ 15,850,698</u>	<u>\$ 13,710,759</u>	<u>\$ 15,247,614</u>	<u>\$ 17,595,168</u>	<u>\$ 14,155,678</u>

Table 4

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

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 74,786	\$ 185,098	\$ 163,398	\$ 132,912	\$ 188,227
Restricted	-	-	-	-	-
Committed	900,737	846,845	814,624	787,237	787,237
Assigned	246,729	160,167	611,645	629,566	803,174
Unassigned	4,878,614	5,624,179	6,182,226	6,144,025	5,287,089
Total general fund	<u>\$ 6,100,866</u>	<u>\$ 6,816,289</u>	<u>\$ 7,771,893</u>	<u>\$ 7,693,740</u>	<u>\$ 7,065,727</u>
All Other Governmental Funds					
Nonspendable	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Restricted	477,290	1,146,275	4,186,015	3,843,971	2,991,165
Committed	2,645,183	2,263,475	2,555,611	1,531,383	1,489,903
Assigned	-	-	-	-	-
Unassigned	(134,896)	(132,912)	(132,912)	(132,912)	(132,912)
Total all other governmental funds	<u>\$ 3,062,577</u>	<u>\$ 3,351,838</u>	<u>\$ 6,683,714</u>	<u>\$ 5,317,442</u>	<u>\$ 4,423,156</u>
	Fiscal Year				
	2018	2019	2020 *	2021	2022
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ 13,313	\$ 70,190
Committed	780,737	787,237	7,000	11,900	30,263
Assigned	-	561,381	1,185,836	623,667	75,000
Unassigned	6,207,225	7,060,613	6,535,770	6,339,430	6,837,496
Total general fund	<u>\$ 6,987,962</u>	<u>\$ 8,409,231</u>	<u>\$ 7,728,606</u>	<u>\$ 6,988,310</u>	<u>\$ 7,012,949</u>
All Other Governmental Funds					
Nonspendable	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Restricted	1,874,519	3,862,219	3,320,956	5,490,166	4,735,631
Committed	1,870,913	1,670,090	1,916,998	2,108,445	1,640,766
Assigned	-	64,056	64,056	-	-
Unassigned	(1,000)	(2,000,000)	-	-	(179,256)
Total all other governmental funds	<u>\$ 3,819,432</u>	<u>\$ 3,671,365</u>	<u>\$ 5,377,010</u>	<u>\$ 7,673,611</u>	<u>\$ 6,272,141</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.

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

	2013	2014	2015	2016	2017	2018	2019	2020 *	2021	2022
Revenues										
Property taxes	\$ 19,088,274	\$ 19,400,489	\$ 19,918,176	\$ 20,216,216	\$ 20,593,561	\$ 22,499,748	\$ 23,764,097	\$ 23,837,014	\$ 24,051,152	\$ 24,858,665
Intergovernmental	13,056,442	14,911,608	14,853,013	14,658,547	13,221,720	14,809,833	13,550,225	13,564,499	13,279,735	15,023,101
Charges for services	1,848,530	1,562,816	1,645,771	1,777,206	1,769,140	1,997,774	2,238,353	2,581,735	2,434,403	3,088,742
Investment income	124,247	184,182	45,561	96,463	189,850	217,487	401,210	244,243	387,697	(49,331)
Other	123,225	25,107	8,213	49,202	142,090	47,583	120,771	78,287	64,355	80,314
Total revenues	<u>34,240,718</u>	<u>36,084,202</u>	<u>36,470,734</u>	<u>36,797,634</u>	<u>35,916,361</u>	<u>39,572,425</u>	<u>40,074,656</u>	<u>40,305,778</u>	<u>40,217,342</u>	<u>43,001,491</u>
Expenditures										
General government	2,186,516	2,240,095	2,295,288	2,630,385	2,632,872	2,768,682	2,829,231	3,140,099	3,174,687	3,720,607
Public safety	1,481,217	1,553,050	1,352,487	1,495,792	1,750,218	1,678,318	1,651,783	1,885,044	1,801,598	2,018,239
Public works	1,808,620	1,978,226	2,402,320	2,542,360	2,253,189	1,959,232	2,174,211	2,025,068	2,115,996	2,171,508
Sanitation	570,221	564,017	569,211	656,268	633,252	553,341	667,048	644,084	684,389	897,591
Health and social services	134,885	160,785	310,116	258,547	214,380	218,774	229,184	252,721	412,825	394,276
Library	457,280	458,579	478,247	455,190	459,693	471,217	500,774	543,316	499,200	534,880
Culture and recreation	247,785	261,706	170,633	273,401	334,447	353,624	397,718	464,241	425,002	423,728
Education	23,333,131	24,318,652	25,011,634	24,934,363	25,499,925	26,487,628	27,671,297	29,412,564	29,536,603	30,743,130
Debt service:										
Principal payments	1,594,800	1,439,865	1,233,884	1,588,113	1,566,066	1,562,255	1,577,413	1,650,435	1,524,173	1,377,105
Interest and fiscal charges	593,658	415,770	473,253	471,313	431,009	382,432	350,115	302,311	307,645	612,528
Capital outlays	748,455	3,438,773	2,354,344	3,505,088	1,831,301	3,670,169	1,126,848	5,604,805	2,761,879	1,822,825
Total expenditures	<u>33,156,568</u>	<u>36,829,518</u>	<u>36,651,417</u>	<u>38,810,820</u>	<u>37,606,352</u>	<u>40,105,672</u>	<u>39,175,622</u>	<u>45,924,688</u>	<u>43,243,997</u>	<u>44,716,417</u>
Excess of revenues over (under) expenditures	<u>1,084,150</u>	<u>(745,316)</u>	<u>(180,683)</u>	<u>(2,013,186)</u>	<u>(1,689,991)</u>	<u>(533,247)</u>	<u>899,034</u>	<u>(5,618,910)</u>	<u>(3,026,655)</u>	<u>(1,714,926)</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses)										
Issuance of bonds	\$ 7,610,000	\$ -	\$ 5,320,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,405,000	\$ -
Premium on issuance of bonds	462,953	-	271,122	-	-	-	3,520	-	799,369	-
Payment to refunded bond escrow agent	(7,875,166)	-	-	-	-	-	-	-	-	-
Issuance of bond anticipation notes	-	1,750,000	-	-	-	-	-	6,000,000	-	-
Payment of bond anticipation notes	-	-	(1,750,000)	-	-	-	-	-	(6,000,000)	-
Capital leases	-	-	417,324	545,429	167,692	121,049	101,357	428,877	378,591	338,095
Other proceeds	-	-	209,717	71,753	-	-	-	-	-	-
Transfers in	1,104,768	635,246	525,000	406,099	532,009	671,054	852,461	876,803	1,072,314	1,077,406
Transfers out	(1,104,768)	(635,246)	(525,000)	(406,099)	(532,009)	(671,054)	(852,461)	(876,803)	(1,072,314)	(1,077,406)
Total other financing sources (uses)	197,787	1,750,000	4,468,163	617,182	167,692	121,049	104,877	6,428,877	4,582,960	338,095
Net change in fund balances	\$ 1,281,937	\$ 1,004,684	\$ 4,287,480	\$ (1,396,004)	\$ (1,522,299)	\$ (412,198)	\$ 1,003,911	\$ 809,967	\$ 1,556,305	\$ (1,376,831)
Debt service as a percentage of noncapital expenditures	6.8%	5.6%	5.0%	5.9%	5.1%	5.1%	5.0%	4.9%	4.5%	4.6%

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

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Total Real Estate Assessment	Less: Tax Exempt Property	Total Taxable Assessed Value	(1)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
							Total Direct Tax Rate		
2013	\$ 699,832,510	\$ 207,140,950	\$ 9,271,500	\$ 916,244,960	\$ 175,972,280	\$ 740,272,680	23.12	\$ 1,057,532,400	70.00%
2014	702,215,059	208,843,550	9,404,600	920,463,209	175,641,180	744,822,029	23.37	1,064,031,470	70.00%
2015	705,017,950	211,635,250	9,404,600	926,057,800	178,389,480	747,668,320	23.37	1,068,097,600	70.00%
2016	709,722,440	210,470,550	9,466,000	929,658,990	178,320,280	751,338,710	23.37	1,075,045,586	69.89%
2017	* 686,210,030	208,248,230	10,102,700	904,560,960	172,955,030	731,605,930	24.22	1,045,151,329	70.00%
2018	670,892,230	196,509,700	11,368,400	878,770,330	172,998,730	705,771,600	26.47	1,008,245,143	70.00%
2019	670,964,010	233,587,668	9,687,700	914,239,378	172,998,730	741,240,648	27.37	1,058,915,211	70.00%
2020	674,365,047	237,155,567	9,687,700	921,208,314	173,123,830	748,084,484	27.37	1,068,692,120	70.00%
2021	* 736,821,460	224,898,732	10,639,390	972,359,582	184,514,810	787,844,772	26.66	1,125,492,531	70.00%
2022	739,475,432	223,856,480	10,652,900	973,984,812	184,804,080	789,180,732	27.56	1,127,401,046	70.00%

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

* Revaluation completed.

Source: Town of Somers, Office of the Assessor.

Table 7

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

Taxpayer	2022		2013	
	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value
Eversource (previously CT Light & Power)	\$ 18,726,060	1.92%	\$ 6,505,540	0.88%
Huntington National Bank	12,948,820	1.33%		
Somers AG Holding Co Inc	12,394,840	1.27%		
Somers Solar Center LLC	10,110,710	1.04%		
Driving Range 349 Main St LLC	5,265,940	0.54%		
JVLADD Properties	2,968,100	0.30%		
The Connecticut Water Co	2,245,090	0.23%	1,975,300	0.27%
Pleasant View Farms Realty Co	2,064,740	0.21%		
Birkenshaw David	1,882,260	0.19%	1,660,150	0.22%
Farm Credit Leasing Svcs	1,665,850	0.17%		
Specialized Technology Resources Inc			6,207,040	0.84%
Grower Direct Inc			2,702,080	0.37%
Conval Inc			2,539,560	0.34%
Somers Crossing LLC			2,070,400	0.28%
Somers Recreation Inc			1,765,720	0.24%
Hazardville Water Company			1,667,080	0.23%
Forty Scitico Road LLC			1,348,200	0.18%
Total	\$ 70,272,410	7.21%	\$ 28,441,070	3.84%
Total Taxable Assessed Real Estate Value *	\$ 973,984,812		\$ 740,272,680	

* Total Taxable Assessed Real Estate Value before Exempt Property

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

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
2013	\$ 18,591,286	\$ 18,369,471	98.81%	\$ 188,229	\$ 18,557,700	99.82%
2014	19,288,638	19,038,264	98.70%	220,117	19,258,381	99.84%
2015	19,620,357	19,353,138	98.64%	205,194	19,558,332	99.68%
2016	20,207,717	19,909,113	98.52%	235,930	20,145,043	99.68%
2017	20,472,057	20,177,715	98.56%	264,259	20,441,974	99.85%
2018	22,584,990	22,246,552	98.50%	272,000	22,518,552	99.70%
2019	23,481,900	23,247,473	99.00%	109,823	23,357,296	99.46%
2020	23,790,855	23,589,997	99.16%	77,639	23,667,636	99.37%
2021	24,059,533	23,914,550	99.40%	84,762	23,999,312	99.75%
2022	24,991,627	24,547,603	98.22%	-	24,547,603	98.22%

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

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Actual Property Value	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Bond Anticipation Notes*	Financed Purchases				
2013	\$ 12,956,060	\$ -	\$ 464,196	\$ 13,420,256	1.27%	3.34%	\$ 1,173
2014	11,537,141	1,750,000	384,331	13,671,472	1.28%	3.52%	1,179
2015	16,012,613	-	612,771	16,625,384	1.56%	4.36%	1,471
2016	14,605,458	-	895,087	15,500,545	1.44%	4.05%	1,356
2017	13,216,854	-	806,713	14,023,567	1.34%	3.12%	1,204
2018	11,838,930	-	549,458	12,388,388	1.23%	3.18%	1,115
2019	10,374,099	-	473,402	10,847,501	1.02%	2.48%	1,001
2020	8,937,789	6,000,000	631,844	15,569,633	1.46%	3.33%	1,444
2021	17,719,321	-	861,262	18,580,583	1.65%	3.84%	1,833
2022	16,587,167	-	797,252	17,384,419	1.54%	3.87%	1,691

* 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					
2013	\$	12,956,060	\$ 12,956,060	1.23%	3.22%	\$ 1,132
2014		11,537,141	11,537,141	1.08%	2.97%	995
2015		16,012,613	16,012,613	1.50%	4.20%	1,417
2016		14,605,458	14,605,458	1.36%	3.82%	1,278
2017		13,216,854	13,216,854	1.26%	2.94%	1,135
2018		11,838,930	11,838,930	1.17%	3.04%	1,066
2019		10,374,099	10,374,099	0.98%	2.37%	958
2020		8,937,789	8,937,789	0.84%	1.91%	829
2021		17,719,321	17,719,321	1.57%	3.66%	1,748
2022		16,587,167	16,587,167	1.47%	3.69%	1,614

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Legal Debt Margin Calculation:										
Total capacity of borrowing (7 times base)	\$ 130,596,214	\$ 135,638,237	\$ 138,462,688	\$ 142,048,235	\$ 144,557,581	\$ 158,184,285	\$ 166,249,342	\$ 168,944,622	\$ 167,746,474	\$ 173,796,665
Total present indebtedness	<u>12,337,184</u>	<u>16,323,510</u>	<u>15,416,000</u>	<u>14,091,000</u>	<u>12,781,000</u>	<u>11,476,000</u>	<u>20,075,000</u>	<u>14,695,000</u>	<u>17,176,257</u>	<u>16,201,257</u>
Margin for additional borrowing	<u>\$ 118,259,030</u>	<u>\$ 119,314,727</u>	<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>
Total net debt applicable to the debt limit as a percentage of the debt limit	9.45%	12.03%	11.13%	9.92%	8.84%	7.25%	12.08%	8.70%	10.24%	9.32%

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
2013	11,444	\$ 402,073,496	\$ 35,134	42.0	12.0	1,522	7.2%
2014	11,598	388,243,050	33,475	42.2	12.0	1,507	6.7%
2015	11,303	380,911,100	33,700	41.8	12.0	1,473	4.5%
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%

(1) U.S. Department of Commerce, Bureau of Census, 2014 Estimate Update

(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)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Function/Program										
General government										
Finance	2.0	3.0	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0
Building	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5	1.5	1.0
Other	7.0	7.0	8.0	8.0	8.0	12.0	12.0	11.5	11.0	13.0
Police										
Officers	2.0	3.5	3.5	4.5	5.0	6.5	7.0	6.5	6.0	5.5
State Troopers	-	3.0	2.0	2.0	3.0	1.0	1.0	1.0	1.0	1.0
Civilians	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
Fire										
Firefighters and officers	7.0	7.5	10.5	8.0	8.0	7.5	8.0	9.5	10.5	10.0
Refuse collection	-	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0
Public works	13.0	8.0	8.0	8.0	6.0	6.0	7.0	7.0	7.0	7.0
Parks and recreation	2.0	3.5	4.5	5.5	4.0	4.0	4.0	6.5	6.0	6.0
Library	8.0	10.0	9.5	9.5	7.5	7.5	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	2.0	2.0	3.0	4.0	2.0	3.0	2.0	2.0	2.0	2.0
Total	<u>47.0</u>	<u>53.0</u>	<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>

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	2013	2014	2015	2016	2017	2018	2019 *	2020	2021	2022**
Police										
Criminal investigations	292	247	297	351	364	331	218	126	156	139
Motor vehicle accidents	130	130	133	110	109	117	107	116	98	109
DUI arrests	36	29	34	13	24	27	18	15	5	8
Miscellaneous calls for service	-	-	-	-	-	-	7,005	7,894	8,790	11,170
Fire										
Emergency responses	999	929	1,046	1,144	1,175	1,310	1,407	1,836	2,329	2,584
Fires extinguished	21	28	12	30	32	36	22	27	46	30
Inspections	252	246	317	207	255	293	291	164	175	206
Refuse collection										
Refuse collected (tons per year)	4,693	3,053	3,598	3,818	3,784	3,205	3,560	3,482	3,573	3,163
Bulky waste (tons per year)	779	803	786	761	586	690	590	711	725	731
Recycling (tons per year)	666	2,310	3,820	1,120	790	854	675	633	698	601
Other public works (miles)										
Street resurfacing	7	7	11	2	2	-	-	14	-	-
Paved surface	1	1	1	2	2	-	2	2	7	-
Crack sealing	2	3	1	-	1	-	4	8	-	-
Library										
Volumes in collection	57,822	59,488	65,409	65,439	66,585	67,658	69,467	68,875	70,843	71,469
Total volumes circulated	63,111	58,206	74,435	74,614	63,487	61,103	58,708	40,800	31,359	42,633
Water										
New connections	2	2	5	3	2	2	-	-	-	6
New well permits	7	6	7	12	15	5	10	6	8	13
Wastewater										
New septic permits	11	10	10	13	7	10	9	13	9	29
Septic repair permits	-	-	-	-	-	-	-	-	-	34
New sewer connections	6	4	4	3	7	1	5	1	3	3
Average yearly sewage treatment (thousands of gallons)/day	28	29	28	32	36	41	46	43	39	59
Transit (senior bus)										
Total route miles	23,039	25,383	26,746	25,248	28,020	29,013	28,948	17,176	17,047	20,872
Passengers	3,917	4,545	3,808	3,306	3,543	3,680	3,542	2,120	1,532	2,313

* - 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	5	3	4	5	5	5	6	6	6	7
State patrol units	-	3	2	2	3	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	450	450	431	460	464	464	464	464	464	464 *
Traffic signals	5	9	8	9	9	9	9	9	9	9
Parks and recreation										
Acreage	118	118	118	122	306	306	306	306	306	306
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	9	9	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	200	200	193	193	193	193	193	193	193	194
Storage capacity (thousands of gallons)	-	-	-	-	-	-	-	-	-	- **
Wastewater										
Sanitary sewers (miles)	4	4	4	4	4	4	4	4	4	4
Storm sewers (miles)	41	41	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	3	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.