

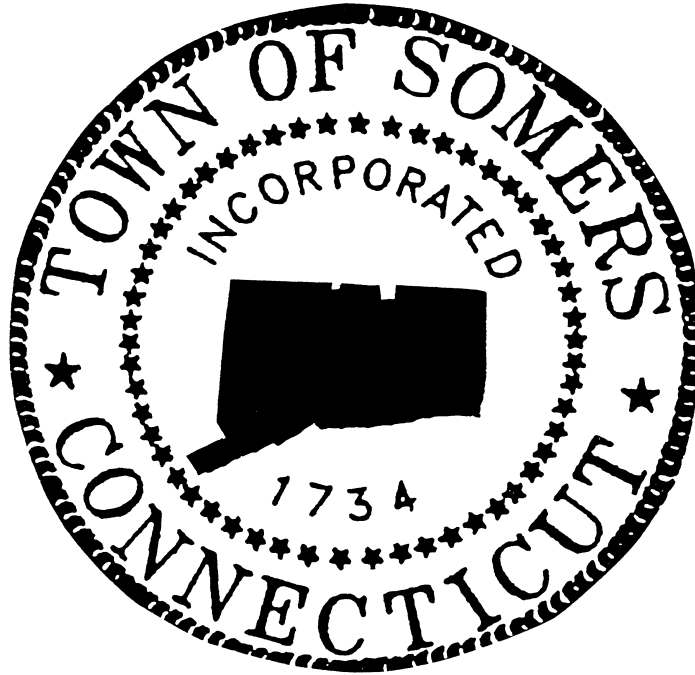
**TOWN OF SOMERS,
CONNECTICUT**



**Annual Comprehensive
Financial Report**

**For The Year Ended
June 30, 2023**

**TOWN OF SOMERS,
CONNECTICUT**



**Annual Comprehensive
Financial Report**

**For The Year Ended
June 30, 2023**

Prepared by:

Finance & Treasury Department

TOWN OF SOMERS, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	viii
Organizational Chart	ix
Principal Town Officials	xii

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1
-------------------------------------	----------

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4
---	----------

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Statement of Net Position	15
Statement of Activities	16

Fund Financial Statements:

Governmental Fund Financial Statements:

Balance Sheet	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20

Proprietary Fund Financial Statements:

Statement of Net Position	22
Statement of Revenues, Expenses and Changes in Fund Net Position	23
Statement of Cash Flows	24

Fiduciary Fund Financial Statements:

Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26

Notes to the Financial Statements	27
-----------------------------------	----

TOWN OF SOMERS, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS *(Continued)*

Page

FINANCIAL SECTION *(Continued)*

REQUIRED SUPPLEMENTARY INFORMATION: (Unaudited)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund	70
Schedules of Changes in the Town's Net Pension Liability (Asset) and Related Ratios:	
Town Employees' Pension Plan	71
Board of Education Employees' Pension Plan	72
Volunteer Firefighters' Pension Plan	73
Schedules of Contributions and Investment Returns - Pension:	
Town Employees' Plan	74
Board of Education Employees' Plan	75
Volunteer Firefighters' Plan	76
Schedule of Town's Proportionate Share of the Collective Net Pension Liability - Connecticut State Teachers' Retirement System	77
Schedules of Changes in the Town's Net OPEB Liability - Other Post-Employment Benefits Plan	78
Schedules of Contributions and Investment Returns - Other Post-Employment Benefits Plan	79
Schedule of Town's Proportionate Share of the Collective Net OPEB Liability - Connecticut State Teachers' Retirement System	80
Notes to Required Supplementary Information	81

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:

Governmental Funds:

General Fund:

Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis	87
Schedule of Expenditures and Other Financing Uses - Budget and Actual - Budgetary Basis	88
Schedule of Property Taxes Levied, Collected and Outstanding	90
Schedule of Debt Limitation	91

Combining Statements:

Narrative	92
Combining Balance Sheet - Nonmajor Governmental Funds - By Fund Type	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - By Fund Type	94

Special Revenue Funds:

Narrative	95
Combining Balance Sheet - Nonmajor Special Revenue Funds	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	98

TOWN OF SOMERS, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS (Continued)

Page

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued):

Governmental Funds (Continued):

Capital Projects Funds:

Narrative	100
Combining Balance Sheet - Nonmajor Capital Projects Funds	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	102

Fiduciary Funds:

Pension Trust Funds and Agency Funds:

Narrative	103
Combining Statement of Fiduciary Net Position - Pension Trust Funds	104
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds	105

STATISTICAL SECTION

Narrative	106
-----------	-----

Financial Trends:

Table 1 - Net Position by Component	107
Table 2 - Changes in Net Position	108
Table 3 - Program Revenues by Function/Program	109
Table 4 - Fund Balances of Governmental Funds	110
Table 5 - Changes in Fund Balance of Governmental Funds	111

Revenue Capacity:

Table 6 - Assessed Value and Estimated Actual Value of Taxable Property	113
Table 7 - Principal Property Taxpayers	114
Table 8 - Property Tax Levies and Collections	115

Debt Capacity:

Table 9 - Ratios of Outstanding Debt by Type	116
Table 10 - Ratios of Net General Bonded Debt	117
Table 11 - Legal Debt Margin Information	118

Demographic and Economic Information:

Table 12 - Demographic and Economic Statistics	119
--	-----

Operating Information:

Table 13 - Full-time Equivalent Town Government Employees by Function	120
Table 14 - Operating Indicators by Function	121
Table 15 - Capital Asset Statistics by Function	122

INTRODUCTORY SECTION

TOWN OF SOMERS
600 Main Street
Somers, Connecticut 06071

www.somersct.gov

TEL (860) 763-8200

FAX (860) 763-8228

FIRST SELECTMAN
Timothy R. E. Keeney

SELECTMEN
William Meier III
Robert Schmidt

December 6, 2023

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, 2023.

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, 2023, 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, 2023. 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 the 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 independent auditors report.

Profile of the Government

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

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

Covering an area of 28.7 square miles, Somers is a growing suburban residential community in the Hartford, Connecticut and Springfield, Massachusetts area with a 2022 population of 10,760. The Town's proximity to both Hartford, 25 miles to the south, and Springfield, 10 miles to the north, has been a major factor in its advance from a rural area to a residential suburb.

Form of Government

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

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

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

Summary of Municipal Services

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

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

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

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

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

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

Solid Waste: The Somers Transfer Station/Recycling Center is open four days a week. The Town has transitioned to single stream recycling. The Center also accepts waste oil, auto batteries, tires, refrigerators and air conditioners, brush, woody debris, and other bulky wastes for a fee. The Transfer Station requires a \$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 305 acres of Town property, as well as maintenance, repair, and landscaping of all playing surfaces of baseball, softball, soccer, football, and lacrosse fields. Additionally, they are responsible for playgrounds, splash pad, volleyball, tennis, pickleball, and basketball courts along with the Somersville Mill Pond Park and Camp Aya-Po recreation areas.

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

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

Utilities: Electricity is provided by Eversource Energy.

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

Budgetary Procedures

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

- The annual budget and a long-range plan (including capital needs, debt service and operating expenditures) serve as the basis for the Town's financial planning and control.
- The Board of Selectmen and Board of Education, respectively, perform a detailed analysis of their department requests; rate each request and provide a report with recommendations, per the adopted CIP policy, to the Board of Finance as to capital needs of the Town and Board of Education.
- Each department is required to submit an operating budget request through the Board of Selectmen and Board of Education to the Board of Finance.
- Revenue estimates are generated by the Treasurer's Office from documentation provided by the State of Connecticut and various departments.
- The Board of Finance reviews each budget with the Board of Selectmen, Board of Education and other elected officials and makes adjustments as determined necessary.
- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained.
- The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town Meeting. The operating budget includes proposed expenditures and the means of financing them.
- The Board of Education may reassign resources within its department without seeking Board of Finance approval. The legal level of the budget control is the department level for the Board of Education and the object level (salaries and wages, supplies, and other objects) for all other departments.
- 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 2023 unemployment rate at 2.6% (seasonally adjusted), which is lower than the state unemployment rate of 3.5% and lower than the federal unemployment rate of 3.8%. Industry within the Town includes specialty manufacturing, small machine shops, a large-scale wholesale nursery, horse, and livestock breeding and raising, a retail supermarket, an entertainment and event venue, and solar power generation facilities. This industry base provides stable employment; however, the primary employment of Town residents is provided from the business and industry in neighboring communities in the geographic area between Hartford, Connecticut, and Springfield, Massachusetts. In FY 2023, the Town experienced an increase of 8.08% in building permits compared to the prior fiscal year.

Long-term Financial Planning

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

Relevant Financial Policies

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

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

Investment Policy

In addition to the above policies, the Town's cash management policy emphasizes foremost the security of the principal being invested, second liquidity and third to obtain the highest yield on the investment. The cash invested is idle cash, which is transferred as needed into investment accounts. This idle cash is invested in the State Treasurer's Short-Term Investment Fund and competitive bank investment funds including certificates of deposits with maturity dates ranging from 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.

Fiscal Year 2023 also saw the latest expansion of Sonny's Place, a popular family amusement and entertainment destination, with the addition of a new miniature golf course and ride attractions. Finally, the Town saw the expansion of operations at the state's newest winery, Worthington Vineyard and Winery.

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

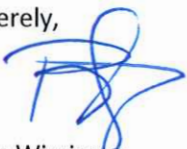
In addition, the Town has a robust capital infrastructure portfolio. All of the projects under consideration are eligible for or have already received state and federal grant funding. These projects include: a sidewalk project to improve the walkability and the community connectivity; Hurds Lake Dam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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) has once again awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Somers for its *Annual Comprehensive Financial Report (ACFR)* for last fiscal year ended June 30, 2022. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the Town and its management. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles, governmental accounting standards, and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report for fiscal year ending June 30, 2023, continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Board of Finance and First Selectman deserve to be acknowledged for their valuable contributions and support in the preparation of this Annual Comprehensive Financial Report.

Sincerely,



Brian Wissinger,
Treasurer/Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

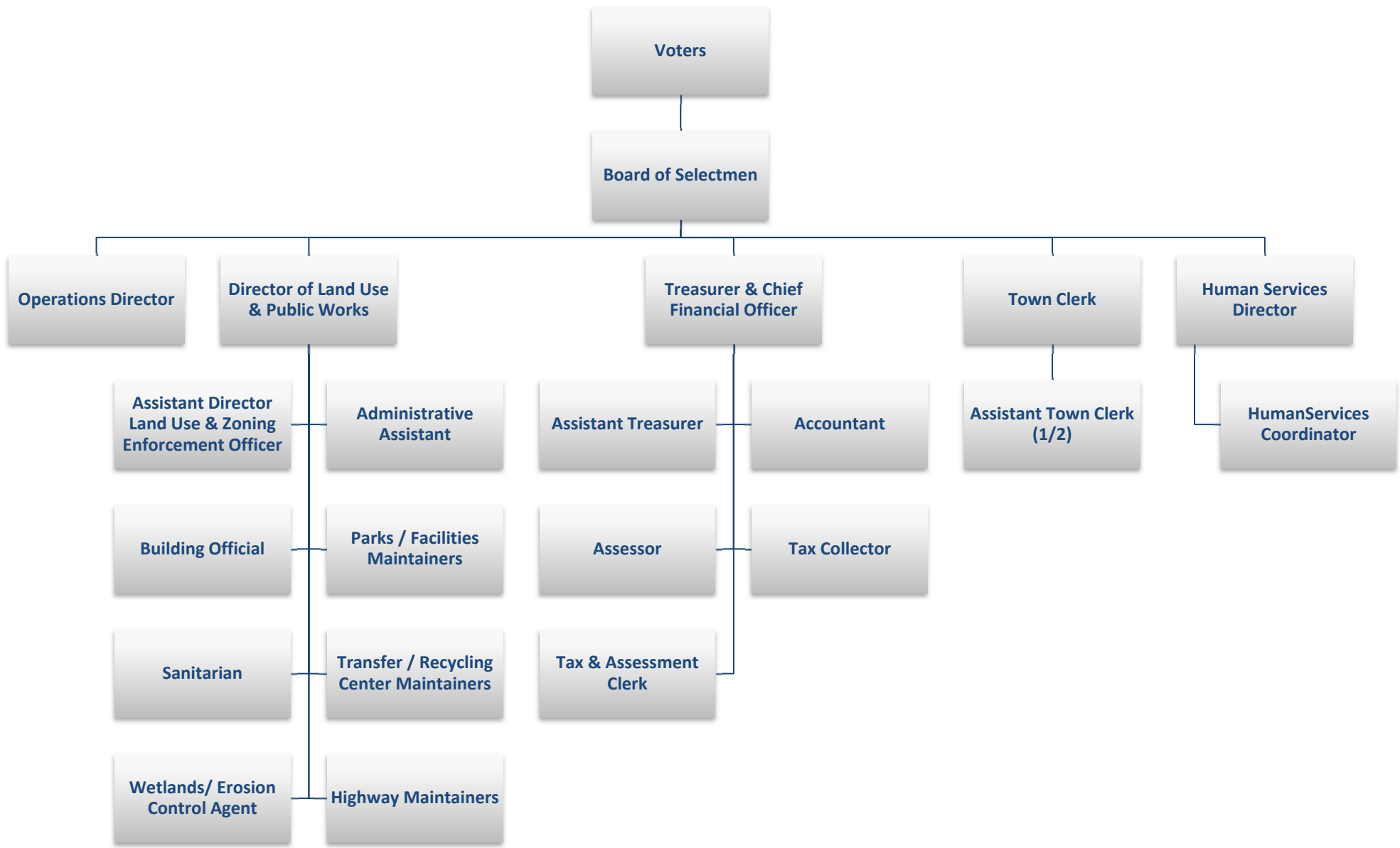
**Town of Somers
Connecticut**

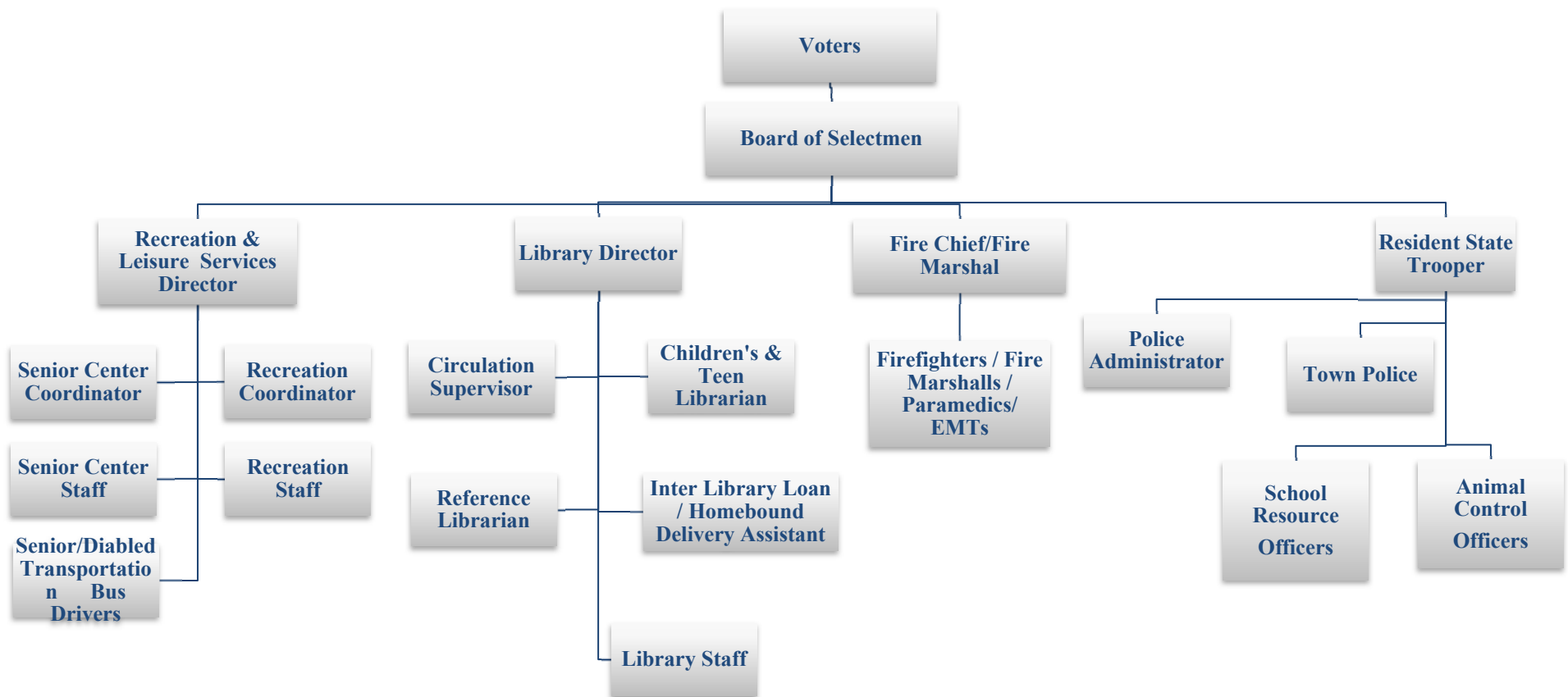
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

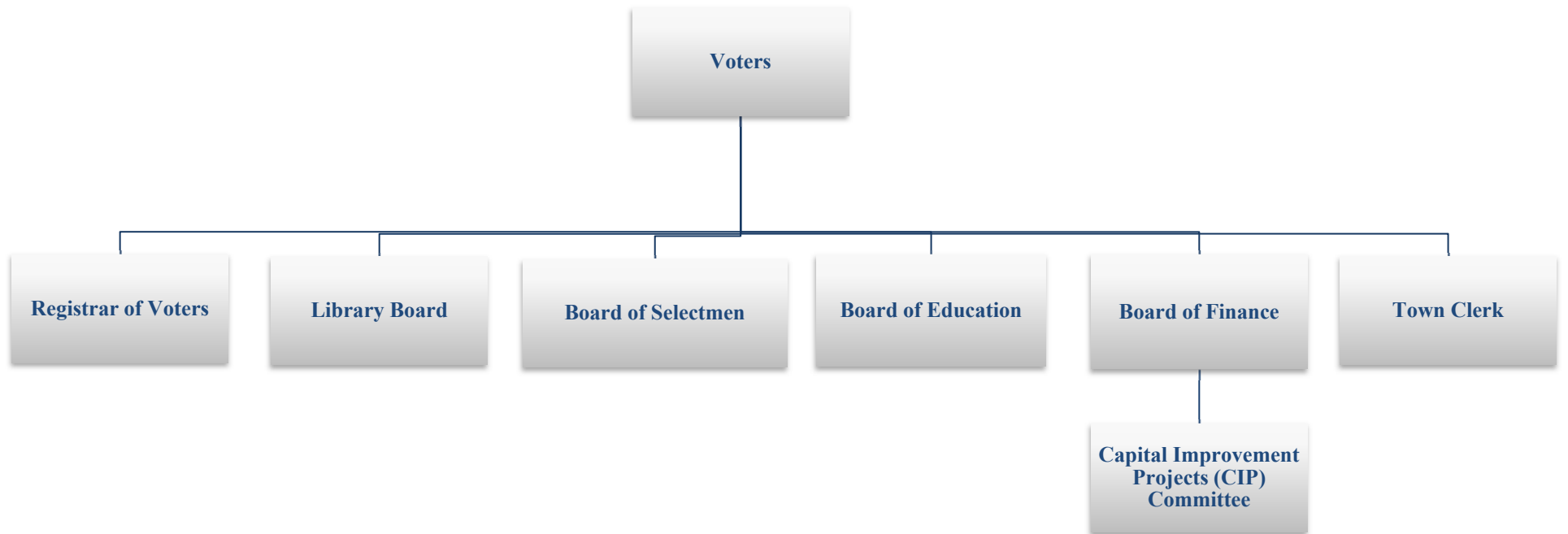
June 30, 2022

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	Karen Neal.
Chief Financial Officer/Treasurer	Brian Wissinger
Chief of Police	Timothy Keeney
Collector of Taxes	Alissa Hanvey
Director of Land Use & Public Works	Todd Rolland
Fire Chief	John Roache
Human Services Director	Matthew Cox
Superintendent of Schools	Dr. Sam Galloway
Library Director	Joanne Nichting
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
JT Galloway
Jan Martin
Shane Manning
Carl Stebbins

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, 2023, 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, 2023, 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 70 through 86 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.

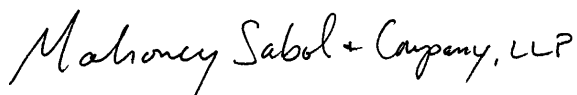
Other Information

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 6, 2023, 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 6, 2023

Management's Discussion and Analysis

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. 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 \$50,538,768 (net position). Of this amount, \$7,838,061 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors. The Town's overall net position increased by \$434,545.
- The Town's total long-term debt consisting of general obligation bonds and financed purchases of capital assets decreased by \$1,584,353 or 9.6% during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,441,100, a decrease of \$843,990 in comparison with the prior year.
- At the end of the current fiscal year, fund balance of the General Fund was \$7,353,391. Of this amount, \$6,843,179 represents unassigned fund balance that may be appropriated for future spending and \$493,880 has been assigned for use in the Town's fiscal year 2024 budget. Unassigned fund balance is sufficient to cover 2.2 months of and represents 18.0% of the Town's General Fund budgetary expenditure appropriation for fiscal year 2024.

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, 2023

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 \$50,538,768 as of June 30, 2023 and \$50,104,223 as of June 30, 2022 and are summarized as follows:

	<u>2023</u>	<u>2022</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current and other assets	\$ 17,580,513	\$ 19,687,438	\$ (2,106,925)	-10.7%
Capital assets, net	<u>56,169,018</u>	<u>57,064,421</u>	<u>(895,403)</u>	-1.6%
Total assets	<u>73,749,531</u>	<u>76,751,859</u>	<u>(3,002,328)</u>	-3.9%
Deferred outflows of resources	<u>1,405,580</u>	<u>1,169,322</u>	<u>236,258</u>	20.2%
Current and other liabilities	3,126,137	2,707,273	418,864	15.5%
Long-term liabilities	<u>19,714,117</u>	<u>21,249,252</u>	<u>(1,535,135)</u>	-7.2%
Total liabilities	<u>22,840,254</u>	<u>23,956,525</u>	<u>(1,116,271)</u>	-4.7%
Deferred inflows of resources	<u>1,776,089</u>	<u>3,860,433</u>	<u>(2,084,344)</u>	-54.0%
Net position:				
Net investment in capital assets	39,890,182	41,791,885	(1,901,703)	-4.6%
Restricted	2,810,525	2,664,871	145,654	5.5%
Unrestricted	<u>7,838,061</u>	<u>5,647,467</u>	<u>2,190,594</u>	38.8%
Total net position	<u>\$ 50,538,768</u>	<u>\$ 50,104,223</u>	<u>\$ 434,545</u>	0.9%

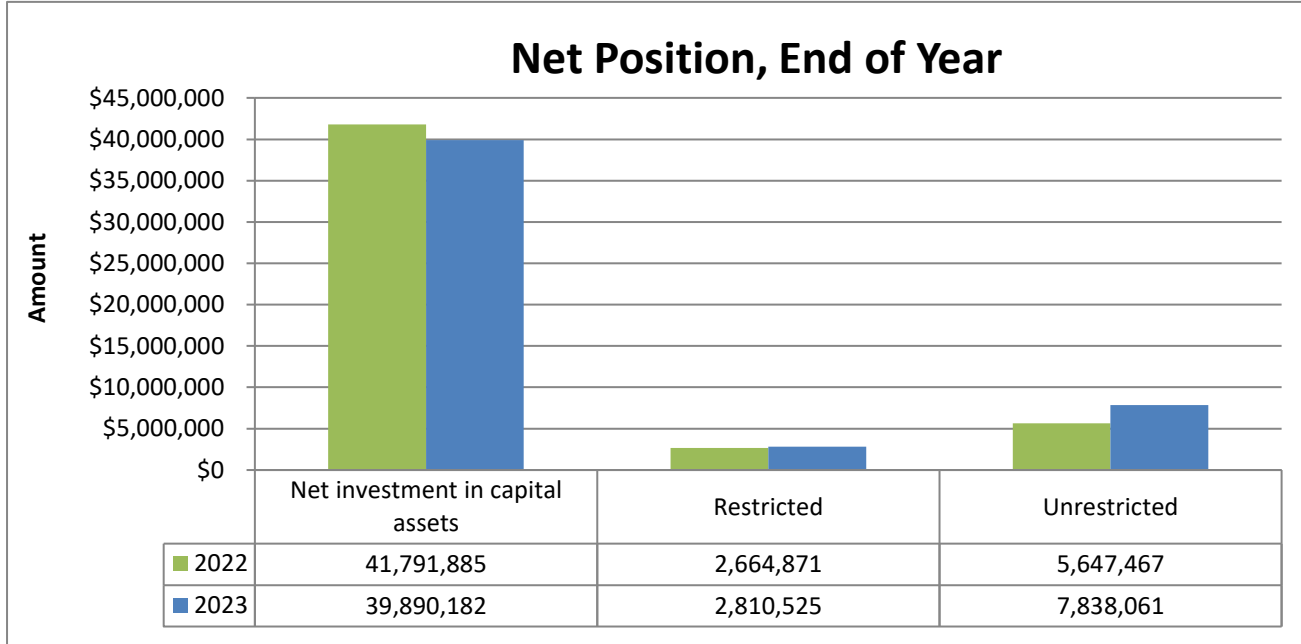
Current year activities that impacted the Town's statement of net position are as follows:

- The Town's pension plans experienced favorable 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, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Net Position *(Continued)*



78.9% of the Town's net position as of June 30, 2023 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.

5.6% of the Town's net position as of June 30, 2023 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, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position

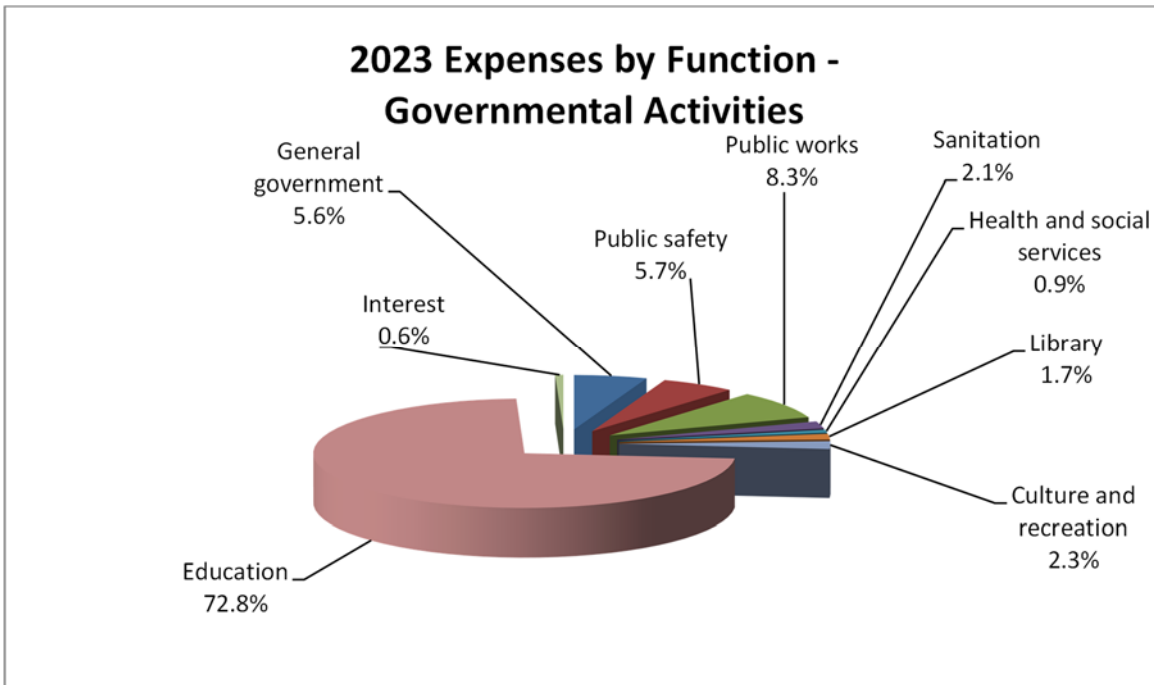
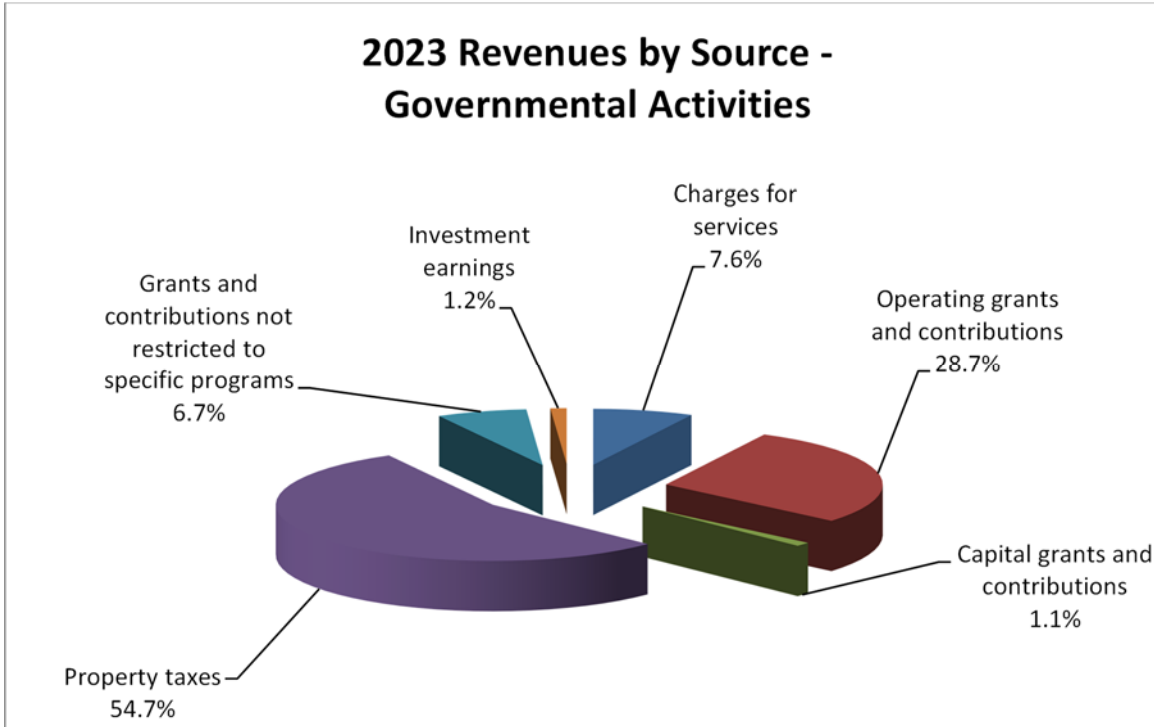
Changes in net position for the years ended June 30, 2023 and 2022 are as follows.

	<u>2023</u>	<u>2022</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues				
Program revenues:				
Charges for services	\$ 3,665,063	\$ 3,211,360	\$ 453,703	14.1%
Operating grants and contributions	14,018,686	10,787,401	3,231,285	30.0%
Capital grants and contributions	549,992	156,917	393,075	250.5%
General revenues:				
Property taxes	26,727,256	25,053,390	1,673,866	6.7%
Grants and contributions not restricted to specific programs	3,293,261	3,091,989	201,272	6.5%
Investment earnings	591,329	(49,331)	640,660	-1298.7%
Total revenues	<u>48,845,587</u>	<u>42,251,726</u>	<u>6,593,861</u>	15.6%
Program expenses				
General government	2,707,506	2,653,030	54,476	2.1%
Public safety	2,760,557	2,800,265	(39,708)	-1.4%
Public works	4,007,663	3,532,337	475,326	13.5%
Sanitation	1,023,587	928,241	95,346	10.3%
Health and social services	431,496	447,737	(16,241)	-3.6%
Library	804,183	762,365	41,818	5.5%
Culture and recreation	1,107,406	659,760	447,646	67.8%
Education	35,266,600	30,427,364	4,839,236	15.9%
Interest expense	302,044	385,248	(83,204)	-21.6%
Total expenses	<u>48,411,042</u>	<u>42,596,347</u>	<u>5,814,695</u>	13.7%
Change in net position	434,545	(344,621)	<u>\$ 779,166</u>	-226.1%
Net position - beginning	<u>50,104,223</u>	<u>50,448,844</u>		
Net position - ending	<u>\$ 50,538,768</u>	<u>\$ 50,104,223</u>		

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position *(Continued)*

The Town's net position increased by \$434,545 during the year ended June 30, 2023, compared to a decrease of \$344,621 during the year ended June 30, 2022.

Overall revenues increased by \$6,593,861 or 15.6% over the prior year. The change over the prior year was driven by the following:

- An increase in operating grants of \$3.2 million or 30.0%. This increase is primarily driven by a \$2.7 million increase 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 corresponding increase in education expense and does not have an impact on the Town's change in net position for the year.
- An increase in property taxes of \$1.6 million or 6.7% due to a 3.4% increase in the mill rate combined with an overall increase in the Town's net taxable grand list.
- An increase in investment earnings of \$641 thousand driven by a historical increase in market interest rates.

Overall expenses increased by \$5,814,695 or 13.7% over the prior year. The change over the prior year was driven by an increase in education expenses. The increase in education expenses is primarily due to the increase in on-behalf pension and OPEB expenses associated with the Connecticut Teachers' Retirement System, as discussed above, and an overall increase in contractual operating costs.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,441,100, a decrease of \$843,990 over the prior year. Approximately 76.2% or \$9,481,200 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 \$7,353,391. Of this amount, \$6,843,179 represents unassigned fund balance that may be appropriated for future spending and \$493,880 has been assigned for use in the Town's fiscal year 2024 budget. Unassigned fund balance is sufficient to cover 2.2 months of and represents 18.0% of the General Fund budgetary expenditure appropriation for fiscal year 2024. The fund balance of the Town's General Fund increased by \$340,442 during the current fiscal year compared to an increase of \$24,639 in the prior year. Revenues and other financing sources increased by \$2.7 million while expenditures and other financing uses increased by \$2.4 million.

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Governmental Funds *(Continued)*

General Fund (Continued)

Property tax revenues increased by \$1.6 million primarily due to a 3.4% increase in the mill rate combined with an overall increase in the Town's net taxable grand list. Intergovernmental revenues increased by \$708 thousand primarily due to the receipt of an unbudgeted municipal revenue sharing grant from the State of Connecticut. Investment income increased by \$285 thousand due to historical increases in market interest rates. Education expenses increased by \$1.5 million or 5.1% due to an overall increase in contractual operating costs. Principal payments on long-term debt increased by \$345 thousand and transfers out increased by \$594 thousand due to an increase in funds transferred to the Capital Projects Fund.

Capital Projects Fund

At the close of the current fiscal year, the fund balance of the Capital Projects Fund totaled \$1,371,546. Fund balance consisted of \$621,703 in unspent bond proceeds restricted for authorized capital projects and debt service, and \$749,843 of fund balance committed for capital purposes. The decrease in fund balance of \$1,522,196 reflects current year capital outlays of \$2,355,542, 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 \$595,352 to fund authorized uses under the Act.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the year ended June 30, 2023 planned for the utilization of fund balance in the amount of \$75,000. Supplemental appropriations were authorized during the year in the amount of \$761,545, resulting in a planned use of fund balance of \$836,545. The actual change in fund balance of the General Fund on a budgetary basis was an increase of \$363,189. Revenues and other financing sources were \$787,046 more than expected and expenditures were \$412,688 lower than budgeted. The revenue surplus was driven by higher than anticipated revenues received on property taxes, intergovernmental and investment income. The expenditure surplus was driven by a favorable budgetary variance on Education of \$311,746.

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, 2023 and 2022 totaled \$56,169,018 and \$57,064,421, 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 \$895,403 or 1.6%. Current year additions totaled \$1,488,542, which was offset by depreciation and amortization of \$2,383,945.

TOWN OF SOMERS, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

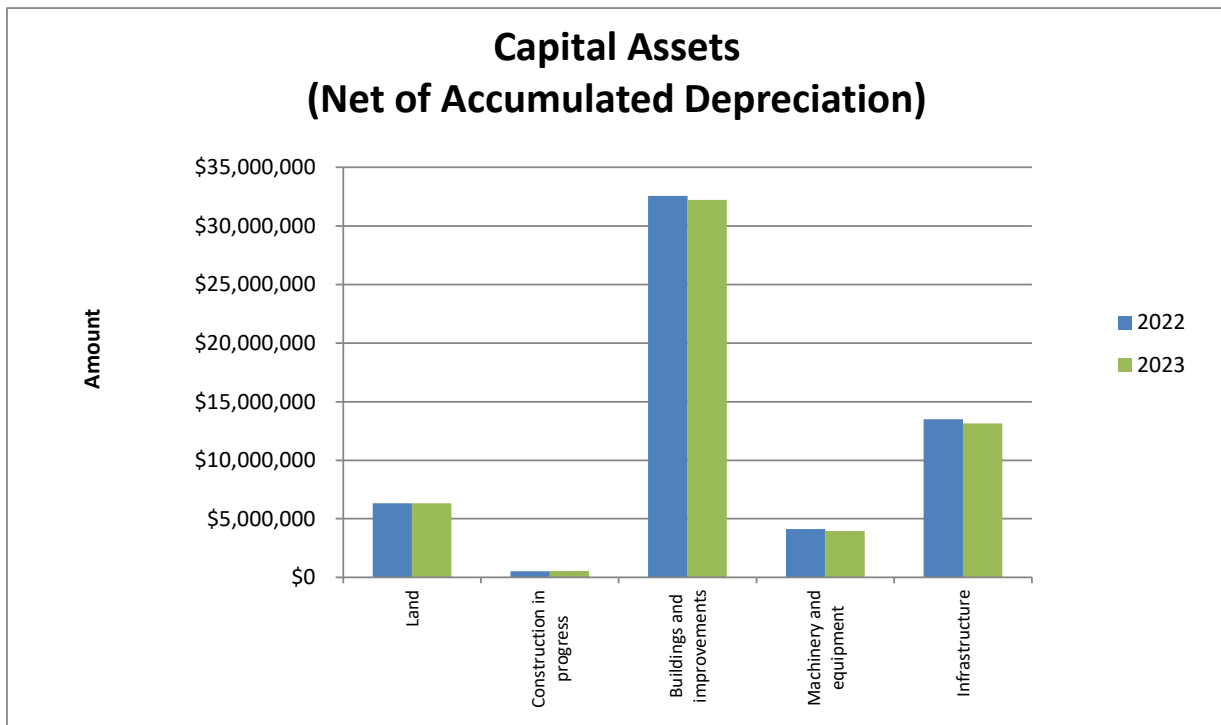
CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Capital Assets *(Continued)*

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

	<u>2023</u>	<u>2022</u>	<u>\$ Variance</u>	<u>% Variance</u>
Land	\$ 6,322,158	\$ 6,322,158	\$ -	0.0%
Construction in progress	532,859	526,051	6,808	1.3%
Buildings and improvements	32,219,310	32,581,270	(361,960)	-1.1%
Machinery and equipment	3,952,418	4,124,964	(172,546)	-4.2%
Infrastructure	13,142,273	13,509,978	(367,705)	-2.7%
Totals	<u>\$ 56,169,018</u>	<u>\$ 57,064,421</u>	<u>\$ (895,403)</u>	-1.6%

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



Additional information on the Town's capital assets can be found in Note 4 to the basic financial statements beginning on page 39.

Long-term Debt

At the end of the current fiscal year, the Town had total long-term debt, consisting of bonds and financed purchase contracts, outstanding of \$14,962,899. This entire amount is comprised of debt backed by the full faith and credit of the Town.

TOWN OF SOMERS, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

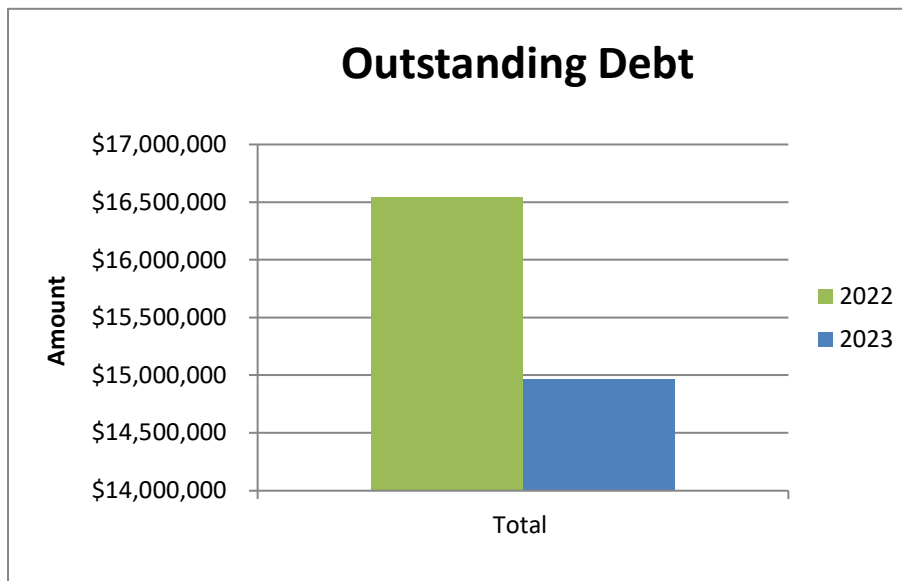
CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Long-term Debt

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

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

	<u>2023</u>	<u>2022</u>	<u>\$ Variance</u>	<u>% Variance</u>
General obligation bonds	\$ 14,430,000	\$ 15,750,000	\$ (1,320,000)	-8.4%
Financed purchases	532,899	797,252	(264,353)	-33.2%
Total	<u>\$ 14,962,899</u>	<u>\$ 16,547,252</u>	<u>\$ (1,584,353)</u>	-9.6%



Additional information on the Town's long-term debt can be found in Note 7 to the basic financial statements beginning on page 41.

TOWN OF SOMERS, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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 2024, 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 2024.

The fiscal year 2024 budget was adopted by the Town in May 2023. The fiscal year 2024 budget authorized expenditure appropriations of \$38,048,558, which represents an overall increase of 3.3% over the original fiscal year 2024 budget. The budget has been developed on principles designed to keep the Town financially sound; keep the community safe; support public education; improve and promote economic development; maintain existing facilities and infrastructure and improve the quality of life for all Town residents. The budget contemplates the use of fund balance in the amount of \$493,880.

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, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 11,464,559
Investments	4,460,944
Receivables:	
Property taxes, interest and fees	706,298
Grants and contracts	260,829
Assessments and user charges	53,300
Other	410,917
Other	4,432
Net pension assets	219,234
Capital assets:	
Non-depreciable	6,855,017
Depreciable, net	49,314,001
Total assets	73,749,531
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	749,330
OPEB related	603,744
Deferred charges on refundings	52,506
Total deferred outflows of resources	1,405,580
LIABILITIES	
Accounts payable	940,364
Accrued liabilities	1,024,462
Deposits payable	66,932
Unearned revenue	1,094,379
Noncurrent liabilities:	
Due within one year	1,832,955
Due in more than one year	17,881,162
Total liabilities	22,840,254
DEFERRED INFLOWS OF RESOURCES	
Pension related	323,857
OPEB related	539,207
Advanced tax collections	913,025
Total deferred inflows of resources	1,776,089
NET POSITION	
Net investment in capital assets	39,890,182
Restricted for:	
Cemetery - Expendable	1,102,735
Library - Expendable	657,202
Library - Nonexpendable	75,000
Pensions	219,234
Other purposes	756,354
Unrestricted	7,838,061
Total net position	\$ 50,538,768

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

TOWN OF SOMERS, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

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	\$ 2,707,506	\$ 737,438	\$ 537,379	\$ -	\$ (1,432,689)
Public safety	2,760,557	762,461	249,100	87,264	(1,661,732)
Public works	4,007,663	31,552	420,454	259,573	(3,296,084)
Sanitation	1,023,587	364,280	5,000	-	(654,307)
Health and social services	431,496	115,369	79,051	-	(237,076)
Library	804,183	7,914	3,299	-	(792,970)
Culture and recreation	1,107,406	377,210	184,304	-	(545,892)
Education	35,266,600	1,268,839	12,540,099	203,155	(21,254,507)
Interest expense	302,044	-	-	-	(302,044)
Total governmental activities	<u>\$ 48,411,042</u>	<u>\$ 3,665,063</u>	<u>\$ 14,018,686</u>	<u>\$ 549,992</u>	<u>(30,177,301)</u>
General revenues:					
					26,727,256
					3,293,261
					591,329
					<u>30,611,846</u>
					434,545
					50,104,223
					<u>\$ 50,538,768</u>

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

TOWN OF SOMERS, CONNECTICUT

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	General Fund	Capital Projects Fund	COVID Relief Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,007,406	\$ 896,065	\$ 593,029	\$ 3,916,780	\$ 11,413,280
Investments	3,058,965	-	-	1,401,979	4,460,944
Receivables:					
Property taxes, interest and fees	706,298	-	-	-	706,298
Assessments and user charges	-	-	-	53,300	53,300
Grants and contracts	-	159,679	2,277	98,873	260,829
Other	264,535	-	-	146,382	410,917
Due from other funds	1,359,531	1,321,324	236,328	116,569	3,033,752
Prepaid items	4,432	-	-	-	4,432
Total assets	<u>\$ 11,401,167</u>	<u>\$ 2,377,068</u>	<u>\$ 831,634</u>	<u>\$ 5,733,883</u>	<u>\$ 20,343,752</u>
LIABILITIES					
Accounts payable	\$ 421,756	\$ 354,322	\$ 50,470	\$ 110,589	\$ 937,137
Accrued liabilities	206,719	651,200	82,215	-	940,134
Deposits payable	66,932	-	-	-	66,932
Due to other funds	1,721,078	-	-	1,359,531	3,080,609
Unearned revenue	11,968	-	670,710	411,701	1,094,379
Total liabilities	<u>2,428,453</u>	<u>1,005,522</u>	<u>803,395</u>	<u>1,881,821</u>	<u>6,119,191</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	706,298	-	-	164,138	870,436
Advanced tax collections	913,025	-	-	-	913,025
Total deferred inflows of resources	<u>1,619,323</u>	<u>-</u>	<u>-</u>	<u>164,138</u>	<u>1,783,461</u>
FUND BALANCES					
Nonspendable	4,432	-	-	75,000	79,432
Restricted for:					
Capital purposes	-	364,177	-	-	364,177
Other purposes	-	257,526	28,239	2,230,526	2,516,291
Committed for:					
Capital purposes	-	749,843	-	77,764	827,607
Other purposes	11,900	-	-	1,304,634	1,316,534
Assigned	493,880	-	-	-	493,880
Unassigned	6,843,179	-	-	-	6,843,179
Total fund balances	<u>7,353,391</u>	<u>1,371,546</u>	<u>28,239</u>	<u>3,687,924</u>	<u>12,441,100</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,401,167</u>	<u>\$ 2,377,068</u>	<u>831,634</u>	<u>\$ 5,733,883</u>	<u>\$ 20,343,752</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, 2023

Total fund balances for governmental funds		\$ 12,441,100
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		56,169,018
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.		52,506
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.		219,234
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.		870,436
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.		490,010
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	\$ (14,430,000)	
Premium on bonds	(727,098)	
Financed purchases	(532,899)	
Accrued interest	(84,328)	
Other long-term liabilities:		
Compensated absences	(835,868)	
Landfill post-closure care costs	(28,000)	
Net pension liability	(1,001,529)	
Net OPEB liability	(2,158,723)	
Total long-term liabilities	(19,798,445)	
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.		94,909
Net position of governmental activities		\$ 50,538,768

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, 2023

	General Fund	Capital Projects Fund	COVID Relief Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 26,491,719	\$ -	\$ -	\$ -	\$ 26,491,719
Intergovernmental	13,319,479	247,063	595,352	2,469,403	16,631,297
Charges for services	995,910	-	-	2,608,483	3,604,393
Investment income	324,624	68,698	26,769	171,238	591,329
Other	-	-	-	208,098	208,098
Total revenues	<u>41,131,732</u>	<u>315,761</u>	<u>622,121</u>	<u>5,457,222</u>	<u>47,526,836</u>
EXPENDITURES					
Current:					
General government	3,282,200	-	433,145	5,688	3,721,033
Public safety	1,929,292	-	43,446	94,131	2,066,869
Public works	1,711,245	-	-	536,063	2,247,308
Sanitation	717,188	-	-	279,615	996,803
Health and social services	221,823	-	20,603	137,876	380,302
Library	531,430	-	-	23,470	554,900
Culture and recreation	181,743	-	98,158	369,310	649,211
Education	30,168,553	-	-	2,657,400	32,825,953
Debt service:					
Principal payments	1,320,000	-	-	264,353	1,584,353
Interest and fiscal charges	417,838	-	-	13,378	431,216
Capital outlays	53,893	2,355,542	-	503,443	2,912,878
Total expenditures	<u>40,535,205</u>	<u>2,355,542</u>	<u>595,352</u>	<u>4,884,727</u>	<u>48,370,826</u>
Excess (deficiency) of revenues over expenditures	596,527	(2,039,781)	26,769	572,495	(843,990)
OTHER FINANCING SOURCES (USES)					
Transfers in	714,650	718,235	-	353,796	1,786,681
Transfers out	(970,735)	(200,650)	-	(615,296)	(1,786,681)
Total other financing sources (uses)	<u>(256,085)</u>	<u>517,585</u>	<u>-</u>	<u>(261,500)</u>	<u>-</u>
Net change in fund balances	340,442	(1,522,196)	26,769	310,995	(843,990)
Fund balances - beginning	<u>7,012,949</u>	<u>2,893,742</u>	<u>1,470</u>	<u>3,376,929</u>	<u>13,285,090</u>
Fund balances - ending	<u>\$ 7,353,391</u>	<u>\$ 1,371,546</u>	<u>\$ 28,239</u>	<u>\$ 3,687,924</u>	<u>\$ 12,441,100</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, 2023

Net change in fund balances for governmental funds \$ (843,990)

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	\$ 1,488,542	
Depreciation and amortization expense	<u>(2,383,945)</u>	
Net adjustment		(895,403)

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:

Principal repayments:		
Bonds	1,320,000	
Financed purchases	<u>264,353</u>	
Net adjustment		1,584,353

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.

179,830
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, 2023

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. \$ 395,864

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	\$	139,987	
Accrued interest		49,009	
Amortization of deferred charges on refundings		(29,906)	
Amortization of bond premium		110,069	
Landfill post-closure care costs		14,000	
Net pension assets		28,107	
Net pension liability		(113,210)	
Net OPEB liability		(200,064)	
		(2,008)	(2,008)

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.

15,899

Change in net position of governmental activities

\$ 434,545

Concluded

TOWN OF SOMERS, CONNECTICUT
STATEMENT OF NET POSITION -
PROPRIETARY FUND
AS OF JUNE 30, 2023

	Governmental Activities - Internal Service Fund - Dental Benefits Fund
ASSETS	
Current assets:	
Cash	\$ 51,279
Due from other funds	46,857
Total assets	98,136
 LIABILITIES	
Current liabilities:	
Claims payable	3,227
Total liabilities	3,227
 NET POSITION	
Unrestricted	\$ 94,909

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, 2023

	Governmental Activities - Internal Service Fund - Dental Benefits Fund
OPERATING REVENUES	
Charges for services	\$ 190,724
Total operating revenues	190,724
OPERATING EXPENSES	
Claims incurred	163,138
Administration	11,687
Total operating expenses	174,825
Operating loss/change in net position	15,899
Net position - beginning	79,010
Net position - ending	\$ 94,909

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, 2023

	Governmental Activities - Internal Service Fund - Dental Benefits Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from participants	\$ 48,911
Receipts from employer	103,932
Payments for claims and administration	(175,058)
Net cash used in operating activities	<u>(22,215)</u>
Net decrease in cash	(22,215)
Cash, beginning of year	<u>73,494</u>
Cash, end of year	<u><u>\$ 51,279</u></u>
Reconciliation of operating income to net cash from operating activities:	
Operating income	\$ 15,899
Adjustments to reconcile operating income to net cash used in operating activities:	
Increase in due from other funds	(37,881)
Decrease in claims payable	(233)
Net cash used in operating activities	<u><u>\$ (22,215)</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, 2023

	Pension and Other Employee Benefit Trust Funds
ASSETS	
Cash and cash equivalents	\$ 578,355
Investments:	
U.S. Treasury securities	536,603
U.S. Agency securities	108,873
Fixed income securities	3,256,804
Equity securities	9,480,352
	13,382,632
Accrued income receivable	29,073
Total assets	13,990,060
LIABILITIES	
Payables	170,531
Total liabilities	170,531
NET POSITION	
Restricted for:	
Pensions	12,582,122
Other post-employment benefits	1,237,407
	\$ 13,819,529

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, 2023

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 344,153
Plan members	187,525
Total contributions	531,678
Investment earnings:	
Interest and dividends	336,955
Net change in the fair value of investments, net of investment fees	752,773
Total investment earnings, net	1,089,728
Total additions	1,621,406
DEDUCTIONS	
Benefit payments	754,226
Administrative expenses	17,206
Total deductions	771,432
Change in net position	849,974
Net position - beginning	12,969,555
Net position - ending	\$ 13,819,529

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, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

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

Related Organization

The Town is responsible for appointing members to the Board of Directors of the Housing Authority of the Town of Somers (the Authority), but the Town's accountability for the Authority does not extend beyond making the appointments. The Town made no appropriations for the operation of this agency for the fiscal year ended June 30, 2023.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities, however interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Government-wide Financial Statements *(Continued)*

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

Fund Financial Statements

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

The Town reports the following major governmental funds:

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

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Measurement Focus and Basis of Accounting *(Continued)*

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

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

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the Town's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Investments

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

Donor-restricted Endowments

The Town allocates investment income on endowment investments in accordance with donor restrictions and Connecticut law. The State of Connecticut has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town. Amounts of net appreciation of endowments available for expenditure totaled \$1,759,937 as of June 30, 2023 and is reported as a component of restricted net position and fund balance.

Property Taxes and Assessments

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Taxes become delinquent thirty days after the installment is due and liens are filed on delinquent real estate taxes within one year. Interest is charged on delinquent amounts at a statutory rate of 1.5% per month. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$393,000 and \$99,000, respectively, as of June 30, 2023.

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

Upon completion of projects, sewer assessments are levied and assessed to users each October. Usage charges are billed annually on October 1. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for infrastructure assets and more than \$2,000 for all other assets.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Capital Assets *(Continued)*

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

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

Deferred Outflows and Inflows of Resources

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

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

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

Unearned Revenue

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

Long-term Obligations

Long-term Debt

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Long-term Obligations *(Continued)*

Long-term Debt

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

Leases (as Lessee)

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

Compensated Absences

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

Net Position

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

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Net Position *(Continued)*

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

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

Fund Balance

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

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

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

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

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

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

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, a negative unassigned fund balance will be reported in that fund.

TOWN OF SOMERS, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Fund Balance *(Continued)*

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

Interfund Activity

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

Use of Estimates

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

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town’s cash deposits as of June 30, 2023 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 11,464,559
Statement of fiduciary net position:	
Cash and cash equivalents	578,355
	12,042,914
Add: investments considered cash deposits for disclosure purposes	3,058,965
Less: cash equivalents considered investments for disclosure purposes	(4,457,203)
	\$ 10,644,676

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town's policy provides for uninsured demand and time deposits with banks and savings and loan institutions to be collateralized as prescribed in the Connecticut General Statutes, as described below. In addition, in order to anticipate market changes and provide for a level of security for all funds, all public deposits shall be held in qualified public depositories. As of June 30, 2023, the carrying amount of the Town's cash deposits was \$10,644,676. As of June 30, 2023, \$9,670,586 of the Town's bank balance of \$10,974,317 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	8,703,527
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name		967,059
		9,670,586
	<u>\$</u>	<u>9,670,586</u>

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

Investments

A reconciliation of the Town's investments as of June 30, 2023 is as follows:

Government-wide statement of net position:		
Investments	\$	4,460,944
Statement of fiduciary net position:		
Investments		13,382,633
		17,843,577
Add: cash equivalents considered investments for disclosure purposes		4,457,203
Less: investments considered cash deposits for disclosure purposes		(3,058,965)
	<u>\$</u>	<u>19,241,815</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Investments (Continued)

As of June 30, 2023, the Town's investments consisted of the following:

Investment type	Valuation Basis	Value	Investment Maturities (In Years)			
			Less Than 1	1 to 5	6 to 10	More Than 10
Debt Securities:						
<i>Governmental Activities (excluding Permanent Funds):</i>						
Short-term Investment Fund	Amortized cost	\$ 3,724,238	\$ 3,724,238	\$ -	\$ -	\$ -
<i>Permanent Funds:</i>						
Money market mutual funds	Amortized cost	391,305	391,305	-	-	-
U.S. Treasury securities	Fair value	59,619	59,619	-	-	-
Fixed income securities	Fair value	138,034	26,951	111,083	-	-
<i>Fiduciary Funds:</i>						
Money market mutual funds	Amortized cost	341,660	341,660	-	-	-
U.S. Treasury securities	Fair value	536,603	7,951	367,442	161,210	-
U.S. Agency securities	Fair value	108,873	-	-	-	108,873
Fixed income securities	Fair value	3,256,804	1,135,125	2,064,238	57,441	-
		8,557,136	<u>\$ 5,686,849</u>	<u>\$ 2,542,763</u>	<u>\$ 218,651</u>	<u>\$ 108,873</u>
Other investments:						
<i>Permanent Funds:</i>						
Equity securities	Fair value	800,191				
Mutual funds	Fair value	404,136				
<i>Fiduciary Funds:</i>						
Equity securities	Fair value	9,480,352				
		<u>\$ 19,241,815</u>				

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

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

Credit Risk

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Investments (Continued)

Credit Risk (Continued)

The Town's investment policy for its pension trust funds pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The Town's investments in debt securities were rated as follows at June 30, 2023:

<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	\$ 3,724,238	\$ -	\$ -	\$ -	\$ -	\$ 3,724,238
<i>Permanent Funds:</i>						
Money market mutual funds	-	-	-	-	391,305	391,305
Fixed income securities	-	16,935	74,978	46,121	-	138,034
<i>Fiduciary Funds:</i>						
Money market mutual funds	-	-	-	-	341,660	341,660
U.S. Agency securities	-	108,873	-	-	-	108,873
Fixed income securities	25,903	108,475	1,204,990	1,917,436	-	3,256,804
	<u>\$ 3,750,141</u>	<u>\$ 234,283</u>	<u>\$ 1,279,968</u>	<u>\$ 1,963,557</u>	<u>\$ 732,965</u>	7,960,914
				U.S. Treasury securities		596,222
						<u>\$ 8,557,136</u>

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2023, 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, 2023, none of the Town's investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5.0% or more of the total investments reported for the Town's governmental activities or fiduciary funds.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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, 2023, 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>				
U.S. Treasury securities	\$ 59,619	\$ -	\$ -	\$ 59,619
Fixed income securities	-	138,034	-	138,034
Equity securities	800,191	-	-	800,191
Mutual funds	404,136	-	-	404,136
<i>Fiduciary Funds:</i>				
U.S. Treasury securities	536,603	-	-	536,603
U.S. Agency securities	108,873	-	-	108,873
Fixed income securities	-	3,256,804	-	3,256,804
Equity securities	9,480,352	-	-	9,480,352
	<u>\$ 11,389,774</u>	<u>\$ 3,394,838</u>	<u>\$ -</u>	<u>14,784,612</u>
		Investments measured at amortized cost		<u>4,457,203</u>
				<u>\$ 19,241,815</u>

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

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

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 consisted of the following:

	Beginning Balance	Increases	Decreases Transfers	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 6,322,158	\$ -	\$ -	\$ 6,322,158
Construction in progress	526,051	473,479	(466,671)	532,859
Total capital assets, not being depreciated	6,848,209	473,479	(466,671)	6,855,017
Capital assets, being depreciated:				
Buildings and improvements	66,338,729	411,178	466,671	67,216,578
Vehicles, machinery and equipment	12,104,503	506,160	(319,907)	12,290,756
Infrastructure	24,799,797	97,725	-	24,897,522
Total capital assets, being depreciated	103,243,029	1,015,063	146,764	104,404,856
Less accumulated depreciation and amortization for:				
Buildings and improvements	(33,757,459)	(1,239,809)	-	(34,997,268)
Vehicles, machinery and equipment	(7,979,539)	(678,706)	319,907	(8,338,338)
Infrastructure	(11,289,819)	(465,430)	-	(11,755,249)
Total accumulated depreciation and amortization	(53,026,817)	(2,383,945)	319,907	(55,090,855)
Total capital assets, being depreciated, net	50,216,212	(1,368,882)	466,671	49,314,001
Governmental activities capital assets, net	\$ 57,064,421	\$ (895,403)	\$ -	\$ 56,169,018

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

Governmental Activities:	
General government	\$ 75,394
Public safety	240,715
Public works	661,702
Sanitation	11,761
Health and social services	21,793
Library	117,765
Culture and recreation	127,820
Education	1,126,995
Total depreciation and amortization expense - governmental activities	\$ 2,383,945

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2023 are as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General Fund	Nonmajor Governmental Funds	\$ 1,359,531
Capital Project Fund	General Fund	1,321,324
COVID Relief Fund	General Fund	236,328
Nonmajor Governmental Funds	General Fund	116,569
		<u>\$ 3,033,752</u>
Proprietary Funds:		
Internal Service Fund	General Fund	\$ 46,857
		<u>46,857</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, 2023 consisted of the following:

Transfers In	Transfers Out	Amount
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 514,000
	Capital Project Fund	200,650
		714,650
Capital Project Fund	General Fund	718,235
Nonmajor Governmental Funds	General Fund	252,500
	Nonmajor Governmental Funds	101,296
		<u>353,796</u>
		<u>\$ 1,786,681</u>

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2023, are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<i>Long-term Debt:</i>					
Bonds payable:					
General obligation bonds	\$ 15,750,000	\$ -	\$ (1,320,000)	\$ 14,430,000	\$ 1,320,000
Unamortized premiums	837,167	-	(110,069)	727,098	-
Total bonds payable	16,587,167	-	(1,430,069)	15,157,098	1,320,000
Financed purchases	797,252	-	(264,353)	532,899	250,291
<i>Other Long-term Obligations:</i>					
Compensated absences	975,855	798,127	(938,114)	835,868	248,664
Landfill post closure care liability	42,000	-	(14,000)	28,000	14,000
Net pension liability (see Note 8)	888,319	113,210	-	1,001,529	-
Net OPEB liability (see Note 10)	1,958,659	200,064	-	2,158,723	-
	<u>\$ 21,249,252</u>	<u>\$ 1,111,401</u>	<u>\$ (2,646,536)</u>	<u>\$ 19,714,117</u>	<u>\$ 1,832,955</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
<i>Bonds Payable</i>					
General Obligation Refunding Bonds	2013	\$ 7,610,000	2.0% - 3.0%	8/2027	\$ 2,335,000
General Obligation Bonds	2015	5,320,000	2.0% - 4.0%	11/2034	3,050,000
General Obligation Bonds	2020	9,405,000	2.0% - 4.0%	10/2041	9,045,000
					<u>\$ 14,430,000</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, 2023

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

Advance Refundings

The Town has refunded general obligation bonds in prior years. At June 30, 2023, \$2,260,000 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 \$29,906 for the year ended June 30, 2023.

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, 2023.

Authorized and unissued debt as of June 30, 2023 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
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	1,025,000	238,450	85,523	21,415
2029-2033	3,705,000	791,444	-	-
2034-2038	3,265,000	336,343	-	-
2039-2042	1,795,000	64,350	-	-
	<u>\$ 14,430,000</u>	<u>\$ 2,727,243</u>	<u>\$ 532,899</u>	<u>\$ 42,805</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Compensated Absences

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

Landfill Post-Closure Care Liability

The Town landfill has been closed. State and federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next 2 years are estimated to be \$28,000. 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, 2023, the four plans had the following balances reported in the Town's government-wide financial statements:

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenues</u>	<u>Pension Expense</u>
Town Employees' Plan	\$ 155,165	\$ -	\$ 209,999	\$ 166,342	\$ -	\$ 115,270
Board of Education Employees' Plan	-	1,001,529	522,272	109,249	-	237,960
Volunteer Firefighters Incentive Plan	64,069	-	17,059	48,266	-	1,403
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	-	4,935,104	4,935,104
	<u>\$ 219,234</u>	<u>\$ 1,001,529</u>	<u>\$ 749,330</u>	<u>\$ 323,857</u>	<u>\$ 4,935,104</u>	<u>\$ 5,289,737</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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

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

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

Concentrations - The Plans' investments were not subject to significant concentration risks as of June 30, 2023. As of June 30, 2023, 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, 2023, 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 7.46%, 9.14% and 9.05%, 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:

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
Retired participants and beneficiaries receiving benefits	11	37	11
Terminated members entitled to, but not yet receiving benefits	11	7	27
Active members	38	42	69
	<u>60</u>	<u>86</u>	<u>107</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

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

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.

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

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

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, 2023, employer contributions to the Town Plan represented approximately 5.11% of covered payroll.

For the year ended June 30, 2023, employer contributions to the Board of Education Plan represented approximately 9.11% of covered payroll.

Net Pension Liability (Assets)

The components of the Town's net pension liability (asset) for each plan as of June 30, 2023 were as follows:

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
Total pension liability	\$ 5,816,038	\$ 7,173,647	\$ 374,732
Plan fiduciary net position	5,971,203	6,172,118	438,801
Town's net pension liability (assets)	<u>\$ (155,165)</u>	<u>\$ 1,001,529</u>	<u>\$ (64,069)</u>
Plan fiduciary net position as a percentage of the total pension liability	102.67%	86.04%	117.10%

The components of the Town's changes in the net pension liability (asset) for each of the plans for the year ended June 30, 2023 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, 2022	\$ 5,459,280	\$ 5,605,715	\$ (146,435)
Changes for the year:			
Service cost	282,748	-	282,748
Interest	363,957	-	363,957
Actuarial (gains) losses	-	-	-
Contributions	-	246,771	(246,771)
Net investment income	-	421,144	(421,144)
Benefit payments, including refunds	(289,947)	(289,947)	-
Administrative expenses	-	(12,480)	12,480
Net changes	<u>356,758</u>	<u>365,488</u>	<u>(8,730)</u>
Balance as of June 30, 2023	<u>\$ 5,816,038</u>	<u>\$ 5,971,203</u>	<u>\$ (155,165)</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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 Liability
Board of Education Plan			
Balance as of June 30, 2022	\$ 6,738,585	\$ 5,850,266	\$ 888,319
Changes for the year:			
Service cost	197,908	-	197,908
Interest	402,822	-	402,822
Actuarial (gains) losses	286,484	-	286,484
Contributions	-	252,971	(252,971)
Net investment income	-	522,213	(522,213)
Benefit payments, including refunds	(452,152)	(452,152)	-
Administrative expenses	-	(1,180)	1,180
Net changes	435,062	321,852	113,210
Balance as of June 30, 2023	\$ 7,173,647	\$ 6,172,118	\$ 1,001,529
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Firefighters' Plan			
Balance as of June 30, 2022	\$ 366,543	\$ 411,235	\$ (44,692)
Changes for the year:			
Service cost	9,036	-	9,036
Interest	24,024	-	24,024
Actuarial (gains) losses	(12,744)	-	(12,744)
Contributions	-	6,034	(6,034)
Net investment income	-	37,205	(37,205)
Benefit payments, including refunds	(12,127)	(12,127)	-
Administrative expenses	-	(3,546)	3,546
Net changes	8,189	27,566	(19,377)
Balance as of June 30, 2023	\$ 374,732	\$ 438,801	\$ (64,069)

Actuarial assumptions - The total pension liabilities were determined by actuarial valuations as of July 1, 2021 for the Town Plan, as of July 1, 2022 for the Volunteer Firefighters' Plan, and as of July 1, 2022 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)	6.50%	6.00%	6.25%

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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)*

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

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

Best estimates of arithmetic real rates of return for each major asset class included in each of the plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>			<u>Long-term Expected Real Rate of Return</u>		
	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
	Equity	60%	65%	60%	3.41%	3.92%
Fixed income	37%	30%	37%	0.70%	0.52%	0.70%
Cash	3%	5%	3%	0.00%	0.04%	0.00%
				4.11%	4.48%	4.10%
Long-term inflation				2.40%	2.40%	2.40%
				<u>6.51%</u>	<u>6.88%</u>	<u>6.50%</u>

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 6.25%, respectively. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the each of the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on each Plan's investments were applied to all periods of projected benefit payments to determine each Plan's total pension liability.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

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

Net Pension Liability (Asset) *(Continued)*

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

	Discount Rates		
	-1.0%	Current	+1.0%
Town Plan - Net pension liability (asset)	\$ 527,295	\$ (155,165)	\$ (734,288)
Board of Education Plan - Net pension liability (liability)	1,733,665	1,001,529	374,699
Firefighters' Plan - Net pension liability (asset)	(890)	(64,069)	(114,026)
	<u>\$ 2,260,070</u>	<u>\$ 782,295</u>	<u>\$ (473,615)</u>

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized total pension expense of \$115,270 for the Town Plan, \$237,960 for the Board of Education Plan and \$1,403 for the Volunteer Firefighters' Plan.

At June 30, 2023, the Town reported deferred outflows and inflows of resources related to each plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Town Plan			
Net difference between projected and actual earnings on pension plan investments	\$ 30,870	\$ -	\$ 30,870
Differences between expected and actual experience	60,939	131,362	(70,423)
Changes of assumptions	118,190	34,980	83,210
	<u>209,999</u>	<u>166,342</u>	<u>43,657</u>
Board of Education Plan			
Net difference between projected and actual earnings on pension plan investments	170,405	-	170,405
Differences between expected and actual experience	258,408	73,663	184,745
Changes of assumptions	93,459	35,586	57,873
	<u>522,272</u>	<u>109,249</u>	<u>413,023</u>
Firefighters' Plan			
Net difference between projected and actual earnings on pension plan investments	-	3,882	(3,882)
Differences between expected and actual experience	57	42,556	(42,499)
Changes of assumptions	17,002	1,828	15,174
	<u>17,059</u>	<u>48,266</u>	<u>(31,207)</u>
Total	<u>\$ 749,330</u>	<u>\$ 323,857</u>	<u>\$ 425,473</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

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

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,				
2024	\$ (31,741)	\$ 51,546	\$ (6,430)	\$ 13,375
2025	(65,175)	59,856	(9,276)	(14,595)
2026	153,964	272,149	6,623	432,736
2027	(20,180)	15,599	(4,630)	(9,211)
2028	7,260	12,331	(2,478)	17,113
Thereafter	(471)	1,542	(15,016)	(13,945)
Total	<u>\$ 43,657</u>	<u>\$ 413,023</u>	<u>\$ (31,207)</u>	<u>\$ 425,473</u>

Pension Plans Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for each plan as of and for the year ended June 30, 2023.

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
Assets			
Cash and cash equivalents	\$ 300,222	\$ 223,422	\$ 17,683
Investments	5,820,486	5,933,411	430,968
Accrued income receivable	10,320	15,285	856
Total assets	<u>6,131,028</u>	<u>6,172,118</u>	<u>449,507</u>
Liabilities			
Accounts payable	159,825	-	10,706
Total liabilities	<u>159,825</u>	<u>-</u>	<u>10,706</u>
Net Position			
Restricted for pension benefits	<u>\$ 5,971,203</u>	<u>\$ 6,172,118</u>	<u>\$ 438,801</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

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

Pension Plans Financial Statements *(Continued)*

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
Additions			
Contributions:			
Employer	\$ 127,779	\$ 184,438	\$ 6,034
Plan members	118,992	68,533	-
Total contributions	<u>246,771</u>	<u>252,971</u>	<u>6,034</u>
Investment earnings:			
Interest and dividends	171,096	129,075	11,462
Net change in the fair value of investments, net of investment fees	<u>250,048</u>	<u>393,138</u>	<u>25,743</u>
Total investment earnings, net	<u>421,144</u>	<u>522,213</u>	<u>37,205</u>
Total additions	<u>667,915</u>	<u>775,184</u>	<u>43,239</u>
Deductions			
Benefit payments	289,947	452,152	12,127
Administrative expenses	<u>12,480</u>	<u>1,180</u>	<u>3,546</u>
Total deductions	<u>302,427</u>	<u>453,332</u>	<u>15,673</u>
Change in net position	365,488	321,852	27,566
Net Position Restricted for Pension Benefits			
Beginning	<u>5,605,715</u>	<u>5,850,266</u>	<u>411,235</u>
Ending	<u>\$ 5,971,203</u>	<u>\$ 6,172,118</u>	<u>\$ 438,801</u>

Connecticut Teachers' Retirement System

Plan Description

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

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions

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

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

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

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

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

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

Contributions

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

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

Employees - Effective January 1, 2018, each teacher is required contribute 7.0% of pensionable salary for the pension benefit.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Administrative Expenses

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

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022. The net pension liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

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

Allocation Methodology

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

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2022, 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>\$ 18,310,559,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.279%	<u>\$ 51,061,000</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$4,025,789 or 0.279% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2023.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$4,935,104 or 0.279% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2023.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.0%	5.4%
Developed Market Intl. Stock Fund	11.0%	6.4%
Emerging Market Intl. Stock Fund	9.0%	8.6%
Core Fixed Income Fund	13.0%	0.8%
Emerging Market Debt Fund	5.0%	3.8%
High Yield Bond Fund	3.0%	3.4%
Real Estate Fund	19.0%	5.2%
Private Equity	10.0%	9.4%
Private Credit	5.0%	6.5%
Alternative Investments	3.0%	3.1%
Liquidity Fund	2.0%	-0.4%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 - OTHER RETIREMENT PLANS

Firefighters' Deferred Compensation Plan

The Town offers 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 \$31,268 for the year ended June 30, 2023.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER RETIREMENT PLANS *(Continued)*

Town Deferred Compensation Plan

The Town offers all employees who are eligible for benefits a deferred compensation plan created by the State of Connecticut in accordance with Internal Revenue Code Section 457. The Town is not required to make contributions to this plan. Deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The Town has no trustee or other fiduciary responsibilities related to participant accounts and therefore the plan is not accounted for in the fiduciary fund financial statements of the Town.

Board of Education 403(b) Plans

The Board of Education provides retirement benefits through a 403(b) plans for certain employees. Under the provisions of the Plan, all eligible employees (except those covered under a comparable employer plan) may participate. Contribution requirements are established and may be amended by the Board of Education. Amounts contributed by the Board of Education into 403(b) plan totaled \$25,890 for the year ended June 30, 2023.

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, 2023, 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)
	<u>\$ 1,958,659</u>	<u>\$ 318,440</u>	<u>\$ 600,756</u>	<u>\$ (164,227)</u>	<u>\$ (100,330)</u>

Detailed disclosures for each plan follow.

Board of Education Other Post-employment Benefits Plan

Plan Description

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Board of Education Other Post-employment Benefits Plan

Plan Description *(Continued)*

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

Plan membership - As of July 1, 2022, the date of the most recent actuarial valuation, membership data was as follows:

Active plan members	218
Retirees and beneficiaries receiving benefits	<u>18</u>
	<u><u>236</u></u>

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

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

For the year ended June 30, 2023, the amount contributed towards OPEB benefits totaled \$222,285 of which \$25,902 was contributed directly into the OPEB Trust.

Summary of Significant Accounting Policies

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

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

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Summary of Significant Accounting Policies *(Continued)*

Rate of return - For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of investment expense, was 9.91%. 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, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

The components of the Town's net OPEB liability for the OPEB Plan at June 30, 2023 were as follows:

Total OPEB liability	\$	3,396,130
Plan fiduciary net position		1,237,407
Town's net OPEB liability	\$	2,158,723
Plan fiduciary net position as a percentage of the total OPEB liability		36.44%

The components of the change in the Town's net OPEB liability for the OPEB Plan for the year ended June 30, 2023 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2022	\$ 3,060,998	\$ 1,102,339	\$ 1,958,659
Changes for the year:			
Service cost	37,513	-	37,513
Interest	178,440	-	178,440
Actuarial (gains) losses	377,095	-	377,095
Changes in assumptions	(5,208)	-	(5,208)
Contributions - employer	-	222,285	(222,285)
Contributions - TRB subsidies	-	56,325	(56,325)
Net investment income	-	109,166	(109,166)
Benefit payments, including refunds	(252,708)	(252,708)	-
Net changes	335,132	135,068	200,064
Balance as of June 30, 2023	\$ 3,396,130	\$ 1,237,407	\$ 2,158,723

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Net OPEB Liability *(Continued)*

Actuarial Assumptions - The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	6.00%
Discount rate	6.00%
Inflation rate	2.40%
Healthcare cost trend rate:	
Initial	6.5% in 2022 decreasing 0.2% per year
Ultimate	4.40%

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

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

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2023 are summarized in the following table:

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Net OPEB Liability *(Continued)*

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

	Discount Rates		
	-1.0%	Current	+1.0%
Net OPEB liability	\$ 2,542,648	\$ 2,158,723	\$ 1,830,388

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

	Healthcare Cost Trend Rates		
	-1.0%	Current	+1.0%
Net OPEB liability	\$ 1,792,559	\$ 2,158,723	\$ 2,587,471

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, 2023.

	Board of Education Plan
Assets	
Cash and cash equivalents	\$ 37,028
Investments	1,197,767
Accrued income receivable	2,612
Total assets	1,237,407
Net Position	
Restricted for OPEB benefits	\$ 1,237,407

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

OPEB Plan Financial Statements

	Board of Education Plan
Additions	
Contributions:	
Employer	\$ 25,902
Total contributions	25,902
Investment earnings:	
Interest and dividends	25,322
Net change in the fair value of investments, net of investment fees	83,844
Total investment earnings, net	109,166
Total additions	135,068
Deductions	
Benefit payments	-
Administrative expenses	-
Total deductions	-
Change in net position	135,068
Net Position	
Beginning	1,102,339
Ending	\$ 1,237,407

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized OPEB expense of \$74,642. As of June 30, 2023, 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	\$ 29,180	\$ -	\$ 29,180
Differences between expected and actual experience	473,879	445,607	28,272
Changes of assumptions	100,685	93,600	7,085
Total	\$ 603,744	\$ 539,207	\$ 64,537

TOWN OF SOMERS, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

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

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

Year ended June 30,		
2024	\$	(18,237)
2025		(18,604)
2026		20,354
2027		(26,463)
2028		(17,840)
Thereafter		125,327
Total	\$	64,537

Connecticut Teachers' Retirement System

Plan Description

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

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

Benefit Provisions

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

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

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 not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 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, with any remaining portion is used to offset the school district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 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 \$440 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, 2023

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

Connecticut Teachers' Retirement System *(Continued)*

Basis of Presentation

The components associated with the other post-employment benefits (OPEB) expense and deferred outflows and inflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022. The net OPEB liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

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

Allocation Methodology

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

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2022, 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>\$ 1,603,585,000</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	0.279%	<u>\$ 4,472,000</u>

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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 \$56,941 or 0.279% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2023.

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 \$269,547 or 0.279% of the total collective OPEB expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2023.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 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
Discount rate	3.53%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031

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

Long-Term Rate of Return

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

TOWN OF SOMERS, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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	Long-Term Expected Real Rate of Return
U.S. Treasuries (Cash Equivalents)	100.0%	-0.98%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. 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, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

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

NOTE 11 - FUND BALANCE

Fund Balance Policy

The Town's policy states that the Town shall endeavor to maintain an unassigned fund balance in its General Fund of not less than two months of current year budgeted General Fund operating expenditures. As of June 30, 2023, unassigned fund balance in the General Fund represented 2.2 months of the Town's fiscal year 2024 General Fund budgetary expenditure appropriations.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2023 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	4,432	-	-	-	4,432
	<u>4,432</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>79,432</u>
Restricted for:					
Capital purposes - School improvements	-	296,862	-	-	296,862
Capital purposes - Roads and bridges	-	67,315	-	-	67,315
Repayment of debt	-	257,526	-	-	257,526
Library operations	-	-	-	657,202	657,202
Cemetery operations	-	-	-	1,102,735	1,102,735
Open space	-	-	-	279,537	279,537
Education programs	-	-	-	191,052	191,052
Other	-	-	28,239	-	28,239
	<u>-</u>	<u>621,703</u>	<u>28,239</u>	<u>2,230,526</u>	<u>2,880,468</u>
Committed to:					
Sewer operations	-	-	-	314,592	314,592
Ambulance operations	-	-	-	719,936	719,936
Capital purposes	-	749,843	-	77,764	827,607
Education programs	-	-	-	25,077	25,077
Other purposes	11,900	-	-	245,029	256,929
	<u>11,900</u>	<u>749,843</u>	<u>-</u>	<u>1,382,398</u>	<u>2,144,141</u>
Assigned to:					
Use in fiscal year 2024 budget	493,880	-	-	-	493,880
Unassigned	6,843,179	-	-	-	6,843,179
	<u>\$ 7,353,391</u>	<u>\$ 1,371,546</u>	<u>\$ 28,239</u>	<u>\$ 3,687,924</u>	<u>\$ 12,441,100</u>

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, 2023, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. In addition, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

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

TOWN OF SOMERS, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 12 - RISK MANAGEMENT *(Continued)*

Insurance *(Continued)*

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, 2023. 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, 2023 and 2022 is as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2023	\$ 3,460	\$ 163,138	\$ 163,371	\$ 3,227
2022	3,308	165,786	165,634	3,460

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.

TOWN OF SOMERS, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 13 - CONTINGENCIES *(Continued)*

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, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 26,227,718	\$ 26,227,718	\$ 26,491,719	\$ 264,001
Intergovernmental	8,837,318	8,837,318	8,985,112	147,794
Charges for services	944,500	953,000	1,034,627	81,627
Investment income	30,000	30,000	324,624	294,624
Total revenues	<u>36,039,536</u>	<u>36,048,036</u>	<u>36,836,082</u>	<u>788,046</u>
EXPENDITURES				
Current:				
General government	3,165,911	3,213,291	3,202,387	(10,904)
Public safety	1,974,037	1,930,627	1,897,062	(33,565)
Public works	1,683,252	1,722,257	1,711,245	(11,012)
Sanitation	772,790	726,678	717,188	(9,490)
Health and social services	219,477	223,193	221,823	(1,370)
Library	539,385	539,385	531,430	(7,955)
Culture and recreation	174,360	185,078	181,743	(3,335)
Education	26,270,772	26,270,772	25,959,026	(311,746)
Other	42,364	23,311	-	(23,311)
Debt service	1,737,838	1,737,838	1,737,838	-
Total expenditures	<u>36,580,186</u>	<u>36,572,430</u>	<u>36,159,742</u>	<u>(412,688)</u>
Excess (deficiency) of revenues over expenditures	(540,650)	(524,394)	676,340	1,200,734
OTHER FINANCING SOURCES (USES)				
Appropriation from fund balance	75,000	836,545	-	(836,545)
Transfers in	715,650	715,650	714,650	(1,000)
Transfers out	(250,000)	(1,027,801)	(1,027,801)	-
Total other financing sources (uses)	<u>540,650</u>	<u>524,394</u>	<u>(313,151)</u>	<u>(837,545)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,189</u>	<u>\$ 363,189</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 TEN FISCAL YEARS*

	<u>2023</u>	<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	\$ 282,748	\$ 256,956	\$ 247,073	\$ 252,025	\$ 242,331	\$ 229,981	\$ 221,135	\$ 182,897	\$ 169,099	\$ 162,595
Interest	363,957	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	(289,947)	(238,875)	(169,225)	(130,198)	(118,278)	(106,400)	(62,075)	(44,496)	(47,364)	(52,004)
Net change in total pension liability	356,758	356,043	394,559	501,886	384,472	140,992	385,667	197,756	312,277	282,218
Total pension liability - beginning	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	2,503,410
Total pension liability - ending	<u>5,816,038</u>	<u>5,459,280</u>	<u>5,103,237</u>	<u>4,708,678</u>	<u>4,206,792</u>	<u>3,822,320</u>	<u>3,681,328</u>	<u>3,295,661</u>	<u>3,097,905</u>	<u>2,785,628</u>
Plan net position										
Contributions - employer	127,779	137,368	132,085	118,227	113,680	95,000	114,281	137,126	131,852	186,330
Contributions - members	118,992	112,785	111,969	113,265	118,737	114,982	101,721	104,933	69,948	79,388
Net investment income	421,144	(529,387)	1,327,315	120,525	413,354	212,193	283,987	13,638	187,253	377,680
Benefit payments, including refunds	(289,947)	(238,875)	(169,225)	(130,198)	(118,278)	(106,400)	(62,075)	(44,496)	(47,364)	(52,004)
Administrative expenses	(12,480)	-	-	-	(644)	(478)	(1,451)	(3,196)	-	-
Net change in plan net position	365,488	(518,109)	1,402,144	221,819	526,849	315,297	436,463	208,005	341,689	591,394
Plan net position - beginning	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	2,080,164
Plan net position - ending	<u>5,971,203</u>	<u>5,605,715</u>	<u>6,123,824</u>	<u>4,721,680</u>	<u>4,499,861</u>	<u>3,973,012</u>	<u>3,657,715</u>	<u>3,221,252</u>	<u>3,013,247</u>	<u>2,671,558</u>
Town's net pension (asset) liability	<u>\$ (155,165)</u>	<u>\$ (146,435)</u>	<u>\$ (1,020,587)</u>	<u>\$ (13,002)</u>	<u>\$ (293,069)</u>	<u>\$ (150,692)</u>	<u>\$ 23,613</u>	<u>\$ 74,409</u>	<u>\$ 84,658</u>	<u>\$ 114,070</u>
Plan net pension as percentage of total pension liability	102.7%	102.7%	120.0%	100.3%	107.0%	103.9%	99.4%	97.7%	97.3%	95.9%
Covered payroll	\$ 2,501,673	\$ 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	-6.2%	-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 TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 197,908	\$ 186,280	\$ 195,611	\$ 181,706	\$ 178,892	\$ 172,012	\$ 185,360	\$ 142,155	\$ 188,446	\$ 183,963
Interest	402,822	382,343	380,274	357,357	342,577	334,152	307,379	298,952	285,926	284,622
Actuarial (gains) losses	286,484	5,803	(39,350)	148,900	510	(108,369)	25,742	(81,477)	(41,393)	(165,334)
Benefit payments, including refunds	(452,152)	(337,296)	(349,627)	(291,121)	(266,131)	(262,441)	(228,164)	(218,122)	(205,772)	(179,476)
Net change in total pension liability	435,062	237,130	186,908	396,842	255,848	135,354	290,317	141,508	227,207	123,775
Total pension liability - beginning	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	4,743,696
Total pension liability - ending	<u>7,173,647</u>	<u>6,738,585</u>	<u>6,501,455</u>	<u>6,314,547</u>	<u>5,917,705</u>	<u>5,661,857</u>	<u>5,526,503</u>	<u>5,236,186</u>	<u>5,094,678</u>	<u>4,867,471</u>
Plan net position										
Contributions - employer	184,438	198,138	210,321	213,928	243,276	243,276	268,290	279,225	246,409	256,031
Contributions - members	68,533	80,079	78,237	78,372	75,815	65,893	57,499	55,390	54,183	56,031
Net investment income	522,213	(813,737)	1,379,998	262,130	291,599	210,621	393,333	60,843	43,794	386,335
Benefit payments, including refunds	(452,152)	(337,296)	(349,627)	(291,121)	(266,131)	(262,441)	(228,164)	(218,122)	(205,772)	(179,476)
Administrative expenses	(1,180)	(6,350)	(2,393)	(2,662)	(2,903)	(20,212)	(3,504)	(5,012)	(47,489)	(12,516)
Net change in plan net position	321,852	(879,166)	1,316,536	260,647	341,656	237,137	487,454	172,324	91,125	506,405
Plan net position - beginning	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	3,316,148
Plan net position - ending	<u>6,172,118</u>	<u>5,850,266</u>	<u>6,729,432</u>	<u>5,412,896</u>	<u>5,152,249</u>	<u>4,810,593</u>	<u>4,573,456</u>	<u>4,086,002</u>	<u>3,913,678</u>	<u>3,822,553</u>
Town's net pension liability (asset)	<u>\$ 1,001,529</u>	<u>\$ 888,319</u>	<u>\$ (227,977)</u>	<u>\$ 901,651</u>	<u>\$ 765,456</u>	<u>\$ 851,264</u>	<u>\$ 953,047</u>	<u>\$ 1,150,184</u>	<u>\$ 1,181,000</u>	<u>\$ 1,044,918</u>
Plan net pension as percentage of total pension liability (asset)	86.0%	86.8%	103.5%	85.7%	87.1%	85.0%	82.8%	78.0%	76.8%	78.5%
Covered payroll	\$ 2,024,226	\$ 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	49.5%	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 TEN FISCAL YEARS*

	<u>2023</u>	<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	\$ 9,036	\$ 9,036	\$ 6,723	\$ 6,723	\$ 7,507	\$ 7,507	\$ 6,048	\$ 6,048	\$ 6,048	\$ 6,092
Interest	24,024	22,746	22,762	21,990	21,552	20,955	20,273	18,236	18,928	18,377
Actuarial (gains) losses	(12,744)	-	(17,582)	-	(3,454)	-	306	-	408	-
Benefit payments, including refunds	(12,127)	(12,116)	(16,711)	(16,946)	(19,189)	(19,370)	(15,885)	(14,050)	(13,996)	(17,836)
Net change in total pension liability	8,189	19,666	(4,808)	11,767	6,416	9,092	10,742	10,234	11,388	6,633
Total pension liability - beginning	366,543	346,877	351,685	339,918	333,502	324,410	313,668	303,434	292,046	285,413
Total pension liability - ending	374,732	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	6,034	5,921	5,921	5,215	5,215	2,380	2,380	11,577	11,577
Contributions - members	-	-	-	-	-	-	-	-	-	-
Net investment income	37,205	(28,768)	101,202	8,350	33,205	16,544	22,905	4,864	13,442	72,286
Benefit payments, including refunds	(12,127)	(12,116)	(16,711)	(16,946)	(19,189)	(19,370)	(15,885)	(14,050)	(13,996)	(17,836)
Administrative expenses	(3,546)	-	-	-	-	(224)	(40)	(117)	-	-
Net change in plan net position	27,566	(34,850)	90,412	(2,675)	19,231	2,165	9,360	(6,923)	11,023	66,027
Plan net position - beginning	411,235	446,085	355,673	358,348	339,117	336,952	327,592	334,515	323,492	257,465
Plan net position - ending	438,801	411,235	446,085	355,673	358,348	339,117	336,952	327,592	334,515	323,492
Town's net pension asset	\$ (64,069)	\$ (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	117.1%	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 TEN FISCAL YEARS*

	<u>2023</u>	<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	\$ 136,516	\$ 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>127,779</u>	<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>\$ (8,737)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,852)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,501,673	\$ 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	5.11%	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	7.46%	-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 TEN FISCAL YEARS*

	<u>2023</u>	<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	\$ 184,438	\$ 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>184,438</u>	<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>\$ -</u>	<u>\$ (5,966)</u>	<u>\$ -</u>	<u>\$ 239</u>
Covered payroll	\$ 2,024,226	\$ 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	9.11%	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	9.14%	-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 TEN FISCAL YEARS*

	<u>2023</u>	<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	\$ 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>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>	<u>\$ -</u>
Annual money-weighted rate of return, net of investment expense	9.05%	-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 NINE FISCAL YEARS*
(Rounded to nearest thousand)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	51,061,000	40,821,000	51,541,000	47,164,000	36,366,000	35,533,000	37,488,000	29,518,000	27,284,000
Total	\$ 51,061,000	\$ 40,821,000	\$ 51,541,000	\$ 47,164,000	\$ 36,366,000	\$ 35,533,000	\$ 37,488,000	\$ 29,518,000	\$ 27,284,000
Town's covered payroll	\$ 12,748,000	\$ 12,309,000	\$ 11,905,000	\$ 12,126,000	\$ 11,938,000	\$ 11,263,000	\$ 10,856,000	\$ 10,972,000	\$ 10,576,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	54.06%	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 FIVE FISCAL YEARS*

	2023	2022	2021	2020	2019
Total OEPB liability					
Service cost	\$ 37,513	\$ 35,932	\$ 29,506	\$ 27,775	\$ 42,290
Interest	178,440	175,843	170,405	167,628	216,390
Actuarial (gains) losses	377,095	80,451	(173)	79,320	(719,208)
Changes in assumptions	(5,208)	-	129,179	-	(143,554)
Benefit payments, including refunds	(252,708)	(248,397)	(241,125)	(219,526)	(169,438)
Net change in total OPEB liability	<u>335,132</u>	<u>43,829</u>	<u>87,792</u>	<u>55,197</u>	<u>(773,520)</u>
Total OPEB liability - beginning	<u>3,060,998</u>	<u>3,017,169</u>	<u>2,929,377</u>	<u>2,874,180</u>	<u>3,647,700</u>
Total OPEB liability - ending	<u>3,396,130</u>	<u>3,060,998</u>	<u>3,017,169</u>	<u>2,929,377</u>	<u>2,874,180</u>
Plan net position					
Contributions - employer	222,285	243,413	257,645	1,028,443	165,758
Contributions - TRB subsidy	56,325	37,284	39,480	34,320	31,680
Net investment income	109,166	(159,363)	250,528	25,095	1,543
Benefit payments, including refunds	(252,708)	(248,397)	(241,125)	(219,526)	(169,438)
Administrative expenses	-	-	-	-	-
Net change in plan net position	<u>135,068</u>	<u>(127,063)</u>	<u>306,528</u>	<u>868,332</u>	<u>29,543</u>
Plan net position - beginning	<u>1,102,339</u>	<u>1,229,402</u>	<u>922,874</u>	<u>54,542</u>	<u>25,000</u>
Plan net position - ending	<u>1,237,407</u>	<u>1,102,339</u>	<u>1,229,402</u>	<u>922,874</u>	<u>54,543</u>
Town's net OPEB liability	<u>\$ 2,158,723</u>	<u>\$ 1,958,659</u>	<u>\$ 1,787,767</u>	<u>\$ 2,006,503</u>	<u>\$ 2,819,637</u>
Plan net OPEB as percentage of total OPEB liability	36.4%	36.0%	40.7%	31.5%	1.9%
Covered payroll	\$ 15,143,437	\$ 15,800,376	\$ 15,430,055	\$ 13,498,000	\$ 13,156,000
Town net OPEB liability as a percentage of covered payroll	14.3%	12.4%	11.6%	14.9%	21.4%

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

See accompanying notes to required supplementary information.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 *</u>
Actuarially determined contribution	\$ 214,709	\$ 202,556	\$ 240,578	\$ 239,834	\$ 285,605	\$ 284,590
Contributions in relation to actuarially determined contribution:						
Contributions to OPEB Trust	25,902	25,902	56,000	843,237	28,000	25,000
Contributions from General Fund	196,383	217,511	201,645	185,206	137,758	118,229
	<u>222,285</u>	<u>243,413</u>	<u>257,645</u>	<u>1,028,443</u>	<u>165,758</u>	<u>143,229</u>
Excess (deficiency) of contribution	<u>\$ 7,576</u>	<u>\$ 40,857</u>	<u>\$ 17,067</u>	<u>\$ 788,609</u>	<u>\$ (119,847)</u>	<u>\$ (141,361)</u>
Covered payroll	\$ 15,143,000	\$ 15,800,000	\$ 15,430,000	\$ 13,498,000	\$ 13,156,000	\$ 13,194,000
Contributions as a percentage of covered employee payroll	1.30%	1.38%	1.31%	1.37%	1.05%	0.90%
Annual money-weighted rate of return, net of investment expense	9.91%	-12.86%	26.70%	3.87%	6.17%	0.00%

* OPEB Trust established by the Town in June 2018.

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

See accompanying notes to required supplementary information.

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

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

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

See accompanying notes to required supplementary information.

TOWN OF SOMERS, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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 (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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, 2023:

	Total Revenues	Total Expenditures	Other Financing Uses	Net Change in Fund Balance
Budgetary basis	\$ 36,836,082	\$ 36,159,742	\$ (313,151)	\$ 363,189
"On-behalf" payments - State Teachers Retirement Fund	4,082,730	4,082,730	-	-
Reimbursement for certain grant costs recorded as a reduction to expenditures for budgetary purposes	212,920	212,920	-	-
Budgetary perspective differences funds combined for GAAP financial reporting purposes:				
Separation Benefits Fund	-	82,313	59,566	(22,747)
Reclassification of transfers	-	(2,500)	(2,500)	-
GAAP basis	\$ 41,131,732	\$ 40,535,205	\$ (256,085)	\$ 340,442

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 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, 2023.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2023.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2023.

TOWN OF SOMERS, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2022. The July 1, 2022 valuation was utilized to calculate the total pension liability as of July 1, 2022, which was rolled forward to the most recent measurement date of June 30, 2023.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2023.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2023.

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2022. The July 1, 2022 valuation was utilized to calculate the total pension liability as of July 1, 2022, which was rolled forward to the most recent measurement date of June 30, 2023.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2023.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2023.

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

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

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2023.

Actuarial cost method	Aggregate Cost
Asset valuation method	Market 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.

TOWN OF SOMERS, CONNECTICUT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

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

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

Mortality rates were based on the Pub-2010(B) Public Retirement Plans Mortality Tables with separate male and female rates, with no collar adjustment, combined tables for non-annuitants and annuitants, projected to the valuation date with Scale MP-2020.

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

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

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

Actuarial cost method	Aggregate Cost
Asset valuation method	Market Value
Inflation	2.4%
Investment rate of return (net of investment expense)	6.5%
Retirement age	65

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

TOWN OF SOMERS, CONNECTICUT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

Assumption Changes - There were no changes in assumptions that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

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

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

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the Town's net OPEB liability as of June 30, 2023.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the Town's net OPEB liability as of June 30, 2023.

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, 2023.

Investment rate of return	6.00%
Discount rate	6.00%
Inflation rate	2.40%
Healthcare cost trend rate:	
Initial	6.5% in 2020 decreasing 0.2% per year
Ultimate	4.40%

TOWN OF SOMERS, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2022. The liabilities were estimated based on a measurement date of June 30, 2022. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2023.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2023.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2023.

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.
- The expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019.
- The expected rate of inflation was decreased and the Real Wage Growth assumption was increased.

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, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PROPERTY TAXES				
Revenues from property taxes	\$ 26,152,718	\$ 26,152,718	\$ 26,403,912	\$ 251,194
Interest and lien fees	75,000	75,000	87,807	12,807
Total property taxes	<u>26,227,718</u>	<u>26,227,718</u>	<u>26,491,719</u>	<u>264,001</u>
INTERGOVERNMENTAL				
Education cost sharing	5,692,630	5,692,630	5,663,347	(29,283)
Pequot Indian grant	1,564,515	1,564,515	1,564,515	-
Payments in lieu of taxes	1,261,860	1,261,860	1,261,860	-
Municipal stabilization grant	240,198	240,198	240,198	-
Unbudgeted grants	-	-	218,584	218,584
Senior bus grant	21,615	21,615	23,076	1,461
Telephone tax	10,000	10,000	10,116	116
Property tax relief grants	6,500	6,500	2,391	(4,109)
Police grants	40,000	40,000	1,025	(38,975)
Total intergovernmental	<u>8,837,318</u>	<u>8,837,318</u>	<u>8,985,112</u>	<u>147,794</u>
CHARGES FOR SERVICES				
Building permit fees	209,500	218,000	290,481	72,481
Conveyance taxes	165,000	165,000	155,197	(9,803)
Bulky waste fees	90,000	90,000	125,731	35,731
Cell tower rentals	90,000	90,000	95,142	5,142
Police services	60,000	60,000	94,537	34,537
Transfer station permit fees	90,000	90,000	74,640	(15,360)
Town clerk fees	88,500	88,500	56,112	(32,388)
Fire watch service fees	5,000	5,000	32,415	27,415
Other revenue	50,000	50,000	29,990	(20,010)
Other recycling	40,000	40,000	24,985	(15,015)
Sanitarian fees	20,000	20,000	22,657	2,657
Property rentals	-	-	7,514	7,514
Tuition	14,000	14,000	6,349	(7,651)
Pistol permit fees	7,500	7,500	5,250	(2,250)
Zoning permit fees	3,500	3,500	4,695	1,195
Planning commission fees	-	-	1,991	1,991
Zoning Commission fees	3,000	3,000	1,800	(1,200)
Conservation Commission fees	1,500	1,500	1,665	165
Other licenses and permit fees	500	500	1,290	790
Zoning Board of Appeals fees	500	500	925	425
Fire Marshall fees	3,000	3,000	625	(2,375)
CPR Registrations	500	500	455	(45)
Mini bus donations	2,500	2,500	181	(2,319)
Total charges for services	<u>944,500</u>	<u>953,000</u>	<u>1,034,627</u>	<u>81,627</u>
INVESTMENT EARNINGS				
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>324,624</u>	<u>294,624</u>
OTHER FINANCING SOURCES				
Operating transfers in:				
Ambulance Fund	500,000	500,000	500,000	-
Capital Projects Fund	200,650	200,650	200,650	-
Library Fund	14,000	14,000	14,000	-
Recreation Fund	1,000	1,000	-	(1,000)
Appropriation from fund balance	75,000	836,545	-	(836,545)
Total other financing sources	<u>790,650</u>	<u>1,552,195</u>	<u>714,650</u>	<u>(837,545)</u>
Total revenues and other financing sources	<u>\$ 36,830,186</u>	<u>\$ 37,600,231</u>	<u>\$ 37,550,732</u>	<u>\$ (49,499)</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, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
GENERAL GOVERNMENT				
Employee Benefits	\$ 1,436,079	\$ 1,452,778	\$ 1,452,778	\$ -
Selectmen	458,964	519,718	519,718	-
Finance	285,548	293,262	293,262	-
Land Use	231,212	213,244	212,736	(508)
Assessor	179,912	157,551	151,025	(6,526)
Tax Collector	141,866	139,378	138,937	(441)
Information Technology	117,668	131,799	131,799	-
Town Clerk	131,142	117,263	114,775	(2,488)
Building Department	58,240	60,792	60,792	-
Election	49,330	50,341	50,340	(1)
Board of Finance	46,000	47,215	47,065	(150)
Conservation	19,300	19,701	19,690	(11)
Probate Court	7,000	5,867	5,220	(647)
Zoning	2,000	2,000	1,951	(49)
Zoning Board of Appeals	1,000	1,715	1,715	-
Planning	500	500	417	(83)
Board of Assessment Appeals	150	167	167	-
Total general government	<u>3,165,911</u>	<u>3,213,291</u>	<u>3,202,387</u>	<u>(10,904)</u>
PUBLIC SAFETY				
Police Protection	1,165,004	1,165,004	1,164,774	(230)
Fire Protection	795,833	747,983	715,536	(32,447)
Civil Preparedness	13,200	17,640	16,752	(888)
Total public safety	<u>1,974,037</u>	<u>1,930,627</u>	<u>1,897,062</u>	<u>(33,565)</u>
PUBLIC WORKS				
Public Works	821,795	797,001	796,022	(979)
Town Facilities	634,792	669,173	669,173	-
Highway Department	174,000	199,255	189,222	(10,033)
Park and Recreation Maintenance	52,665	56,828	56,828	-
Total public works	<u>1,683,252</u>	<u>1,722,257</u>	<u>1,711,245</u>	<u>(11,012)</u>
SANITATION				
Transfer Station	671,440	640,022	637,857	(2,165)
Water Pollution Control Authority	101,350	86,656	79,331	(7,325)
Total sanitation	<u>772,790</u>	<u>726,678</u>	<u>717,188</u>	<u>(9,490)</u>
HEALTH AND SOCIAL SERVICES				
Human Services	219,477	223,193	221,823	(1,370)
Total health and social services	<u>219,477</u>	<u>223,193</u>	<u>221,823</u>	<u>(1,370)</u>
LIBRARY	<u>539,385</u>	<u>539,385</u>	<u>531,430</u>	<u>(7,955)</u>
CULTURE AND RECREATION				
Community Services	127,860	131,643	129,943	(1,700)
Senior and Disabled Transportation	35,500	40,789	39,790	(999)
Senior Services	11,000	12,646	12,010	(636)
Total culture and recreation	<u>174,360</u>	<u>185,078</u>	<u>181,743</u>	<u>(3,335)</u>
OTHER	<u>42,364</u>	<u>23,311</u>	<u>-</u>	<u>(23,311)</u>

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, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
EDUCATION				
Instructional salaries	\$ 11,216,622	\$ 10,998,206	\$ 10,996,768	\$ (1,438)
Insurance/social security	4,576,705	4,456,380	4,227,360	(229,020)
Clerical/aides salaries	2,046,915	2,052,144	2,066,548	14,404
Administrative salaries	1,637,426	1,736,354	1,740,236	3,882
Regular transportation	813,046	953,535	953,511	(24)
Tuition - special education	1,119,469	923,237	924,241	1,004
Maintenance salaries	916,864	891,470	896,438	4,968
Other instructional salaries	558,733	570,608	587,752	17,144
General maintenance	588,585	630,216	581,804	(48,412)
Electricity	418,000	499,597	498,987	(610)
Special education transportation	375,300	430,630	429,930	(700)
Capital outlay and equipment	294,980	281,780	282,269	489
Nurses' salaries	270,533	267,433	269,771	2,338
Coaches	196,253	196,253	193,865	(2,388)
Fuel	124,635	166,775	166,776	1
Textbooks	84,400	142,103	132,140	(9,963)
Departmental supplies	131,760	153,751	116,982	(36,769)
Audio visual materials	94,360	107,974	107,108	(866)
Athletic equipment and supplies	90,300	90,300	91,304	1,004
Board of education	92,025	92,355	89,537	(2,818)
Tuition - non special education	120,000	73,700	73,621	(79)
Custodial supplies	32,000	56,579	56,579	-
Workbooks and texts	32,000	54,937	51,926	(3,011)
Equipment rental	54,510	54,510	50,295	(4,215)
Activity advisors	62,971	74,971	50,223	(24,748)
Athletic/field trip transportation	40,350	49,950	47,506	(2,444)
Systemwide general supplies	36,350	36,350	43,486	7,136
Telephone	44,000	37,700	39,740	2,040
Instructional dues	29,640	29,640	32,371	2,731
Travel and conferences in-service	33,590	28,190	29,500	1,310
Equipment replacement	31,500	31,500	28,603	(2,897)
Tuition - vocational education	27,000	27,000	27,292	292
Library books and supplies	15,560	15,560	17,233	1,673
Adult education	15,450	15,450	16,159	709
Health supplies	13,050	13,050	12,264	(786)
Propane gas	6,000	6,000	9,306	3,306
Office supplies	10,950	10,950	7,287	(3,663)
Postage	6,480	6,480	6,447	(33)
Forms and printing	10,960	5,654	4,361	(1,293)
Medical Advisor salary	1,500	1,500	1,500	-
Total education	<u>26,270,772</u>	<u>26,270,772</u>	<u>25,959,026</u>	<u>(311,746)</u>
DEBT SERVICE	<u>1,737,838</u>	<u>1,737,838</u>	<u>1,737,838</u>	<u>-</u>
TOTAL EXPENDITURES	<u>36,580,186</u>	<u>36,572,430</u>	<u>36,159,742</u>	<u>(412,689)</u>
OTHER FINANCING USES				
Operating transfers out:				
Capital Project Fund	250,000	968,235	968,235	-
Separation Benefits Fund	-	59,566	59,566	-
Total other financing uses	<u>250,000</u>	<u>1,027,801</u>	<u>1,027,801</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 36,830,186</u>	<u>\$ 37,600,231</u>	<u>\$ 37,187,543</u>	<u>\$ (412,689)</u>

Concluded

TOWN OF SOMERS, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2023

Grand List Year	Balance Uncollected July 1, 2022	Current Levy	Lawful Corrections		Transfers to Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2023
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2021	\$ -	\$ 26,815,707	\$ 325,485	\$ 300,580	\$ 11,871	\$ 26,828,741	\$ 26,295,924	\$ 61,885	\$ 26,357,809	\$ 532,817
2020	369,686	-	20,457	20,440	5,849	363,854	95,516	20,406	115,922	268,338
2019	22,521	5,838	-	3	2,962	25,394	11,235	5,287	16,522	14,159
2018	3,656	86	-	-	1,249	2,493	532	228	760	1,961
2017	2,210	90	-	-	-	2,300	-	-	-	2,300
2016	-	-	26	1	-	25	25	-	25	-
	<u>\$ 398,073</u>	<u>\$ 26,821,721</u>	<u>\$ 345,968</u>	<u>\$ 321,024</u>	<u>\$ 21,931</u>	<u>\$ 27,222,807</u>	<u>\$ 26,403,232</u>	<u>\$ 87,806</u>	<u>\$ 26,491,038</u>	<u>\$ 819,575</u>

TOWN OF SOMERS, CONNECTICUT
SCHEDULE OF DEBT LIMITATION -
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2023

Total cash collections for the year ended
June 30, 2023:

Taxes	\$ 26,403,232
Interest and lien fees	87,806
	26,491,038

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	2,391
--------------------------	-------

Base

	\$ 26,493,429
--	---------------

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 59,610,215	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	119,220,431	-	-	-
3-3/4 times base	-	-	99,350,359	-	-
3-1/4 times base	-	-	-	86,103,644	-
3 times base	-	-	-	-	79,480,287
	59,610,215	119,220,431	99,350,359	86,103,644	79,480,287
Total debt limitation					
Indebtedness:					
Bonds	6,839,000	7,591,000	-	-	-
Add: Authorized but unissued debt	1,257	450,000	-	-	-
Total indebtedness	6,840,257	8,041,000	-	-	-
Debt limitation in excess of outstanding and authorized debt	\$ 52,769,958	\$ 111,179,431	\$ 99,350,359	\$ 86,103,644	\$ 79,480,287
Total capacity of borrowing (7 times base)	\$ 185,454,003				
Total present indebtedness	14,881,257				
Margin for additional borrowing	\$ 170,572,746				

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, 2023

	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	\$ 3,037,956	\$ 436,319	\$ 208,849	\$ 233,656	\$ 3,916,780
Investments	-	-	523,353	878,626	1,401,979
Receivables:					
Assessments and user charges	53,300	-	-	-	53,300
Grants and contracts	98,873	-	-	-	98,873
Other	146,382	-	-	-	146,382
Due from other funds	116,569	-	-	-	116,569
Total assets	<u>\$ 3,453,080</u>	<u>\$ 436,319</u>	<u>\$ 732,202</u>	<u>\$ 1,112,282</u>	<u>\$ 5,733,883</u>
LIABILITIES					
Accounts payable	\$ 99,915	\$ 2,258	\$ -	\$ 8,416	\$ 110,589
Due to other funds	1,281,640	76,760	-	1,131	1,359,531
Unearned revenue	411,701	-	-	-	411,701
Total liabilities	<u>1,793,256</u>	<u>79,018</u>	<u>-</u>	<u>9,547</u>	<u>1,881,821</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	164,138	-	-	-	164,138
FUND BALANCES					
Nonspendable	-	-	75,000	-	75,000
Restricted	191,052	279,537	657,202	1,102,735	2,230,526
Committed	1,304,634	-	-	-	1,304,634
Total fund balances	<u>1,495,686</u>	<u>357,301</u>	<u>732,202</u>	<u>1,102,735</u>	<u>3,687,924</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,453,080</u>	<u>\$ 436,319</u>	<u>\$ 732,202</u>	<u>\$ 1,112,282</u>	<u>\$ 5,733,883</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, 2023

	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	\$ 1,937,712	\$ 531,691	\$ -	\$ -	\$ 2,469,403
Charges for services	2,513,566	14,552	-	80,365	2,608,483
Investment earnings	46,122	12,932	36,624	75,560	171,238
Other	161,758	46,340	-	-	208,098
Total revenues	<u>4,659,158</u>	<u>605,515</u>	<u>36,624</u>	<u>155,925</u>	<u>5,457,222</u>
EXPENDITURES					
Current:					
General government	5,688	-	-	-	5,688
Public safety	94,131	-	-	-	94,131
Public works	536,063	-	-	-	536,063
Sanitation	279,615	-	-	-	279,615
Health and social services	58,484	-	-	79,392	137,876
Library	23,470	-	-	-	23,470
Culture and recreation	369,310	-	-	-	369,310
Education	2,657,400	-	-	-	2,657,400
Debt service:					
Principal payments	-	264,353	-	-	264,353
Interest and fiscal charges	-	13,378	-	-	13,378
Capital outlays	32,771	470,672	-	-	503,443
Total expenditures	<u>4,056,932</u>	<u>748,403</u>	<u>-</u>	<u>79,392</u>	<u>4,884,727</u>
Excess (deficiency) of revenues over expenditures	602,226	(142,888)	36,624	76,533	572,495
OTHER FINANCING SOURCES (USES)					
Transfers in	27,048	327,548	(800)	-	353,796
Transfers out	(591,548)	-	(23,748)	-	(615,296)
Total other financing sources (uses)	<u>(564,500)</u>	<u>327,548</u>	<u>(24,548)</u>	<u>-</u>	<u>(261,500)</u>
Net change in fund balances	37,726	184,660	12,076	76,533	310,995
Fund balances - beginning	<u>1,457,960</u>	<u>172,641</u>	<u>720,126</u>	<u>1,026,202</u>	<u>3,376,929</u>
Fund balances - ending	<u>\$ 1,495,686</u>	<u>\$ 357,301</u>	<u>\$ 732,202</u>	<u>\$ 1,102,735</u>	<u>\$ 3,687,924</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.

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

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

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

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

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, 2023

	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	Drug Free Communities Fund	Economic Development Fund
ASSETS											
Cash and cash equivalents	\$ 121,898	\$ 13,022	\$ -	\$ -	\$ 102,347	\$ 40,495	\$ -	\$ 2,799	\$ -	\$ -	\$ 16,956
Receivables:											
Assessments and user charges	-	-	-	-	-	-	-	-	-	-	-
Grants and contracts	68,916	-	-	-	-	-	-	-	-	29,957	-
Other	-	-	12,055	21,723	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	11,365	-	18,640	-	-
Total assets	<u>\$ 190,814</u>	<u>\$ 13,022</u>	<u>\$ 12,055</u>	<u>\$ 21,723</u>	<u>\$ 102,347</u>	<u>\$ 40,495</u>	<u>\$ 11,365</u>	<u>\$ 2,799</u>	<u>\$ 18,640</u>	<u>\$ 29,957</u>	<u>\$ 16,956</u>
LIABILITIES											
Accounts payable	\$ 2,083	\$ -	\$ -	\$ -	\$ 4,371	\$ 475	\$ 4,775	\$ -	\$ 5,537	\$ 2,000	\$ -
Due to other funds	-	-	-	-	55,666	6,420	-	2,141	-	27,957	8,891
Unearned revenue	188,731	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>190,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,037</u>	<u>6,895</u>	<u>4,775</u>	<u>2,141</u>	<u>5,537</u>	<u>29,957</u>	<u>8,891</u>
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenues	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES											
Restricted	-	-	-	21,723	-	-	-	-	-	-	-
Committed	-	13,022	12,055	-	42,310	33,600	6,590	658	13,103	-	8,065
Total fund balances	<u>-</u>	<u>13,022</u>	<u>12,055</u>	<u>21,723</u>	<u>42,310</u>	<u>33,600</u>	<u>6,590</u>	<u>658</u>	<u>13,103</u>	<u>-</u>	<u>8,065</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 190,814</u>	<u>\$ 13,022</u>	<u>\$ 12,055</u>	<u>\$ 21,723</u>	<u>\$ 102,347</u>	<u>\$ 40,495</u>	<u>\$ 11,365</u>	<u>\$ 2,799</u>	<u>\$ 18,640</u>	<u>\$ 29,957</u>	<u>\$ 16,956</u>

Continued

TOWN OF SOMERS, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
 AS OF JUNE 30, 2023

	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	\$ 18,084	\$ 1,176,946	\$ 38,691	\$ 680,719	\$ 8,548	\$ 20,188	\$ 594,156	\$ -	\$ 203,107	\$ 3,037,956
Receivables:										
Assessments and user charges	28,600	-	-	-	-	-	24,700	-	-	53,300
Grants and contracts	-	-	-	-	-	-	-	-	-	98,873
Other	-	110,814	-	1,790	-	-	-	-	-	146,382
Due from other funds	28,106	-	-	-	-	31,624	26,779	55	-	116,569
Total assets	<u>\$ 74,790</u>	<u>\$ 1,287,760</u>	<u>\$ 38,691</u>	<u>\$ 682,509</u>	<u>\$ 8,548</u>	<u>\$ 51,812</u>	<u>\$ 645,635</u>	<u>\$ 55</u>	<u>\$ 203,107</u>	<u>\$ 3,453,080</u>
LIABILITIES										
Accounts payable	\$ -	\$ 17,906	\$ 1,119	\$ 14,741	\$ -	\$ 5,477	\$ 7,653	\$ -	\$ 33,778	\$ 99,915
Due to other funds	-	439,104	50	412,774	-	30,385	298,252	-	-	1,281,640
Unearned revenue	-	-	-	222,556	-	-	414	-	-	411,701
Total liabilities	<u>-</u>	<u>457,010</u>	<u>1,169</u>	<u>650,071</u>	<u>-</u>	<u>35,862</u>	<u>306,319</u>	<u>-</u>	<u>33,778</u>	<u>1,793,256</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenues	28,600	110,814	-	-	-	-	24,724	-	-	164,138
FUND BALANCES										
Restricted	-	-	-	-	-	-	-	-	169,329	191,052
Committed	46,190	719,936	37,522	32,438	8,548	15,950	314,592	55	-	1,304,634
Total fund balances	<u>46,190</u>	<u>719,936</u>	<u>37,522</u>	<u>32,438</u>	<u>8,548</u>	<u>15,950</u>	<u>314,592</u>	<u>55</u>	<u>169,329</u>	<u>1,495,686</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 74,790</u>	<u>\$ 1,287,760</u>	<u>\$ 38,691</u>	<u>\$ 682,509</u>	<u>\$ 8,548</u>	<u>\$ 51,812</u>	<u>\$ 645,635</u>	<u>\$ 55</u>	<u>203,107</u>	<u>\$ 3,453,080</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, 2023

	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	Drug Free Communities Fund	Economic Development Fund
REVENUES											
Intergovernmental	\$ 1,339,123	\$ -	\$ -	\$ 28,244	\$ 389,731	\$ -	\$ -	\$ -	\$ 35,004	\$ 58,448	\$ -
Charges for services	-	531,303	56,912	-	-	-	2,844	-	-	-	-
Investment earnings	-	-	-	-	3,870	186	-	-	-	-	-
Other	-	-	-	-	-	34,542	-	-	24,602	-	-
Total revenues	<u>1,339,123</u>	<u>531,303</u>	<u>56,912</u>	<u>28,244</u>	<u>393,601</u>	<u>34,728</u>	<u>2,844</u>	<u>-</u>	<u>59,606</u>	<u>58,448</u>	<u>-</u>
EXPENDITURES											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	5,688
Public safety	-	-	-	-	-	22,229	1,123	-	-	-	-
Public works	-	-	-	-	536,063	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	36	-	58,448	-
Library	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	53,195	-	-
Education	1,339,123	549,737	56,481	26,529	-	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>1,339,123</u>	<u>549,737</u>	<u>56,481</u>	<u>26,529</u>	<u>536,063</u>	<u>22,229</u>	<u>1,123</u>	<u>36</u>	<u>53,195</u>	<u>58,448</u>	<u>5,688</u>
Excess (deficiency) of revenues over expenditures	-	(18,434)	431	1,715	(142,462)	12,499	1,721	(36)	6,411	-	(5,688)
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(18,434)	431	1,715	(142,462)	12,499	1,721	(36)	6,411	-	(5,688)
Fund balances - beginning	-	31,456	11,624	20,008	184,772	21,101	4,869	694	6,692	-	13,753
Fund balances - ending	<u>\$ -</u>	<u>\$ 13,022</u>	<u>\$ 12,055</u>	<u>\$ 21,723</u>	<u>\$ 42,310</u>	<u>\$ 33,600</u>	<u>\$ 6,590</u>	<u>\$ 658</u>	<u>\$ 13,103</u>	<u>\$ -</u>	<u>\$ 8,065</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, 2023

	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	\$ -	\$ 81,662	\$ -	\$ -	\$ -	\$ 5,500	\$ -	\$ -	\$ -	\$ 1,937,712
Charges for services	-	680,650	24,066	346,338	3,548	3,003	190,627	-	674,275	2,513,566
Investment earnings	683	8,394	-	12,065	-	765	20,159	-	-	46,122
Other	-	-	350	86,146	7,665	3,453	5,000	-	-	161,758
Total revenues	683	770,706	24,416	444,549	11,213	12,721	215,786	-	674,275	4,659,158
EXPENDITURES										
Current:										
Government	-	-	-	-	-	-	-	-	-	5,688
Public safety	-	70,779	-	-	-	-	-	-	-	94,131
Public works	-	-	-	-	-	-	-	-	-	536,063
Sanitation	-	-	-	-	-	-	279,615	-	-	279,615
Health and social services	-	-	-	-	-	-	-	-	-	58,484
Library	-	-	-	-	23,470	-	-	-	-	23,470
Culture and recreation	-	-	21,094	285,748	-	9,273	-	-	-	369,310
Education	-	-	-	-	-	-	-	-	685,530	2,657,400
Capital Outlays	-	-	-	32,771	-	-	-	-	-	32,771
Total expenditures	-	70,779	21,094	318,519	23,470	9,273	279,615	-	685,530	4,056,932
Excess (deficiency) of revenues over expenditures	683	699,927	3,322	126,030	(12,257)	3,448	(63,829)	-	(11,255)	602,226
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	2,500	-	24,548	-	-	-	-	27,048
Transfers out	-	(577,548)	-	-	(14,000)	-	-	-	-	(591,548)
Total other financing sources (uses)	-	(577,548)	2,500	-	10,548	-	-	-	-	(564,500)
Net change in fund balances	683	122,379	5,822	126,030	(1,709)	3,448	(63,829)	-	(11,255)	37,726
Fund balances - beginning	45,507	597,557	31,700	(93,592)	10,257	12,502	378,421	55	180,584	1,457,960
Fund balances - ending	\$ 46,190	\$ 719,936	\$ 37,522	\$ 32,438	\$ 8,548	\$ 15,950	\$ 314,592	\$ 55	\$ 169,329	\$ 1,495,686

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, 2023

	Capital Equipment Fund	Municipal Open Space Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and cash equivalents	\$ 154,522	\$ 281,797	\$ 436,319
Total assets	<u>\$ 154,522</u>	<u>\$ 281,797</u>	<u>\$ 436,319</u>
LIABILITIES			
Accounts payable	\$ 1,608	\$ 650	\$ 2,258
Due to other funds	75,150	1,610	76,760
Total liabilities	<u>76,758</u>	<u>2,260</u>	<u>79,018</u>
FUND BALANCES			
Restricted	-	279,537	279,537
Committed	77,764	-	77,764
Total fund balances	<u>77,764</u>	<u>279,537</u>	<u>357,301</u>
Total liabilities and fund balances	<u>\$ 154,522</u>	<u>\$ 281,797</u>	<u>\$ 436,319</u>

TOWN OF SOMERS, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Capital Equipment Fund	Municipal Open Space Fund	Total Nonmajor Capital Projects Funds
REVENUES			
Charges for services	\$ -	\$ 14,552	\$ 14,552
Investment earnings	5,602	7,330	12,932
Other	46,340	-	46,340
Total revenues	<u>583,633</u>	<u>21,882</u>	<u>605,515</u>
EXPENDITURES			
Debt service:			
Principal payments	264,353	-	264,353
Interest and fiscal charges	13,378	-	13,378
Capital outlays	470,022	650	470,672
Total expenditures	<u>747,753</u>	<u>650</u>	<u>748,403</u>
Excess (deficiency) of revenues over expenditures	(164,120)	21,232	(142,888)
OTHER FINANCING SOURCES			
Transfers in	327,548	-	327,548
Net change in fund balances	163,428	21,232	184,660
Fund balances - beginning	<u>(85,664)</u>	<u>258,305</u>	<u>172,641</u>
Fund balances - ending	<u>\$ 77,764</u>	<u>\$ 279,537</u>	<u>\$ 357,301</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, 2023

	Town Employees' Plan	Board of Education Employees' Plan	Volunteer Firefighters' Incentive Plan	Other Post-Employment Benefits Plan	Total
ASSETS					
Cash and cash equivalents	\$ 300,222	\$ 223,422	\$ 17,683	\$ 37,028	\$ 578,355
Investments	5,820,486	5,933,411	430,968	1,197,767	13,382,632
Accrued income receivable	10,320	15,285	856	2,612	29,073
Total assets	<u>6,131,028</u>	<u>6,172,118</u>	<u>449,507</u>	<u>1,237,407</u>	<u>13,990,060</u>
LIABILITIES					
Payables	<u>159,825</u>	-	<u>10,706</u>	-	<u>170,531</u>
Total liabilities	<u>159,825</u>	-	<u>10,706</u>	-	<u>170,531</u>
NET POSITION					
Restricted for pensions and other post-employment benefits	<u>\$ 5,971,203</u>	<u>\$ 6,172,118</u>	<u>\$ 438,801</u>	<u>\$ 1,237,407</u>	<u>\$ 13,819,529</u>

TOWN OF SOMERS, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 PENSION TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Town Employees' Plan	Board of Education Employees' Plan	Volunteer Firefighters' Incentive Plan	Other Post-Employment Benefits Plan	Total
ADDITIONS					
Contributions:					
Employer	\$ 127,779	\$ 184,438	\$ 6,034	\$ 25,902	\$ 344,153
Plan members	118,992	68,533	-	-	187,525
Total contributions	<u>246,771</u>	<u>252,971</u>	<u>6,034</u>	<u>25,902</u>	<u>531,678</u>
Investment earnings:					
Interest and dividends	171,096	129,075	11,462	25,322	336,955
Net change in the fair value of investments, net of investment fees	<u>250,048</u>	<u>393,138</u>	<u>25,743</u>	<u>83,844</u>	<u>752,773</u>
Total investment earnings, net	<u>421,144</u>	<u>522,213</u>	<u>37,205</u>	<u>109,166</u>	<u>1,089,728</u>
Total additions	<u>667,915</u>	<u>775,184</u>	<u>43,239</u>	<u>135,068</u>	<u>1,621,406</u>
DEDUCTIONS					
Benefit payments	289,947	452,152	12,127	-	754,226
Administrative expenses	12,480	1,180	3,546	-	17,206
Total deductions	<u>302,427</u>	<u>453,332</u>	<u>15,673</u>	<u>-</u>	<u>771,432</u>
Change in net position	365,488	321,852	27,566	135,068	849,974
NET POSITION					
Beginning	<u>5,605,715</u>	<u>5,850,266</u>	<u>411,235</u>	<u>1,102,339</u>	<u>12,969,555</u>
Ending	<u>\$ 5,971,203</u>	<u>\$ 6,172,118</u>	<u>\$ 438,801</u>	<u>\$ 1,237,407</u>	<u>\$ 13,819,529</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.

CONTENTS	<u>Page</u>
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.	107
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the Town’s ability to generate its property taxes.	113
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.	119
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.	120

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				
	2014	2015 *	2016	2017	2018 **
Governmental activities					
Net investment in capital assets	\$ 41,657,339	\$ 42,583,307	\$ 44,264,729	\$ 44,266,549	\$ 44,271,097
Restricted	632,490	663,739	1,443,238	1,523,850	1,588,894
Unrestricted	6,129,427	5,400,289	4,416,124	3,550,294	3,849,162
Total governmental activities net position	<u>\$ 48,419,256</u>	<u>\$ 48,647,335</u>	<u>\$ 50,124,091</u>	<u>\$ 49,340,693</u>	<u>\$ 49,709,153</u>
	Fiscal Year				
	2019	2020 ***	2021	2022	2023
Governmental activities					
Net investment in capital assets	\$ 44,003,337	\$ 43,808,492	\$ 43,042,424	\$ 41,791,885	\$ 39,890,182
Restricted	2,061,984	2,025,655	2,250,533	2,664,871	2,810,525
Unrestricted	4,876,460	5,137,482	5,155,887	5,647,467	7,838,061
Total governmental activities net position	<u>\$ 50,941,781</u>	<u>\$ 50,971,629</u>	<u>\$ 50,448,844</u>	<u>\$ 50,104,223</u>	<u>\$ 50,538,768</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)

	2014	2015	2016	2017	2018	2019	2020 *	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 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	\$ 2,707,506
Public safety	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	2,760,557
Public works	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	4,007,663
Sanitation	716,871	575,329	692,430	674,764	592,701	709,466	681,177	721,844	928,241	1,023,587
Health and social services	170,823	324,383	323,088	291,320	290,005	343,674	364,605	497,948	447,737	431,496
Library	476,667	596,012	680,409	677,282	691,750	757,731	797,596	751,564	762,365	804,183
Culture and recreation	288,716	172,374	337,360	406,739	410,187	489,167	546,393	540,577	659,760	1,107,406
Education	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	35,266,600
Interest expense	405,209	474,218	459,038	421,121	380,625	338,083	369,754	397,060	385,248	302,044
Total governmental activities expenses	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	48,411,042
Program Revenues										
Governmental activities:										
Charges for services:										
General government	576,834	647,983	482,309	319,745	438,025	628,702	581,513	789,916	740,123	737,438
Public safety	307,782	345,569	381,644	369,869	420,819	492,392	536,104	595,452	794,978	762,461
Public works	-	-	-	-	-	-	-	-	13,900	31,552
Sanitation	133,313	105,876	303,371	484,124	394,537	310,057	313,942	351,019	305,132	364,280
Health and social services	58,282	77,059	107,493	58,516	67,933	67,374	92,509	100,224	104,573	115,369
Library	9,411	7,897	5,783	7,457	10,085	10,439	4,758	2,808	5,651	7,914
Culture and recreation	93,661	96,025	178,098	180,662	264,769	321,574	275,864	151,695	273,023	377,210
Education	395,133	372,690	436,625	438,503	461,283	469,874	792,302	467,606	973,980	1,268,839
Operating grants and contributions	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	14,018,686
Capital grants and contributions	1,573,883	1,473,996	1,485,386	548,896	707,582	369,181	99,338	147,776	156,917	549,992
Total governmental activities program revenues	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	18,233,741
Net (Expense)/Revenue										
Governmental activities	(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)	(30,177,301)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, levied for general purposes	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	26,727,256
Grants and contributions not restricted to specific programs	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	3,293,261
Unrestricted investment earnings	184,182	45,561	96,463	189,850	217,487	401,210	244,243	387,697	(49,331)	591,329
Total governmental activities	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	30,611,846
Change in Net Position										
Governmental activities	\$ 2,283,245	\$ 1,283,534	\$ 1,476,756	\$ (783,398)	\$ 795,071	\$ 1,232,628	\$ (185,205)	\$ (522,785)	\$ (344,621)	\$ 434,545

* 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				
	2014	2015	2016	2017	2018
Governmental activities:					
General government	\$ 576,834	\$ 647,983	\$ 414,257	\$ 332,539	\$ 2,182,383
Public safety	479,391	418,008	407,095	389,328	468,786
Public works	1,459,630	1,972,328	699,840	753,807	1,018,418
Sanitation	141,088	105,876	303,371	493,524	394,537
Health and social services	75,447	78,617	151,919	64,969	67,933
Library	21,484	18,081	16,294	12,005	16,559
Culture and recreation	543,661	101,025	216,678	180,662	264,769
Education	10,139,098	9,463,669	11,253,497	9,673,098	11,437,313
Total governmental activities	<u>\$ 13,436,633</u>	<u>\$ 12,805,587</u>	<u>\$ 13,462,951</u>	<u>\$ 11,899,932</u>	<u>\$ 15,850,698</u>

Function/Program	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental activities:					
General government	\$ 865,063	\$ 663,535	\$ 823,987	\$ 1,343,821	\$ 1,274,817
Public safety	603,661	635,881	692,451	1,026,375	1,098,825
Public works	648,143	460,353	492,998	515,893	711,579
Sanitation	310,057	326,381	351,019	305,132	369,280
Health and social services	113,632	92,509	192,082	168,780	194,420
Library	15,783	9,310	6,801	34,401	11,213
Culture and recreation	425,074	286,172	176,045	321,883	561,514
Education	10,729,346	12,773,473	14,859,785	10,439,393	14,012,093
Total governmental activities	<u>\$ 13,710,759</u>	<u>\$ 15,247,614</u>	<u>\$ 17,595,168</u>	<u>\$ 14,155,678</u>	<u>\$ 18,233,741</u>

Table 4

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 185,098	\$ 163,398	\$ 132,912	\$ 188,227	\$ -
Committed	846,845	814,624	787,237	787,237	780,737
Assigned	160,167	611,645	629,566	803,174	-
Unassigned	5,624,179	6,182,226	6,144,025	5,287,089	6,207,225
Total general fund	<u>\$ 6,816,289</u>	<u>\$ 7,771,893</u>	<u>\$ 7,693,740</u>	<u>\$ 7,065,727</u>	<u>\$ 6,987,962</u>
All Other Governmental Funds					
Nonspendable	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Restricted	1,146,275	4,186,015	3,843,971	2,991,165	1,874,519
Committed	2,263,475	2,555,611	1,531,383	1,489,903	1,870,913
Assigned	-	-	-	-	-
Unassigned	(132,912)	(132,912)	(132,912)	(132,912)	(1,000)
Total all other governmental funds	<u>\$ 3,351,838</u>	<u>\$ 6,683,714</u>	<u>\$ 5,317,442</u>	<u>\$ 4,423,156</u>	<u>\$ 3,819,432</u>
	Fiscal Year				
	2019	2020 *	2021	2022	2023
General Fund					
Nonspendable	\$ -	\$ -	\$ 13,313	\$ 70,190	\$ 4,432
Committed	787,237	7,000	11,900	30,263	11,900
Assigned	561,381	1,185,836	623,667	75,000	493,880
Unassigned	7,060,613	6,535,770	6,339,430	6,837,496	6,843,179
Total general fund	<u>\$ 8,409,231</u>	<u>\$ 7,728,606</u>	<u>\$ 6,988,310</u>	<u>\$ 7,012,949</u>	<u>\$ 7,353,391</u>
All Other Governmental Funds					
Nonspendable	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Restricted	3,862,219	3,320,956	5,490,166	4,735,631	2,880,468
Committed	1,670,090	1,916,998	2,108,445	1,640,766	2,132,241
Assigned	64,056	64,056	-	-	-
Unassigned	(2,000,000)	-	-	(179,256)	-
Total all other governmental funds	<u>\$ 3,671,365</u>	<u>\$ 5,377,010</u>	<u>\$ 7,673,611</u>	<u>\$ 6,272,141</u>	<u>\$ 5,087,709</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)

	<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>	<u>2023</u>
Revenues										
Property taxes	\$ 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	\$ 26,491,719
Intergovernmental	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	16,631,297
Charges for services	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	3,604,393
Investment income	184,182	45,561	96,463	189,850	217,487	401,210	244,243	387,697	(49,331)	591,329
Other	25,107	8,213	49,202	142,090	47,583	120,771	78,287	64,355	80,314	208,098
Total revenues	<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>	<u>47,526,836</u>
Expenditures										
General government	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	3,721,033
Public safety	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	2,066,869
Public works	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	2,247,308
Sanitation	564,017	569,211	656,268	633,252	553,341	667,048	644,084	684,389	897,591	996,803
Health and social services	160,785	310,116	258,547	214,380	218,774	229,184	252,721	412,825	394,276	380,302
Library	458,579	478,247	455,190	459,693	471,217	500,774	543,316	499,200	534,880	554,900
Culture and recreation	261,706	170,633	273,401	334,447	353,624	397,718	464,241	425,002	423,728	649,211
Education	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	32,825,953
Debt service:										
Principal payments	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	1,584,353
Interest and fiscal charges	415,770	473,253	471,313	431,009	382,432	350,115	302,311	307,645	612,528	431,216
Capital outlays	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	2,912,878
Total expenditures	<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>	<u>48,370,826</u>
Excess of revenues over (under) expenditures	<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>	<u>(843,990)</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources (Uses)										
Issuance of bonds	\$ -	\$ 5,320,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,405,000	\$ -	\$ -
Premium on issuance of bonds	-	271,122	-	-	-	3,520	-	799,369	-	-
Issuance of bond anticipation notes	1,750,000	-	-	-	-	-	6,000,000	-	-	-
Payment of bond anticipation notes	-	(1,750,000)	-	-	-	-	-	(6,000,000)	-	-
Issuance of financed purchases	-	417,324	545,429	167,692	121,049	101,357	428,877	378,591	338,095	-
Other proceeds	-	209,717	71,753	-	-	-	-	-	-	-
Transfers in	635,246	525,000	406,099	532,009	671,054	852,461	876,803	1,072,314	1,077,406	1,786,681
Transfers out	(635,246)	(525,000)	(406,099)	(532,009)	(671,054)	(852,461)	(876,803)	(1,072,314)	(1,077,406)	(1,786,681)
Total other financing sources (uses)	<u>1,750,000</u>	<u>4,468,163</u>	<u>617,182</u>	<u>167,692</u>	<u>121,049</u>	<u>104,877</u>	<u>6,428,877</u>	<u>4,582,960</u>	<u>338,095</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,004,684</u>	<u>\$ 4,287,480</u>	<u>\$ (1,396,004)</u>	<u>\$ (1,522,299)</u>	<u>\$ (412,198)</u>	<u>\$ 1,003,911</u>	<u>\$ 809,967</u>	<u>\$ 1,556,305</u>	<u>\$ (1,376,831)</u>	<u>\$ (843,990)</u>
Debt service as a percentage of noncapital expenditures	<u>5.6%</u>	<u>5.0%</u>	<u>5.9%</u>	<u>5.1%</u>	<u>5.1%</u>	<u>5.0%</u>	<u>4.9%</u>	<u>4.5%</u>	<u>4.6%</u>	<u>4.3%</u>

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

Fiscal Year Ended June 30,	Residential Property	Motor Vehicle Property	Personal Property	Commercial Property	Industrial Property	Total Assessment	Less: Tax Exempt Property	Total Taxable Assessed Value	(1)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
									Total Direct Tax Rate		
2014	(2) N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 744,822,029	23.37	\$ 1,064,031,470	70.00%
2015	\$ 705,017,950	\$ 78,372,110	\$ 34,638,870	\$ 33,245,770	\$ 9,404,600	\$ 860,679,300	\$ 8,951,131	851,728,169	23.37	1,216,754,527	70.00%
2016	709,722,440	78,719,800	44,121,470	33,343,470	9,466,000	875,373,180	8,900,450	866,472,730	23.37	1,237,818,186	70.00%
2017	686,210,030	79,719,446	44,202,120	35,293,200	10,102,700	855,527,496	9,603,316	845,924,180	24.22	1,208,463,114	70.00%
2018	689,284,460	82,755,007	44,187,450	35,575,310	9,983,200	861,785,427	9,511,760	852,273,667	26.47	1,217,533,810	70.00%
2019	694,890,000	85,432,656	44,634,560	36,662,948	9,687,700	871,307,864	10,002,780	861,305,084	27.37	1,230,435,834	70.00%
2020	698,337,827	87,289,200	42,278,900	36,855,220	9,687,700	874,448,847	7,833,520	866,615,327	27.37	1,238,021,896	70.00%
2021	701,416,794	89,634,065	46,684,815	37,529,260	9,687,700	884,952,634	8,244,953	876,707,681	27.37	1,252,439,544	70.00%
2022	738,462,312	94,950,727	59,639,170	38,906,350	10,639,390	942,597,949	10,084,450	932,513,499	26.66	1,332,162,141	70.00%
2023	739,751,170	120,492,880	71,112,950	39,085,100	10,652,900	981,095,000	12,013,700	969,081,300	27.56	1,384,401,857	70.00%

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

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

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

Table 7

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

<u>Taxpayer</u>	<u>2023</u>		<u>2014</u>	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total Town Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
Eversource (previously CT Light & Power)	\$ 21,303,660	1.54%	\$ 7,358,820	0.69%
Huntington National Bank	12,948,820	0.94%		
Somers Solar Center LLC	10,110,710	0.73%		
Somers AG Holding Co Inc	6,879,900	0.50%	2,812,450	0.26%
Driving Range 349 Main St LLC	3,261,300	0.24%	1,357,880	0.13%
JVLADD Properties	2,968,100	0.21%	2,207,863	0.21%
The Connecticut Water Co	2,028,189	0.15%	2,314,020	0.22%
349 Main Street LLC	2,004,640	0.14%		
Pleasant View Farms Realty Co	1,966,490	0.14%		
Birkenshaw David	1,794,300	0.13%	1,659,860	0.16%
Total	<u>\$ 65,266,109</u>	<u>4.71%</u>	<u>\$ 17,710,893</u>	<u>1.66%</u>
Total Taxable Assessed Value	<u>\$ 1,384,401,857</u>		<u>\$ 1,064,031,470</u>	

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
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	99.69%
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%	272,025	22,518,577	99.71%
2019	23,481,900	23,247,473	99.00%	109,823	23,357,296	99.47%
2020	23,790,855	23,589,997	99.16%	78,171	23,668,168	99.48%
2021	24,059,533	23,914,550	99.40%	95,997	24,010,547	99.80%
2022	24,991,627	24,547,603	98.22%	95,516	24,643,119	98.61%
2023	26,815,707	26,295,924	98.06%	-	26,295,924	98.06%

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				
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
2023	15,157,098	-	532,899	15,689,997	1.13%	3.64%	1,594

* 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					
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
2023		15,157,098	15,157,098	1.09%	3.52%	1,540

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>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>	<u>2023</u>
Legal Debt Margin Calculation:										
Total capacity of borrowing (7 times base)	\$ 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	\$ 185,454,003
Total present indebtedness	<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>	<u>14,881,257</u>
Margin for additional borrowing	<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>	<u>\$ 170,572,746</u>
Total net debt applicable to the debt limit as a percentage of the debt limit	12.03%	11.13%	9.92%	8.84%	7.25%	12.08%	8.70%	10.24%	9.32%	8.02%

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
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%
2023	9,843	430,463,919	43,733	36.3	12.0	1,346	3.6%

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

(2) Town of Somers, Board of Education

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

Table 13

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

	<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>	<u>2023</u>
Function/Program										
General government										
Finance	3.0	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0
Building	2.0	2.0	2.0	2.0	2.0	1.5	1.5	1.5	1.0	1.0
Other	7.0	8.0	8.0	8.0	12.0	12.0	11.5	11.0	13.0	12.0
Police										
Officers	3.5	3.5	4.5	5.0	6.5	7.0	6.5	6.0	5.5	5.5
State Troopers	3.0	2.0	2.0	3.0	1.0	1.0	1.0	1.0	1.0	1.0
Civilians	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire										
Firefighters and officers	7.5	10.5	8.0	8.0	7.5	8.0	9.5	10.5	10.0	10.0
Refuse collection	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0
Public works	8.0	8.0	8.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
Parks and recreation	3.5	4.5	5.5	4.0	4.0	4.0	6.5	6.0	6.0	7.0
Library	10.0	9.5	9.5	7.5	7.5	8.0	8.0	8.0	8.0	8.0
Sanitation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Transit	2.0	3.0	4.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0
Total	<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>	<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	2014	2015	2016	2017	2018	2019 *	2020	2021	2022**	2023
Police										
Criminal investigations	247	297	351	364	331	218	126	156	139	117
Motor vehicle accidents	130	133	110	109	117	107	116	98	109	104
DUI arrests	29	34	13	24	27	18	15	5	8	12
Miscellaneous calls for service	-	-	-	-	-	7,005	7,894	8,790	11,170	13,477
Fire										
Emergency responses	929	1,046	1,144	1,175	1,310	1,407	1,836	2,329	2,584	2,548
Fires extinguished	28	12	30	32	36	22	27	46	30	44
Inspections	246	317	207	255	293	291	164	175	206	278
Refuse collection										
Refuse collected (tons per year)	3,053	3,598	3,818	3,784	3,205	3,560	3,482	3,573	3,163	3,002
Bulky waste (tons per year)	803	786	761	586	690	590	711	725	731	764
Recycling (tons per year)	2,310	3,820	1,120	790	854	675	633	698	601	977
Other public works (miles)										
Street resurfacing	7	11	2	2	-	-	14	-	-	-
Paved surface	1	1	2	2	-	2	2	7	-	4
Crack sealing	3	1	-	1	-	4	8	-	-	-
Library										
Volumes in collection	59,488	65,409	65,439	66,585	67,658	69,467	68,875	70,843	71,469	72,019
Total volumes circulated	58,206	74,435	74,614	63,487	61,103	58,708	40,800	31,359	42,633	53,661
Water										
New connections	2	5	3	2	2	-	-	-	6	-
New well permits	6	7	12	15	5	10	6	8	13	14
Wastewater										
New septic permits	10	10	13	7	10	9	13	9	29	10
Septic repair permits	-	-	-	-	-	-	-	-	34	32
New sewer connections	4	4	3	7	1	5	1	3	3	1
Average yearly sewage treatment (thousands of gallons)/day	29	28	32	36	41	46	43	39	59	35
Transit (senior bus)										
Total route miles	25,383	26,746	25,248	28,020	29,013	28,948	17,176	17,047	20,872	19,582
Passengers	4,545	3,808	3,306	3,543	3,680	3,542	2,120	1,532	2,313	2,902

* - 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	3	4	5	5	5	6	6	6	7	7
State patrol units	3	2	2	3	1	1	1	1	1	1
Fire stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	90	90	90	90	90	90	90	90	90	90
Highways (miles)	8	8	8	8	8	8	8	8	8	8
Streetlights	450	431	460	464	464	464	464	464	464	464 *
Traffic signals	9	8	9	9	9	9	9	9	9	9
Parks and recreation										
Acreage	118	118	122	306	306	306	306	306	306	306
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	9	10	10	10	10	10	10	10	10	10
Soccer/football fields	11	11	11	11	11	11	11	11	11	11
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	5	5	5	5	5	5	5	5	5	5 **
Fire hydrants	200	193	193	193	193	193	193	193	194	194
Storage capacity (thousands of gallons)	-	-	-	-	-	-	-	-	-	- **
Wastewater										
Sanitary sewers (miles)	4	4	4	4	4	4	4	4	4	4
Storm sewers (miles)	41	35	35	35	35	35	35	35	35	35
Treatment capacity (thousands of gallons)	97	97	97	97	97	97	97	97	97	97
Transit—minibuses	3	2	2	2	2	2	2	2	2	2

* Includes streetlights leased from Eversource

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

Source: Various Town departments.