

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 24, 2026

In the opinion of Bond Counsel, based on existing statutes and court decisions and rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excludable from gross income for Federal income tax purposes and is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates subject to and required to pay the Federal alternative minimum tax. (See Appendix B - "Form of Opinion of Bond Counsel and Tax Matters" herein.)

TOWN OF SOMERS, CONNECTICUT
\$2,000,000
GENERAL OBLIGATION BOND ANTICIPATION NOTES
(BANK QUALIFIED)

Dated: April 15, 2026

Due: April 14, 2027

Amount	Coupon	Yield	CUSIP ¹
\$2,000,000	%	%	834494---

Telephone proposals and electronic proposals via PARITY® for the Notes will be received until 11:30 A.M. (Eastern Time) on Wednesday, April 1, 2026 at the Town's municipal advisor, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 as described in the Notice of Sale (See Appendix D to this Official Statement). Telephone bids will be received until 11:25 A.M. (Eastern Time) by an authorized agent of Munistat Services, Inc., at 860-372-1887 in order to ensure compliance with the 11:30 A.M. (Eastern Time) bid deadline.

The \$2,000,000 General Obligation Bond Anticipation Notes (the "Notes") will be general obligations of the Town of Somers, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due. (See "Security and Remedies" herein).

The Notes will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Principal of, redemption premium, if any, and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owners of the Notes. Purchases of the Notes will be made in book-entry form in denominations of \$5,000 or any integral multiples thereof. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. So long as Cede & Co. is the Noteowner, as nominee of DTC, reference herein to the Noteowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes. (See "Book-Entry-Only Transfer System" herein). If requested by the successful purchaser as described under "Option for No Book Entry" herein, the Notes will be issued in the form of a single fully-registered physical certificate in the par amount of the Notes.

Unless the successful purchaser of the Notes is designated as such as provided in "Option for No Book Entry" herein, U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut will certify the Notes, and act as Registrar, Transfer Agent, and Paying Agent on the Notes.

The Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Updike, Kelly & Spellacy, P.C., Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes in book-entry-only form will be made to DTC in New York, New York on or about **April 15, 2026**.

This cover page contains certain information for quick reference only. It is NOT a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc., which is not affiliated with the Town and are solely for the convenience of the holders of the Notes. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Notes.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which said offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

No dealer, broker, salesperson or other person has been authorized by the Town of Somers, Connecticut (the “Town”) or the Municipal Advisor to give any information or to make any representations not contained in this Official Statement or any supplement thereto, in connection with the offering of the Notes, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town or the Municipal Advisor. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

The Official Statement has been prepared only in connection with the initial offering and sale of the Notes and may not be reproduced or used in whole or in part for any other purpose.

The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement or any earlier date as of which any information contained herein is given.

Other than as to matters expressly set forth in their report in Appendix A – “Basic Financial Statements” to this Official Statement, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy, adequacy or completeness of the financial information presented in this Official Statement and make no representation that they have independently verified the same. The auditors have not been requested to provide their written consent to use their report.

The Notes have not been registered under the Securities Act of 1933, as amended, nor have they been registered under any state securities laws.

Other than matters expressly set forth in Appendix B to this Official Statement, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

The Town deems this Official Statement to be “final” as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

This Official Statement may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words “may,” “believe,” “could,” “might,” “possible,” “potential,” “project,” “will,” “should,” “expect,” “intend,” “plan,” “predict,” “anticipate,” “estimate,” “approximate,” “contemplate,” “continue,” “target,” “goal” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign hostilities or domestic terrorism or domestic violent extremism; and (xi) other factors contained in this Official Statement.

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NOTE ISSUE SUMMARY

The information in this Note Issue Summary and the cover is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	<u>Wednesday, April 1, 2026, 11:30 A.M. (Eastern Time).</u>
Location of Sale:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.
Issuer:	Town of Somers, Connecticut (the “Town”).
Issue:	\$2,000,000 General Obligation Bond Anticipation Notes (the “Notes”).
Dated Date:	Date of Delivery, April 15, 2026.
Interest Due:	At maturity: April 14, 2027.
Principal Due:	At maturity: April 14, 2027.
Purpose and Authority:	The proceeds of the Notes will be used to finance certain road and parking lot improvements authorized by the voters of the Town. See “Authorization and Use of Proceeds” herein.
Redemption:	The Notes are not subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due. See “Security and Remedies” herein.
Credit Ratings:	The Town has not applied for a credit rating on the Notes. Currently the Town has credit ratings of “AA+” with a stable outlook from S&P Global Ratings (“S&P”) and “Aa2” from Moody’s Ratings (“Moody’s”) on its outstanding bonds. See “Ratings” herein.
Basis of Award:	Lowest Net Interest Cost (“NIC”), as of dated date.
Tax Exemption:	Refer to Appendix B - “Form of Opinion of Bond Counsel and Tax Matters” herein.
Bank Qualification:	The Notes shall be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, timely, but not in excess of ten (10) business days after the occurrence of the event, notices of the occurrence of certain events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form of Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	Unless the successful purchaser is designated as such as provided in “Option for No Book Entry” herein, U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Updike, Kelly & Spellacy, P.C. of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company (unless the successful purchaser has requested no book entry as described herein, then it is expected that delivery of the Notes will be made to the purchaser) on or about April 15, 2026 against payment in Federal Funds .
Issuer Official:	Questions concerning the Official Statement should be directed to Mr. Brian Wissinger, Chief Financial Officer/Treasurer, Town of Somers, Town Hall, 600 Main Street, P.O. Box 308, Somers, Connecticut 06071. Telephone: 860-763-8217.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-372-1887.

The Preliminary Official Statement is available in electronic form only at www.i-dealpropectus.com and munistat.com. For additional information please contact the Municipal Advisor at susan.caron@munistat.com or bill.lindsay@munistat.com.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Somers, Connecticut (the “Town”) in connection with the issuance and sale of \$2,000,000 General Obligation Bond Anticipation Notes (the “Notes”) of the Town.

The Notes are being offered for sale at public bidding. A Notice of Sale dated March 24, 2026 has been furnished to prospective bidders. Reference is made to the Notice of Sale (see Appendix D to this Official Statement) for the terms and conditions of the bidding on the Notes.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to said statutes, charters, laws and the original official documents, and all references to the Notes, and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

Set forth in Appendix A “Basic Financial Statements” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or completeness of the statements made in this Official Statement (other than matters expressly set forth in its opinion in Appendix B hereto), and it makes no representation that it has independently verified the same.

The Town deems this Official Statement to be “final” for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

DESCRIPTION OF THE NOTES

The Notes will be dated April 15, 2026 and will be due and payable as to both principal and interest at maturity on April 14, 2027. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Unless requested by the successful purchaser as described under “Option for No Book Entry” herein, the Notes will be issued as fully-registered notes in denominations of \$5,000 or any integral multiples thereof. A book-entry-only transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of the Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein.

If requested by the successful purchaser as described under “Option for No Book Entry” herein, the Notes will be issued in the form of a single fully-registered physical certificate in the par amount of the Notes. Principal of and interest on the Notes will be payable by the Town or its agent to the successful purchaser, as registered owner of the Notes.

Unless the successful purchaser of the Notes is designated as the Certifying Agent, Registrar, Transfer Agent and Paying Agent for the Notes as provided in “Option for No Book Entry” herein, the Certifying Agent, Registrar, Transfer Agent and Paying

Agent will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut. The legal opinion for the Notes will be rendered by Updike, Kelly & Spellacy, P.C., in substantially the form set forth in Appendix B to this Official Statement.

The Notes are not subject to redemption prior to maturity.

AUTHORIZATION AND USE OF PROCEEDS

The Notes are being issued pursuant to the Connecticut General Statutes, as amended, and a borrowing resolution authorizing certain road and parking lot improvements approved by the voters of the Town at a referendum held on November 4, 2025.

The proceeds of the Notes will be used to finance the following project authorized by the Town:

<u>Project</u>	<u>Amount Authorization</u>	<u>Previously Bonded</u>	<u>Grants/ Other Funds</u>	<u>Notes This Issue</u>	<u>Authorized But Unissued</u>
Road & Parking Lot Improvements.....	\$ 3,500,000	\$ -	\$ -	\$2,000,000	\$ 1,500,000

OPTION FOR NO BOOK ENTRY

As described in the official Notice of Sale dated March 24, 2026, a bidder for the Notes may request that the Notes be issued to such bidder in the form of a single fully-registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Town as the Certifying Agent, Registrar, Paying Agent and Transfer Agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. The Town reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the successful bidder as Certifying Agent, Registrar, Paying Agent and Transfer Agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests. If the Notes are issued in non-book-entry form, they are non-transferable and must be held to maturity by the winning bidder requesting the no book entry option. The successful bidder shall not impose or charge the Town for any costs or expenses related to the services as Certifying Agent, Registrar, Paying Agent and Transfer Agent for the Notes if the successful bidder is so designated.

Unless the successful purchaser makes a request for no book entry as described herein and in the official Notice of Sale, the Notes will be issued by means of a book-entry system with no physical distribution of note certificates.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

This section describes how ownership of the Notes is to be transferred and how the principal of, premium, if any, and interest on the Notes are to be paid to and accredited by DTC while the Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Town believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Notes, or redemption or other notices to Direct Participants, (2) Direct Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Notes), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered Note certificate will be issued for each interest rate of the Notes in the aggregate principal amount of such maturity and interest rate, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as defaults and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of

customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered. The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

REPLACEMENT NOTES

The determination of the Town officials authorizing the issuance of the Notes provides for issuance of fully-registered note certificates directly to Beneficial Owners of the Notes or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Notes, and the Town fails to identify another qualified securities depository for the Notes to replace DTC; or (b) the Town determines to discontinue the book-entry-only system of evidence and transfer of ownership of the Notes. A Beneficial Owner of the Notes, upon registration of certificates held in such Beneficial Owner’s name, will become the registered owner of the Notes.

DTC PRACTICES

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

SECURITY AND REMEDIES

The Notes will be general obligations of the Town, and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due.

Unless paid from other sources, the Notes are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. The Town may place a lien on dwelling houses of qualified elderly persons of low income or qualified disabled persons for the amount of tax relief granted, plus interest. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the statutory limitation on its power to tax such dwelling houses of qualified elderly persons of low income or of qualified disabled persons.

Payment of the Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Notes.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Notes, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes, and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds and notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount

in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion.

Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds, notes or other obligations.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Notes **shall** be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.

AVAILABILITY OF CONTINUING DISCLOSURE

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State of Connecticut Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide, to rating agencies ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested.

The Town will enter into a continuing disclosure agreement with respect to the Notes, substantially in the form attached as Appendix C to this Official Statement (the "Continuing Disclosure Agreement"). The Continuing Disclosure Agreement requires the Town to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5) (the "Rule"), timely, but not in excess of ten (10) business days after the occurrence of the event, notices of the occurrence of certain events, with respect to the Notes. The obligation of the winning bidder or bidders to purchase the Notes shall be conditioned upon them receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to the Rule. To its knowledge, during the last five years, the Town has not failed to comply in any material respect with its undertakings under such agreements.

RATINGS

The Town has not applied for a credit rating on the Notes. Currently, the Town has credit ratings of "AA+" with a stable outlook from S&P Global Ratings ("S&P") and "Aa2" from Moody's Ratings ("Moody's") on certain of their outstanding bonds.

Generally, rating agencies base their ratings on the information and materials furnished to them and on investigations, studies and assumptions of their own. Ratings reflect only the views of the rating agencies and any explanation of the significance of such ratings may be obtained from S&P, 55 Water Street, 45th Floor, New York, New York 10041 or Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There can be no assurance that the ratings of the Town's bonds will continue for any given period of time or that they will not be revised or withdrawn entirely if, in the judgment of such rating agencies, circumstances so warrant. A revision or withdrawal of the ratings may have an effect on the market price of the Town's outstanding bonds and notes, including the Notes.

II. THE ISSUER



DESCRIPTION OF THE TOWN

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.

The Town of Somers, covering an area of 28.7 square miles, is a growing suburban residential community in the Hartford, Connecticut – Springfield, Massachusetts area with a population of 10,308 according to the most recent U.S. Census Bureau, American Community Survey 2020-24. 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.

RECENT ACCOMPLISHMENTS AND ECONOMIC DEVELOPMENT

Somers is primarily a suburban residential community. 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 business and industry in neighboring communities in the area between Hartford, Connecticut and Springfield, Massachusetts. State-owned facilities located within the Town, such as the Osborn Correctional Institution, have historically provided a stable revenue base.

In an effort to grow its economic base, the Town has taken steps to revamp its zoning regulations to simplify and encourage economic growth and housing development. The Town has also recognized the need to improve its infrastructure, particularly the availability of natural gas which would benefit existing businesses and farms, as well as attract new businesses.

Recent economic development initiatives include the following:

In fiscal year 2018, the Town, with the assistance of federal and state grant funding, fully remediated the Somersville Mill property, an abandoned textile mill that had been demolished by fire. The Town took ownership of the site in October, 2016 thus enabling it to commence clean-up and remediation activities. In December 2018, the Town invited experienced, qualified developers to submit proposals for the development of the site. The Town has entered into an exclusive developer's agreement with Winn Companies. The Town, along with the developer, is working closely with State Government to secure funding necessary to begin this project.

In addition, the Town has a robust capital infrastructure portfolio. All of the projects under construction are eligible for or have already received state and federal grant funding. The projects include the following; a sidewalk project to improve walkability and 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.

In November 2024, Gingras Builders completed a 25 duplex and free-standing housing development called Soapstone Estates. Soapstone Estates housing units sold in the range of \$350,000 to \$500,000. Developer Dan Roulier has built various individual homes in the Cooksville and Stone Crossing developments over the past few years. The homes have sold in the range of \$750,000 to \$2,000,000.

Most recently, plans have been submitted for a new development called Havenwood, for 5, 4-unit buildings. Each two-bedroom unit is approximately 1,600 square feet. Construction is slated to begin in May/June 2026. The units are expected to price over \$500,000.

The Town cannot predict the potential impact of the tariffs imposed by the federal government on existing commercial and residential development projects and existing public projects in the Town and the construction costs related to such projects. In addition, the impact of such tariffs on future development in Town and on economic growth more generally is difficult to measure.

FORM OF GOVERNMENT

Pursuant to its home-rule charter, adopted by the Town of Somers on October 2, 1961, effective November 1, 1961 and amended November 4, 1980, November 2, 1999, November 8, 2006, and November 6, 2013, the Town has a Town Meeting form of government with a three-member Board of Selectmen 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 inhabitants 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 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 individual 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. The Treasurer is also responsible for the investment of all Town Funds.

Over the past few years, the Town has created formal policies as part of a plan to help formalize its procedures. In August 2022, the Town adopted a financial policies document which includes a capital asset policy, a capital improvement policy, a debt management policy, a general fund balance/reserve policy and an investment policy. On January 30, 2024 the Town adopted a debt service fund policy and on February 28, 2024, the Town completed revisions to its purchasing and procurement policy. The Town has also adopted post-issuance tax and disclosure procedures in connection with its debt obligations.

PRINCIPAL TOWN OFFICIALS

Office	Name	Manner of Selection	Years of Service
First Selectman.....	Tim Keeney.....	Elected - 2 Years	6 Years
Selectman.....	William Meier.....	Elected - 2 Years	6 Years
Selectman.....	Robert Schmidt.....	Elected - 2 Years	6 Years
Treasurer/Chief Financial Officer.....	Brian Wissinger.....	Appointed	3 Years ¹
Chairman, Board of Finance.....	Michael D. Parker.....	Elected - 6 Years	4 Years ²
Superintendent of Schools.....	Sam Galloway.....	Appointed	2 Years
Tax Collector.....	Alissa Hanvey.....	Appointed	3 Years
Assessor.....	Karen L. Neal, CCMA.....	Appointed	3 Years

¹Previously served as the Assistant Treasurer for 6 years.

²Member of the Board of Finance for 21 years.

Source: Town Officials.

SUMMARY OF MUNICIPAL SERVICES

Police - The Town is served by one supervising Resident State Trooper with additional support from State Police Troop C barracks out of Tolland, Connecticut. The Town of Somers 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 are school resource officers during the school year.

Fire and Emergency Service: The Town of Somers Fire Department (“SFD”) provides all fire, medical and rescue services 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 eleven part-time firefighters, and the department has a roster of 32 volunteers. The department responds to an average of 2,600 incidents per year with the majority 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.

- ◆ Support Services which provide a homemaker for a limited time.

Library: The Somers Public Library provides a variety of programs for children and adults throughout the year. The library currently contains over 66,000 physical items for borrowing including books, periodicals, movies, music, magazines, and downloadable audio and electronic books. The library circulated 53,732 items last year. The library offers full Internet access as well as up-to-date word processing and spreadsheet capabilities. Users can access the library’s on-line catalog and other databases from their home computers through the library’s web page.

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

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

The Town changed the way it handles solid waste in Fiscal Year 2012. The Town contracted with USA Hauling for the transport and disposal of all solid waste from Somers. The Town entered into a five-year contract effective March 1, 2024 with USA Hauling which may be renewed at the Town’s option. USA Hauling maintains its own contracts for the disposal of the solid waste.

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 maintains all recreation facilities and 305 acres of Town property including Field Road Park facilities, Town Hall facilities, Tot’s field, Sokol Road soccer fields, Firehouse fields, Somersville playground and soccer fields, and 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 (previously Connecticut Light and Power Company).

TOWN EMPLOYEES

Fiscal Year ¹	2026	2025	2024	2023	2022
General Government.....	63	63	61	61	61
Board of Education.....	265	257	263	267	267
Total.....	328	320	324	328	328

¹ Full-time equivalent.
Source: Town Officials.

MUNICIPAL EMPLOYEES’ BARGAINING UNITS

Organization	Number of Employee	Current Contract Expiration
General Government		
Firefighters - EMT - AFSCME-AFL-CIO.....	19	June 30, 2028
Board of Education		
Teachers - Somers Educational Association.....	148	June 30, 2027
Administrators - Somers Administration Association	9	June 30, 2027
Secretarial/Aides - Somers Educational Secretarial Association.....	64	June 30, 2027
Custodial and Maintenance - United Food and Commercial/Workers Union Local 1459 AFL-CIO....	15	June 30, 2026
Nurses - Somers Nurses - Local 1303-290 of Council AFCME-AFL-CIO.....	4	June 30, 2026
Total General Government and Board of Education.....	259	

Source: Town of Somers.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers’ contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

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.

SCHOOL FACILITIES

School	Grades	Date of Construction	Date of Additions/Renovation	Number of Classrooms	Enrollment 2025-2026	Rated Capacity
Somers Elementary School.....	Pre-K-5	1959	1976, 1995, 2005	56	632	850
Mabelle B Avery Middle School.	6-8	1966	1979, 2007	32	314	725
Somers High School.....	9-12	1993	2005	44	357	635
Total				132	1,303	2,210

Source: Board of Education, Town of Somers.

SCHOOL ENROLLMENT AND PROJECTIONS

School Year	Grades Pre-K-4	Grades 5-8	Grades 9-12	Total
<i>Historical</i>				
2021-22	627	275	439	1,341
2022-23	649	304	384	1,337
2023-24	657	307	382	1,346
2024-25	645	336	359	1,340
2025-26	533	413	357	1,303
<i>Projected</i>				
2026-27	566	459	396	1,421
2027-28	595	455	391	1,441
2028-29	606	460	409	1,475
2029-30	623	471	401	1,495
2030-31	623	457	433	1,513

Source: Board of Education, Town of Somers.

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III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Year	Town of Somers			Capital Planning Region ³	State of Connecticut
	Population ¹	% Increase	Density ²	Population	Population
1980	8,473	22.9	295	114,823	3,107,576
1990	9,108	7.5	317	128,699	3,287,116
2000	10,417	14.4	363	126,364	3,405,565
2010	11,444	9.9	399	151,073	3,574,097
2020	10,853	(5.2)	378	150,947	3,570,549
2023	10,164	(6.3)	354	969,029	3,598,348
2024	10,308	1.4	359	977,290	3,624,508

¹ U.S. Department of Commerce, Bureau of Census, 1980 – 2024

² Per square mile: 28.7 square miles.

³ Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was displayed.

AGE DISTRIBUTION OF THE POPULATION

Age	Town of Somers		Capital Planning Region ¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	356	3.5	49,409	5.0	181,691	5.0
5 - 9.....	542	5.3	52,844	5.4	195,164	5.4
10 - 14.....	908	8.8	57,866	5.9	214,972	5.9
15 - 19.....	510	4.9	65,900	6.7	239,710	6.6
20 - 24.....	634	6.2	69,952	7.1	238,387	6.6
25 - 34.....	1,061	10.3	127,530	13.0	454,892	12.6
35 - 44.....	1,452	14.1	126,899	13.0	460,916	12.7
45 - 54.....	1,439	14.0	118,277	12.1	453,917	12.5
55 - 59.....	605	5.9	67,227	6.9	256,068	7.1
60 - 64.....	775	7.5	67,081	6.8	258,234	7.1
65 - 74.....	1,322	12.8	100,900	10.3	386,232	10.7
75 - 84.....	578	5.6	51,797	5.3	196,373	5.4
85 and over..	126	1.2	23,608	2.4	87,952	2.4
Total	<u>10,308</u>	<u>100.0</u>	<u>979,290</u>	<u>100.0</u>	<u>3,624,508</u>	<u>100.0</u>
Median Age (years)		43.1		40		41.1

¹ Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was displayed.

Source: U.S. Census Bureau, 2020-2024 American Community Survey.

INCOME DISTRIBUTION

	Town of Somers		Capital Planning Region ¹		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000	36	1.4	7,092	2.9	24,004	2.6
\$ 10,000 to 14,999	0	0.0	3,069	1.2	12,584	1.4
\$ 15,000 to 24,999	12	0.5	7,544	3.1	27,285	3.0
\$ 25,000 to 34,999	41	1.6	8,950	3.6	33,429	3.6
\$ 35,000 to 49,999	73	2.8	15,981	6.5	59,826	6.5
\$ 50,000 to 74,999	340	13.0	27,904	11.3	106,611	11.6
\$ 75,000 to 99,999	311	11.9	29,550	12.0	106,893	11.6
\$100,000 to 149,999 ..	469	17.9	50,328	20.4	182,785	19.8
\$150,000 to 199,999 ..	454	17.3	37,410	15.2	131,310	14.3
\$200,000 or more	886	33.8	58,377	23.7	236,661	25.7
Total	2,622	100.0	246,205	100.0	921,388	100.0

¹ Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was displayed.

Source: U.S. Census Bureau, 2020-2024 American Community Survey.

INCOME LEVELS

	Town of Somers	Capital Planning Region ¹	State of Connecticut
Per Capita Income, 2024.....	\$50,529	\$51,016	\$55,915
Per Capita Income, 2020.....	\$43,733	\$41,537	\$45,668
Per Capita Income, 2010.....	\$35,134	\$33,108	\$36,775
Per Capita Income, 2000.....	\$23,952	\$25,474	\$28,766
Median Family Income, 2024.....	\$152,014	\$121,211	\$122,706
Median Family Income, 2020.....	\$122,476	\$113,232	\$102,061
Median Family Income, 2010.....	\$108,636	\$91,631	\$84,170
Median Family Income, 2000.....	\$71,757	\$70,856	\$65,521
Percent Below Poverty Level 2024.....	1.8%	7.1%	6.9%

¹ Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was displayed.

Source: U.S. Department of Commerce, Bureau of Census, 2020, 2000, 1990; U.S. Census Bureau, 2020-2024 American Community Survey.

EDUCATIONAL ATTAINMENT
Years of School Completed Age 25 and Over

	Capital Planning					
	Town of Somers		Region ¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	112	1.5	25,110	3.7	101,458	4.0
9th to 12th grade.....	520	7.1	33,385	4.9	114,887	4.5
High School graduate.....	1,857	25.2	170,364	25.0	647,192	25.3
Some college - no degree.....	1,206	16.4	110,089	16.2	410,903	16.1
Associates degree.....	929	12.6	55,607	8.2	195,081	7.6
Bachelor's degree.....	1,580	21.5	158,698	23.3	595,631	23.3
Graduate or professional degree.....	1,154	15.7	128,066	18.8	489,432	19.2
Total.....	7,358	100.0	681,319	100.0	2,554,584	100.0
Percent High School Graduate or Higher..		91.4%		91.4%		91.5%
Percent Bachelor's Degree or Higher.....		37.2%		42.1%		42.5%

¹ Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was displayed.
Source: U.S. Census Bureau, 2020-2024 American Community Survey.

MAJOR EMPLOYERS
As of March 2026

Employer	Nature of Business	Estimated Number of Employees
CT Department of Corrections.....	Correctional Institution.....	500-999 ¹
Town of Somers.....	Municipality.....	328
Grower Direct, Inc.....	Wholesale Nursery.....	100-249 ²
Geisslers Supermarket.....	Supermarket.....	100-249
MT. Ford Industries Inc.....	Concrete Contractors.....	50-99
Power Specialist Association.....	Boiler Service Company.....	50-99
New England Tractor Trailer of CT, Inc.....	Driving School.....	50-99
First Student Inc.....	School Bus Service Company.....	20-49
Dymotek.....	Plastic Molding Manufacturer.....	20-49
Lindy Farms.....	Horse Stables/Breeder.....	20-49
Laveille's Used Auto Parts LLC.....	Automobile Parts-Used & Rebuilt....	20-49
Cedar Knob Golf Course.....	Golf Course.....	20-49
New Insights Behavioral Health.....	Mental Health Services.....	20-49
Trinity Health of New England Medical.....	Medical Center.....	20-49
Sonny's Place.....	Family Entertainment Center.....	20-49

¹ Connecticut Department of Corrections website, www.ct.gov.

² Average number based on high of 300 employees during peak weeks and a low of 75.
Source: Town Officials.

EMPLOYMENT BY INDUSTRY

Sector	Town of Somers		Capital Planning Region ¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries.....	73	1.5	1,679	0.3	7,132	0.4
Construction.....	303	6.2	25,100	5.0	113,006	6.1
Manufacturing.....	774	15.9	53,830	10.7	198,526	10.7
Wholesale trade.....	117	2.4	9,930	2.0	35,592	1.9
Retail trade.....	542	11.1	53,136	10.6	192,698	10.4
Transportation & warehousing & utilities...	137	2.8	27,678	5.5	87,076	4.7
Information.....	68	1.4	8,212	1.6	37,488	2.0
Finance, insurance, real estate.....	364	7.5	52,430	10.4	161,226	8.7
Professional, scientific & management.....	483	9.9	58,810	11.7	228,229	12.3
Educational, health & social services.....	1,245	25.6	131,914	26.3	496,559	26.8
Arts, entertainment & recreation.....	271	5.6	37,232	7.4	143,851	7.8
Other professional services.....	190	3.9	20,247	4.0	80,617	4.4
Public administration.....	303	6.2	21,656	4.3	67,864	3.7
Total.....	4,870	100.0	501,854	100.0	1,849,864	100.0

¹ Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was displayed.

Source: U.S. Census Bureau, 2020-2024 American Community Survey.

EMPLOYMENT DATA

Yearly Average	Percentage Unemployed			
	Town of Somers %	Hartford Labor Market ¹ %	State of Connecticut %	United States %
2015	4.7	5.2	5.6	5.3
2016	4.3	4.9	4.8	4.9
2017	3.9	4.3	4.4	4.4
2018	3.4	3.7	3.9	3.9
2019	3.2	3.4	3.6	3.7
2020	6.6	7.3	8.0	8.1
2021	5.0	5.7	6.4	5.4
2022	3.8	3.9	4.1	3.7
2023	3.4	3.5	3.8	3.6
2024	2.8	3.2	3.2	4.0
2025	3.5	4.0	3.9	4.3

¹ Not seasonally adjusted.

Source: Department of Labor, State of Connecticut.

AGE DISTRIBUTION OF HOUSING

Year Built	Town of Somers		Capital Planning Region ¹		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	263	7.3	75,806	18.2	311,584	20.2
1940 - 1949.....	105	2.9	28,178	6.8	96,711	6.3
1950 - 1959.....	258	7.2	66,307	15.9	217,807	14.1
1960 - 1969.....	570	15.9	59,457	14.3	199,847	13.0
1970 - 1979.....	672	18.8	55,074	13.2	210,797	13.7
1980 - 1989.....	412	11.5	54,222	13.0	199,083	12.9
1990 - 1999.....	281	7.8	31,035	7.5	115,803	7.5
2000 - 2009.....	656	18.3	26,094	6.3	109,783	7.1
2010 - 2013.....	341	9.5	17,843	4.3	69,596	4.5
2014 or later.....	25	0.7	2,543	0.6	10,811	0.7
Total.....	3,583	100.0	416,559	100.0	1,541,822	100.0
Percent Owner Occupied.....		87.6%		65.7%		66.5%

¹ Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was displayed.

Source: U.S. Census Bureau, 2020-2024 American Community Survey.

HOUSING INVENTORY

Type	Town of Somers		Capital Planning Region ¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1-unit, detached.....	3,212	89.6	236,222	56.7	902,771	58.6
1-unit, attached.....	89	2.5	26,594	6.4	99,493	6.5
2 units.....	38	1.1	26,963	6.5	115,211	7.5
3 or 4 units.....	117	3.3	38,037	9.1	125,486	8.1
5 to 9 units.....	8	0.2	24,249	5.8	76,014	4.9
10 to 19 units.....	0	0.0	17,527	4.2	54,675	3.5
20 or more units.....	88	2.5	44,296	10.6	156,730	10.2
Mobile home, boat, other.....	31	0.9	2,671	0.6	11,442	0.7
Total	3,583	100.0	416,559	100.0	1,541,822	100.0

¹ Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was displayed.

Source: U.S. Census Bureau, 2020-2024 American Community Survey.

OWNER-OCCUPIED HOUSING VALUES

Sales Price Category	Town of Somers		Capital Planning Region ¹		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	50	1.7	6,241	2.4	23,262	2.4
\$ 50,000 to \$ 99,999 ...	25	0.8	4,429	1.7	14,209	1.5
\$ 100,000 to \$149,999 ...	38	1.3	8,272	3.2	31,134	3.3
\$ 150,000 to \$199,999 ...	53	1.8	22,110	8.6	65,851	6.9
\$ 200,000 to \$299,999 ...	356	11.9	72,223	28.1	205,349	21.5
\$ 300,000 to \$499,999 ...	1,776	59.2	102,287	39.8	350,277	36.8
\$ 500,000 to \$999,999 ...	672	22.4	37,877	14.7	197,853	20.8
\$1,000,000 and over	29	1.0	3,615	1.4	65,054	6.8
Total	2,999	100.0	257,054	100.0	952,989	100.0
 Median Value.....	 \$395,800		 \$323,700		 \$366,900	

¹ Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Capital Planning Region. Previous to the 2022 data, Tolland County data was displayed.
Source: U.S. Census Bureau, 2020-2024 American Community Survey.

BUILDING PERMITS ²

Fiscal Year Ending 6/30	Residential		Commercial and		Other		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
2026 ¹	500	\$10,892,965	27	\$2,700,301	3	\$3,278,708	530	\$16,871,974
2025	776	18,373,906	58	5,620,583	7	440,821	841	24,435,310
2024 ³	761	15,060,137	28	1,550,589	6	348,450	795	16,959,176
2023	71	5,343,720	12	272,655	691	11,212,589	774	16,828,964
2022	7	840,500	10	521,000	557	7,211,744	574	8,573,244
2021	10	1,432,629	7	76,600	546	7,060,711	563	8,569,940
2020	9	1,874,000	6	1,099,000	698	13,949,716	713	16,922,716
2019	24	5,047,000	40	5,719,792	626	5,240,716	690	16,007,508
2018	9	2,619,385	5	56,500	626	10,735,799	640	13,411,684
2017	10	2,223,375	24	1,286,155	562	6,825,646	596	10,335,176

¹ As of January 31, 2026.

² Includes Somers Congregational Church permits.

³ As of June 1, 2023, the Town began using PermitLink for online permitting. This software allows for better data sorting for permits issued.

Source: Building Department, Town of Somers.

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LAND USE SUMMARY

Classification	Total Area		Developed		Undeveloped	
	Acreage	%	Acreage	%	Acreage	%
Residential.....	14,733	68.3%	9,486	43.9%	5,247	24.3%
Commercial.....	2,232	10.3%	551	2.6%	1,681	7.8%
Industrial.....	267	1.2%	23	0.1%	245	1.1%
Other.....	4,354	20.2%	3,218	14.9%	1,135	5.3%
Total Area.....	21,586	100.0%	13,278	61.5%	8,308	38.5%

Source: June 30, 2019, Assessor's Office, Town of Somers.

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IV. TAX BASE DATA

ASSESSMENTS

The Town of Somers completed a general property revaluation, effective for the October 1, 2025 grand list. The Town's next revaluation is scheduled for October 1, 2030. Under section 12-62 of the Connecticut General Statutes, the Town must perform a revaluation every five years based on generally accepted mass appraisal methods and a revaluation by physical inspection no later than ten years from the preceding physical inspection. Prior to the completion of each revaluation, the Assessor shall conduct a field review. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Under state law, municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable and non-taxable real and personal property and motor vehicles located within the Town as of October 1. Each year the Town's Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation, while assessments for both personal property and motor vehicles are computed at 70 percent of the present market value.

When a new structure, or modification to an existing structure is undertaken, the Assessor's Office receives a copy of the permit issued by the Town's building official. Upon issuance of a certificate of completion, a physical appraisal is then conducted and the structure is given a new fair market value determined with the aid of schedules developed at the time of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All commercial personal property (furniture, fixtures, equipment, and machinery) is assessed annually. An assessor's check and audit is completed periodically.

Motor vehicle registration lists are furnished to the Town by the State of Connecticut Department of Motor Vehicles ("DMV"). New legislation was adopted in 2024 to require the Assessor for assessment years commencing on or after October 1, 2024, to value motor vehicles using the original Manufacturer's Suggested Retail Price ("MSRP"). Once the MSRP is set, assessments are arrived at by applying a depreciation schedule determined by the State of Connecticut Office of Policy and Management ("OPM") and then applying the 70% assessment ratio. These values are applied uniformly and equitably to all vehicles in the Town; a myriad of exemptions are then applied to qualifying applicants. The Board of Selectmen may elect to modify the depreciated MSRP pursuant to such state legislation. Section 12-71b of the Connecticut General Statutes, as amended, provides that motor vehicles which are registered with the DMV after the October 1 assessment date but before the next August 1 in such assessment year are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List provided such registration occurs prior to November 1. If such registration occurs on or after November 1 but prior to the following August 1 in such assessment year, the tax is prorated, and the proration is based on the period of time from the date of registration until the next succeeding October 1. For assessment years commencing on or after October 1, 2024, motor vehicles which are registered with the DMV after the October 1 assessment date but before April 1 in such assessment year are subject to a property tax as if the motor vehicle has been included on the October 1 Grant List, provided such registration occurs prior to November 1. If such registration occurs on or after November 1 but prior to October 1, the tax is prorated, and the proration is based on the number of months of ownership, including the month of registration, to the next succeeding October 1. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits.

Section 12-124a of the Connecticut General Statutes, as amended, permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed 8% of the owner's total income from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. Section 12-170v of the Connecticut General Statutes permits a municipality upon approval by its legislative body to freeze the property taxes due for certain low-income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of total tax relief granted plus interest.

The Town has not approved the use of the 12-124a or 12-170v abatement provisions to date.

PROPERTY TAX COLLECTION PROCEDURE

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real estate taxes are billed in the following July and are payable in two installments on July 1 and January 1, except that real estate taxes of \$100 or less are payable in one installment on July 1. Personal property taxes are billed in the following July and are payable, in full, on July 1. Motor vehicle taxes are billed in the following July and are payable in two installments on July 1 and January 1, except that motor vehicle taxes of \$500 or less are payable in one installment on July 1. Payments not received by the first business day in August and February become delinquent, with interest charged at the rate of 1.50% per month from the due date of the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Each year delinquent motor vehicle, real estate and personal property tax accounts are transferred to a suspense account when collection appears unlikely, at which time they cease to be carried as receivables. Tax accounts must be transferred to a suspense account no later than 15 years after the due date in accordance with state statutes.

Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectible.

MOTOR VEHICLE PROPERTY TAX RATE

Section 12-71e(a) of the Connecticut General Statutes, as amended, provides that the tax rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021 (fiscal year ending June 30, 2023), and each assessment year thereafter. Section 4-661 of the Connecticut General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town’s motor vehicle tax rate for the assessment year commencing October 1, 2024 (the fiscal year ending June 30, 2026) is 30.21 mills.

COMPARATIVE ASSESSED VALUATIONS

Grand List Dated	Real Property (%)	Personal Property (%)	Motor Vehicle Property (%)	Gross Taxable Grand List	Less Exemptions ¹	Net Taxable Grand List	% Growth
2025 ²	87.7	4.6	7.8	\$1,540,169,410	\$222,723,680	\$1,317,445,730	35.1%
2024	83.8	6.6	9.7	1,182,714,374	207,500,070	975,214,304	-1.5%
2023	83.0	6.7	10.3	1,185,822,485	195,809,820	990,012,665	0.7%
2022	83.1	7.0	9.9	1,179,242,763	196,580,700	982,662,063	1.4%
2021	83.6	6.1	10.3	1,166,285,720	196,817,780	969,467,940	3.5%
2020 ²	86.0	5.3	8.7	1,131,492,519	194,659,230	936,833,289	6.9%
2019	84.8	5.1	10.1	1,060,237,864	183,530,183	876,707,681	1.2%
2018	84.2	4.8	9.9	1,047,572,677	180,957,350	866,615,327	0.6%
2017	87.5	4.3	8.2	1,044,863,724	183,001,510	861,862,214	1.1%
2016	87.8	4.3	8.0	1,034,740,557	182,466,890	852,273,667	0.7%

¹ Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities.

² Revaluation Year.

Source: Assessor’s Office, Town of Somers.

PROPERTY TAX LEVIES AND COLLECTIONS

Grand List 10/1	FY Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Collected End of Each Fiscal Year	Percent Uncollected End of Each Fiscal Year	Percent Annual Levy Uncollected 6/30/2025	Amount Uncollected as of 6/30/2025
2024	2026	\$975,214,304	30.21	\$29,237,560	Collections 7/1/2025 and 1/1/26			N/A
2023	2025	990,012,665	28.96	28,273,983	99.1%	0.9%	0.9%	\$244,471
2022	2024	982,662,063	28.31	27,845,255	97.8%	2.2%	0.3%	\$93,488
2021	2023	969,467,940	27.56	26,828,741	98.0%	2.0%	0.1%	23,925
2020	2022	936,833,289	26.66	24,917,289	98.5%	1.5%	0.0%	10,783
2019	2021	876,707,681	27.37	23,987,680	99.2%	0.8%	0.0%	667
2018	2020	866,615,327	27.37	23,721,019	99.4%	0.6%	0.0%	0
2017	2019	861,862,214	27.37	23,577,401	99.1%	0.9%	0.0%	4
2016	2018	852,273,667	25.47	22,534,860	98.7%	1.3%	0.0%	0
2015	2017	846,448,180	24.22	20,442,173	98.7%	1.3%	0.0%	0

Source: Tax Collector's Office, Town of Somers.

TEN LARGEST TAXPAYERS

Business-Name	Nature Of Business	Estimated Assessment 10/1/2025	Rank	Percent of Total
Eversource.....	Utility - Electric.....	\$ 25,623,180	1	1.94%
Somers Ag Holding Company LLC (Grower Direct)....	Agriculture & Farming.....	10,661,410	2	0.81%
AFL-HBAN Trust.....	Solar Photovoltaic Power Plant.....	7,547,750	3	0.57%
Somers Solar Center LLC.....	Solar Photovoltaic Power Plant.....	5,506,600	4	0.42%
Driving Range 349 Main St LLC.....	Amusement Center.....	3,657,740	5	0.28%
JVLadd Properties LLC (Geissler's Supermarket).....	Supermarket.....	3,340,600	6	0.25%
Connecticut Water Company.....	Utility - Water.....	2,694,410	7	0.20%
Lindy Farms of Connecticut.....	Horses.....	2,551,110	8	0.19%
Pleasant View Farms Realty Co.....	Agricultural & Farming.....	2,307,010	9	0.18%
349 Main Street LLC (Sonny's Place).....	Entertainment & Recreation.....	2,095,850	10	0.16%
Total		\$ 65,985,660		5.01%

¹ Based on a 10/1/25 Net Taxable Grand List of \$1,317,445,730.
Source: Assessor's Office, Town of Somers.

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EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2023	\$1,904,423,661	6.65%
2022	1,785,677,216	5.43%
2021	1,693,715,416	27.11%
2020	1,332,514,099	-1.84%
2019	1,357,427,426	3.09%
2018	1,316,698,431	0.32%
2017	1,312,447,348	2.39%
2016	1,281,788,716	6.03%
2015	1,208,933,114	-2.78%
2014	1,243,529,110	3.56%

Source: State of Connecticut, Office of Policy and Management.

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V. FINANCIAL INFORMATION

FISCAL YEAR

The Town's fiscal year begins July 1 and ends June 30.

BASIS OF ACCOUNTING

Accounting Policies

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. Please refer to Appendix A "Basic Financial Statements" herein for compliance and implementation details.

The reporting model includes the following segments:

Management's Discussion and Analysis ("MD&A") – provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

Government-wide financial statements – consists of a statement of net assets and a statement of activities, which are prepared on the accrual basis of accounting. These statements distinguish between governmental activities and business-type activities and exclude fiduciary (employee retirement system and agency funds). Capital assets, including infrastructure and long-term obligations are included along with current assets and liabilities.

Fund financial statements – provides information about the Town's governmental, proprietary and fiduciary funds. These statements emphasize major fund activity and, depending on the fund type, utilize different basis of accounting.

Required supplementary information – in addition to the MD&A, budgetary comparison schedules are presented for the General Fund.

Please refer to Appendix A "Basic Financial Statements" herein for measurement focus and basis of accounting of the government-wide financial statements as well as the fiduciary fund financial statements of the Town of Somers.

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 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 the budget control is the department level for the Board of Education and the object level for all other departments. A separately issued budgetary report demonstrating legal compliance with the adopted budget is available from the Town. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects. Additional appropriations of less than \$20,000 must be approved by the Board of Finance. Appropriations in excess of \$20,000 must be 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 Teachers’ 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 unexpected and unencumbered appropriations lapse at year-end, except those for Capital Projects Funds.

Municipal Budget Expenditures Cap

Connecticut General Statutes Section 4-661, as amended, establishes a cap on adopted general budget expenditures (the “expenditures cap”) for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including, but not limited to, debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in Section 4-661. For each fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Section 4-661 requires each municipality to annually certify to the Secretary of the OPM whether such municipality has exceeded the expenditures cap and if so the amount by which the cap was exceeded. For the fiscal year ending June 30, 2025, the Town did not receive any municipal revenue sharing funds. For the fiscal year ending June 30, 2026, the Town does not expect to receive a municipal revenue sharing grant from the State of Connecticut.

ANNUAL AUDIT

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management. The Town of Somers is in full compliance with said provisions. For the fiscal year ended June 30, 2025, the financial statements of the Town were audited by the firm of Mahoney, Sabol & Company, LLP, Glastonbury, Connecticut.

Certificate of Achievement for Excellence in Financial Reporting: The Town has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its comprehensive annual financial reports for fiscal year ended June 30, 2024. This was the twenty-fourth consecutive year that the Town has received this prestigious award. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted auditing standards. The reports also contain statistical information useful in evaluating the financial condition of a government and conform to certain generally accepted formatting standards established for the Certificate Program. The Town plans to submit its financial statements for fiscal year ended June 30, 2025 to the GFOA to determine its eligibility for another certificate.

PENSION PLANS

Defined Benefit Plans and Public Employee Retirement System

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 State 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 Plan – All full-time Town employees who are not governed by a collective bargaining agreement, under which retirement benefits were the subject of good faith bargaining, are eligible to participate in the Town Plan. Benefits vest after 5 years of service. The normal retirement date is the participant's 65nd birthday or the 5th anniversary of joining the plan, if later. Last valuation for the plan was July 1, 2023.

Volunteer Firefighters' Plan – Each active volunteer firefighter must have completed one active year of service in order to become a participant in the Volunteer Firefighters' Plan. A participant will be eligible for some accrued benefits at age 65 provided he or she has accrued at least five years of credited service. The retirement benefit formula is \$5 per month per year of credited service. Last valuation for the plan was July 1, 2024.

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 Board of Education Plan. Employees hired on or after July 1, 2018 are no longer eligible to participate in the Board of Education Plan. Benefits vest after 10 years of credited service. The normal retirement date is the participant's 65th birthday or the 5th anniversary of joining the plan, if later. Last valuation for the plan was July 1, 2024.

Fiscal Year Ended	Actuarially Determined Contribution (ADC)	Annual Contribution	% of ADC Contributed
<i><u>Town Pension Plan</u></i>			
2021	132,085	132,085	100.00%
2022	137,368	137,368	100.00%
2023	136,516	127,779	93.60%
2024	141,977	141,977	100.00%
2025	161,097	161,097	100.00%
2026	167,541	167,541 ¹	100.00%
<i><u>Volunteer Firefighters' Pension Plan</u></i>			
2021	5,921	5,921	100.00%
2022	6,034	6,034	100.00%
2023	6,034	6,034	100.00%
2024	4,830	4,830	100.00%
2025	4,830	4,830	100.00%
2026	73,894	73,894 ¹	100.00%
<i><u>Board of Education Pension Plan</u></i>			
2021	210,321	210,321	100.00%
2022	198,138	198,138	100.00%
2023	184,438	184,438	100.00%
2024	207,832	207,832	100.00%
2025	178,988	178,988	100.00%
2026	148,047	148,047 ¹	100.00%

¹ Budgeted.

The Town implemented GASB Statement No. 67 effective in Fiscal Year 2014. The following net pension liability of the Town Plan, at June 30, 2025, determined by an actuarial valuation as of July 1, 2023 and the Volunteer Firefighters' Plan and the Board of Education Plan at June 30, 2025, determined by an actuarial valuation as of July 1, 2024 and based on actuarial assumptions as of that date, were as follows on the next page:

GASB 67 Schedules	
<u>Town Plan</u>	
Total pension liability at June 30, 2025	\$6,701,088
Plan fiduciary net position	<u>7,317,111</u>
Town's net pension liability	<u>(616,023)</u>
Plan fiduciary net position as a % of total pension liability	109.19%
<u>Volunteer Firefighters' Plan</u>	
Total pension liability at June 30, 2025	\$833,766
Plan fiduciary net position	<u>479,734</u>
Town's net pension liability	<u>354,032</u>
Plan fiduciary net position as a % of total pension liability	57.54%
<u>Board of Education Plan</u>	
Total pension liability at June 30, 2025	\$7,235,580
Plan fiduciary net position	<u>6,888,970</u>
Town's net pension liability	<u>346,610</u>
Plan fiduciary net position as a % of total pension liability	95.21%

The following table presents the net pension liability, calculated using the current discount rate of 6.25% for the Town Plan and Volunteer Firefighters' Plan and the discount rate of 6.00% for the Board of Education Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	5.25%	6.25%	7.25%
Town Plan net pension liability as of June 30, 2025	\$ 195,717	\$ (616,023)	\$ (1,298,459)
Current			
	1% Decrease	Discount Rate	1% Increase
	5.25%	6.25%	7.25%
Firefighters' Plan net pension liability as of June 30, 2025	\$ 496,640	\$ 354,032	\$ 241,828
Current			
	1% Decrease	Discount Rate	1% Increase
	5.00%	6.00%	7.00%
Board of Education Plan net pension liability as of June 30, 2025	\$ 1,062,366	\$ 346,610	\$ (264,784)

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education are eligible to participate in the State of Connecticut Teachers' Retirement System, a multiple employer public employees retirement system described in Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. The system has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. The financial report for this may be obtained through the State Teachers' Retirement Board.

Certain part-time and all full-time certified teachers are eligible to participate in this plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan. After five years of service, teachers are vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes based on actuarially determined amounts.

Deferred Compensation Plans

Volunteer Firefighters' Deferred Compensation Plan - The Town offers its full-time firefighters a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under terms of the plan, the Town is required to contribute 6% of a participant's base wages. Deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. 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.

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. 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) plan for certain employees. Under the provisions of the 403 (b) 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.

Please refer to the Town of Somers, "Notes to the Financial Statements", Note 8 and Note 9, in "Appendix A" attached hereto for further information on the Town's Pension Plans.

OTHER POST-EMPLOYMENT BENEFITS

Board of Education OPEB Plan

The Town's Board of Education administers a single-employer post-retirement healthcare plan, the Board of Education Other Post-Employment Benefits Plan (the "OPEB Plan"), that provides healthcare 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 OPEB Plan does not issue a stand-alone financial report.

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 State Teachers' Retirement System provide a subsidy to the Board of Education to offset the cost of retirees.

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

Fiscal Year Ended	Actuarially Determined Contribution (ADC)	Annual Contribution	% of ADC Contributed
<i>Board of Education OPEB Plan</i>			
2021	240,578	257,645	107.09%
2022	202,556	243,413	120.17%
2023	214,709	222,285	103.53%
2024	215,109	281,552	130.89%
2025	228,016	222,634	97.64%

The Town implemented GASB Statement No. 74 effective in Fiscal Year 2017. The following net OPEB liability of the Board of Education OPEB Plan at June 30, 2025, determined by an actuarial valuation as of July 1, 2024 and based on actuarial assumptions as of that date, were as follows:

GASB 74 Schedules	
Board of Education Employees	
Total pension liability at June 30, 2025	\$2,254,193
Plan fiduciary net position	<u>1,517,713</u>
Town's net OPEB liability	<u><u>736,480</u></u>
Plan fiduciary net position as a % of total OPEB liability	67.33%

The following presents the net OPEB liability, calculated using the current discount rate of 6.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	5.00%	6.00%	7.00%
Board of Education net OPEB liability as of June 30, 2025	\$ 971,356	\$ 736,480	\$ 534,876

Connecticut State Teachers' Retirement System

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 ("TRS" or the "Plan"), a cost sharing multi-employer defined benefit other post-employment benefit plan administered by the Connecticut State Teachers' Retirement Board (the "Board"). The Plan provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The Plan is governed by Title 10, Chapter 167a of the Connecticut General Statutes. Detailed information about the Connecticut State Teachers OPEB Plan is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov/trb. Twelve certified retirees are receiving OPEB benefits through this Plan.

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.

Please refer to the Town of Somers's "Notes to the Financial Statements", Note 10, in "Appendix A" attached hereto for further information on the Town's Other Post-Employment Benefits.

INVESTMENT PRACTICES

Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in certificates of deposit, municipal bonds and notes, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government and money market mutual funds.

The Town's investment practices are in compliance with the Connecticut General Statutes and its Charter.

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COMPARATIVE GENERAL FUND OPERATING STATEMENT
Budget and Actual
(Budgetary Basis)

	Fiscal Year 2024-25			Fiscal Year
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)	2025-26 Approved Budget
REVENUES				
Property Taxes	\$ 28,505,131	\$ 28,457,994	\$ (47,137)	\$ 29,606,168
Intergovernmental	9,316,097	9,035,086	(281,011)	9,301,097
Charges for Services	1,085,500	1,101,672	16,172	729,500
Investment Earnings.....	500,000	446,421	(53,579)	600,000
Other Income.....	-	-	-	411,500
Appropriation of Fund Balance.....	534,081	-	(534,081)	1,167,855
Transfers In.....	-	-	-	-
TOTAL REVENUES	39,940,809	39,041,173	(899,636)	41,816,120
EXPENDITURES				
General Government	2,001,158	1,961,940	39,218	1,922,615
Public Safety	1,328,531	1,319,817	8,714	1,520,132
Public Works.....	2,126,312	2,125,742	570	1,927,126
Sanitation.....	804,427	802,814	1,613	847,786
Health & Social Services.....	275,991	275,775	216	220,864
Library.....	464,798	463,164	1,634	484,295
Culture & Recreation.....	206,615	204,392	2,223	281,806
Employee Benefits.....	1,518,889	1,518,646	243	1,725,737
Other.....	8,576	-	8,576	84,437
Education.....	28,838,833	28,660,935	177,898	30,476,322
Debt Service.....	1,698,538	1,698,538	-	1,700,000
Transfers Out.....	668,141	543,141	125,000	625,000
TOTAL EXPENDITURES	39,940,809	39,574,904	365,905	41,816,120
Excess (deficiency) of revenues over expenditures	-	(533,731)	(533,731)	-

Source: Audited Financial Statement FY 2025; Adopted Budget FY 2026.

GENERAL FUND BALANCE SHEET
Summary of Audited Assets and Liabilities
(GAAP Basis)

FISCAL YEAR ENDED:	2025	2024	2023	2022	2021
ASSETS					
Cash and cash equivalents	\$3,026,067	\$ 3,347,171	\$ 6,007,406	\$10,394,519	\$11,312,596
Investments.....	2,245,220	3,223,932	3,058,965	-	-
Receivables, property taxes, interest & fees..	457,181	889,362	706,298	470,761	276,036
Receivables, grants and contracts.....	-	-	-	-	12,335
Receivables, other.....	400,531	343,579	264,535	244,706	24,591
Due from other funds.....	3,222,817	2,237,189	1,359,531	1,419,666	902,259
Prepaid items.....	109,645	1,970	4,432	70,190	13,313
TOTAL ASSETS.....	\$9,461,461	\$10,043,203	\$11,401,167	\$12,599,842	\$12,541,130
LIABILITIES					
Accounts payable.....	\$ 272,418	\$ 508,711	\$ 421,756	\$ 732,964	\$ 548,006
Accrued liabilities.....	\$ 293,363	286,585	206,719	189,545	32,101
Deposits payable.....	\$ 69,932	66,932	66,932	65,932	57,932
Due to other funds.....	986,413	370,160	1,721,078	1,254,759	1,044,246
Unearned revenue	107,010	30,809	11,968	5,263	11,755
Total Liabilities	1,729,136	1,263,197	2,428,453	2,248,463	1,694,040
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	467,070	950,456	706,298	470,761	276,036
Advanced tax collections.....	-	-	913,025	2,867,669	3,582,744
TOTAL DEFERRED INFLOWS.....	467,070	950,456	1,619,323	3,338,430	3,858,780
FUND BALANCE					
Nonspendable	109,645	1,970	4,432	70,190	13,313
Restricted	-	-	-	-	-
Committed	78,408	61,900	11,900	30,263	11,900
Assigned	1,167,855	420,000	493,880	75,000	623,667
Unassigned	5,909,347	7,345,680	6,843,179	6,837,496	6,339,430
TOTAL FUND BALANCE.....	7,265,255	7,829,550	7,353,391	7,012,949	6,988,310
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$9,461,461	\$10,043,203	\$11,401,167	\$12,599,842	\$12,541,130

Source: Audited Financial Statements FY 2021-2025.

GENERAL FUND REVENUES AND EXPENDITURES
 Summary of Audited Revenues and Expenditures
 (GAAP Basis)

FISCAL YEAR ENDED:	2025	2024	2023	2022	2021
REVENUES					
Property taxes.....	\$28,457,994	\$27,505,901	\$26,491,719	\$24,858,665	\$24,051,152
Intergovernmental	13,698,215	13,844,761	13,319,479	12,611,942	11,851,172
Charges for Services	1,102,983	1,065,875	995,910	1,033,800	1,145,892
Income on Investment.....	446,421	516,638	324,624	39,498	35,062
Other.....	-	-	-	-	-
Transfers In.....	-	125,000	714,650	592,158	520,000
Total Revenues & Transfers In	\$43,705,613	\$43,058,175	\$41,846,382	\$39,136,063	\$37,603,278
EXPENDITURES					
General Government	3,608,691	3,491,605	3,282,200	3,200,303	3,174,687
Public Safety	1,319,817	1,421,373	1,929,292	1,863,930	1,739,965
Public Works.....	2,122,165	1,852,294	1,711,245	1,621,397	1,737,212
Sanitation.....	802,814	760,550	717,188	691,761	588,199
Health and welfare.....	275,775	259,020	221,823	210,164	179,547
Library.....	463,164	444,914	531,430	494,164	482,650
Culture and recreation.....	204,392	202,836	181,743	165,659	156,351
Education.....	33,315,220	32,000,886	30,168,553	28,699,176	28,208,635
Debt service					
Principal payments.....	1,610,318	1,320,000	1,320,000	975,000	1,375,000
Interest and fiscal charges.....	417,341	378,538	417,838	582,188	221,670
Capital outlays.....	7,332	-	53,893	230,182	-
Transfers Out.....	122,879	450,000	970,735	377,500	479,658
Total Expenditures & Transfers Out	44,269,908	42,582,016	41,505,940	39,111,424	38,343,574
Results from Operations.....	(564,295)	476,159	340,442	24,639	(740,296)
Fund Balance - July 1	7,829,550	7,353,391	7,012,949	6,988,310	7,728,606
Fund Balance - June 30	\$7,265,255	\$ 7,829,550	\$ 7,353,391	\$ 7,012,949	\$ 6,988,310

Source: Audited Financial Statements FY 2021-2025.

**ANALYSIS OF GENERAL FUND EQUITY
(GAAP BASIS)**

FISCAL YEAR ENDED:	2025	2024	2023	2022	2021
Nonspendable.....	\$ 109,645	\$ 1,970	\$ 4,432	\$ 70,190	\$ 13,313
Committed.....	78,408	61,900	11,900	30,263	11,900
Assigned.....	1,167,855	420,000	493,880	75,000	623,667
Unassignend.....	5,909,347	7,345,680	6,843,179	6,837,496	6,339,430
Total Fund Balance.....	<u>7,265,255</u>	<u>7,829,550</u>	<u>7,353,391</u>	<u>7,012,949</u>	<u>6,988,310</u>

Unassigned Fund Balance As % of

Total Expenditures.....	13.35%	17.25%	16.49%	17.48%	16.53%
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Source: Audited Financial Statements FY 2021-2025.

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues & Transfers in	Property Tax Revenues	Property Tax Revenues as a Percentage of General Fund Revenues
2026 ¹	\$41,816,120	\$29,606,168	70.8 %
2025	43,705,613	28,457,994	65.1
2024	43,058,175	27,505,901	63.9
2023	41,846,382	26,491,719	63.3
2022	39,136,063	24,858,665	63.5
2021	37,603,278	24,051,152	64.0

¹ Adopted budget.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues & Transfers in	Intergovernmental Revenue	Aid as a Percentage of General Fund Revenues
2026 ¹	\$41,816,120	\$9,301,097	22.2 %
2025	43,705,613	13,698,215	31.3
2024	43,058,175	13,844,761	32.2
2023	41,846,382	13,319,479	31.8
2022	39,136,063	12,611,942	32.2
2021	37,603,278	11,851,172	31.5

¹ Adopted budget.

EXPENDITURES

Fiscal Year	Education	General Government	Public Safety	Public Works	Debt Service
2026 ¹	72.9%	4.6%	3.6%	4.6%	4.1%
2025	75.3%	8.2%	3.0%	4.8%	4.6%
2024	75.2%	8.2%	3.3%	4.3%	4.0%
2023	72.7%	7.9%	4.6%	4.1%	4.2%
2022	73.4%	8.2%	4.8%	4.1%	4.0%
2021	73.6%	8.3%	4.5%	4.5%	4.2%

¹ Adopted budget.

VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of April 15, 2026
(Pro Forma)

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding As of 4/15/2026</u>	<u>Date of Fiscal Year Maturity</u>
<i>General Purpose</i>					
12/20/12	General Purpose Refunding.....	1.66	\$2,335,000	\$236,000	2028
11/05/14	General Purpose	2.67	4,267,000	1,755,000	2035
10/15/20	General Purpose	1.53	3,855,000	3,227,000	2041
05/06/25	General Purpose.....	3.33	2,000,000	2,000,000	2035
	Total General Purpose Debt.		12,457,000	7,218,000	
<i>Schools</i>					
12/20/12	School Refunding.....	1.66	5,275,000	444,000	2028
11/05/14	School.....	2.67	1,053,000	495,000	2035
10/15/20	School.....	1.53	5,550,000	4,648,000	2041
	Total School Debt.....		\$11,878,000	\$5,587,000	
	Total Long-Term Debt.....		\$24,335,000	\$12,805,000	

Other Long-Term Debt:

The Town has entered into financed purchase contracts for the acquisition of certain capital assets. The contracts include non-appropriation clauses and provide the obligors with security interests in the underlying assets in the event of a 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 interest rates ranging from 1.5% to 5.0% through various maturity dates.

Financed Purchases (Principal Only):

2026	\$152,789
2027	159,431
2028	166,372
2029	104,331
2030	18,331
2031-2035	31,744
	<u>\$632,998</u>

Short-Term Debt:

<u>Project</u>	<u>Amount Authorized</u>	<u>Previously Bonded</u>	<u>Grants Applied</u>	<u>The Notes</u>	<u>Renewable Limit</u>
Road & Parking Lot Improvements.....	\$3,500,000	\$0	\$0	\$2,000,000	4/15/2036

SCHOOL BUILDING GRANT REIMBURSEMENTS

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, for all school building projects approved after July 1, 1996, the State provides proportional progress payments during construction for the State’s share of the eligible construction costs. The State grant will be paid directly to the Town after it submits its request for progress payments, and accordingly, the Town will issue its bonds or notes only for its share of project costs.

ANNUAL BONDED DEBT MATURITY SCHEDULE ²

As of April 15, 2026

(Pro Forma)

Fiscal Year	General Obligation Bonds			Percent Retired	
	Ending 30-Jun	Principal	Interest		Total
2026 ¹	\$	200,000	\$ 81,750	\$ 281,750	1.56%
2027		1,215,000	355,756	1,570,756	11.05%
2028		1,225,000	314,450	1,539,450	20.62%
2029		905,000	275,700	1,180,700	27.68%
2030		925,000	239,600	1,164,600	34.91%
2031		945,000	202,700	1,147,700	42.29%
2032		960,000	170,200	1,130,200	49.79%
2033		970,000	142,244	1,112,244	57.36%
2034		980,000	113,931	1,093,931	65.01%
2035		990,000	87,263	1,077,263	72.75%
2036		555,000	64,250	619,250	77.08%
2037		565,000	53,050	618,050	81.49%
2038		575,000	41,650	616,650	85.98%
2039		585,000	30,050	615,050	90.55%
2040		600,000	18,200	618,200	95.24%
2041		610,000	6,100	616,100	100.00%
Total		\$12,805,000	\$ 2,196,894	\$15,001,894	

¹ Excludes principal of \$1,005,000 and \$313,679 in interest payments made in the current Fiscal Year 2025-26.

² Does not include capital leases and other long-term commitments.

OVERLAPPING/UNDERLYING DEBT

The Town of Somers does not have overlapping or underlying debt.

DEBT STATEMENT ¹
As of April 15, 2026
(Pro Forma)

Long-Term Indebtedness	
General Purpose	\$ 7,218,000
Schools.....	5,587,000
Total Long-Term Indebtedness.....	12,805,000
Short-Term Indebtedness	
Note payable (<i>This Note</i>)	2,000,000
Total Short-Term Indebtednes.....	2,000,000
Other Long-Term Indebtedness	
Financed Purchases.....	632,998
Total Direct Indebtedness.....	15,437,998
Net Direct Indebtedness.....	15,437,998
Overlapping Indebtedness.....	-
Total Overall Net Direct Indebtedness...	\$ 15,437,998

¹ Does not include capital leases.

CURRENT DEBT RATIOS
April 15, 2026
(Pro Forma)

Population ¹	10,308
Net Taxable Grand List (10/1/25).....	\$1,317,445,730
Estimated Full Value.....	\$1,882,065,329
Equalized Net Taxable Grand List (10/1/23) ²	\$1,904,423,661
Per Capita Income (2024) ¹	\$50,529

	Total Direct debt \$15,437,998	Total Net Direct Debt \$15,437,998	Total Overall Net Debt \$15,437,998
Per Capita.....	\$1,497.67	\$1,497.67	\$1,497.67
Ratio to Net Taxable Grand List.....	1.17%	1.17%	1.17%
Ratio to Estimated Full Value.....	0.82%	0.82%	0.82%
Ratio to Equalized Net Taxable Grand List.....	0.81%	0.81%	0.81%
Debt per Capita to Money Income per Capita.....	2.96%	2.96%	2.96%

¹ U.S. Census Bureau, 2020-2024 American Community Survey.

² Office of Policy and Management, State of Connecticut.

BOND AUTHORIZATION

The Town of Somers has the power to incur indebtedness by issuing its bonds or notes as authorized by the Connecticut General Statutes subject to statutory debt limitations and the procedural requirements of the Town Charter. The issuance of bonds and notes is authorized by the Town Meeting, at which all electors and certain nonresident property owners can vote, upon the recommendation of the Board of Finance. The Selectmen may remove such bond resolution from vote at Town Meeting to a voting machine under state statute. Notwithstanding the foregoing, refunding bonds may be issued pursuant to a resolution of the Board of Selectmen (CGS Sec. 7-370c).

Except for refunding bonds that achieve net present value savings or refunding bonds issued prior to July 1, 2027 that are approved by a two-thirds vote of the municipality's legislative body, general obligation (serial or term) bonds are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50%, or aggregate annual principal and interest payments must be substantially equal. The term of an issue may not exceed twenty years, except in the case of sewer and school bonds or other bonds issued on or after July 1, 2017, which may mature in up to thirty years.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions no later than the end of the third year and for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school construction projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years from the initial borrowing date except for sewer or school project notes issued in anticipation of State and/or Federal grants. If a written commitment exists for State and/or Federal grants, a municipality may renew such notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15th of the total amount of the notes issued by funds derived from certain sources of payment specified by statute.

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

LIMITATION OF INDEBTEDNESS

Municipalities shall not incur indebtedness through the issuance of bonds, which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Pension Obligation Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the annual receipts from taxation. "Annual receipts from taxation," are defined as total tax collections including interest, penalties, late payment of taxes, and payments made by the State to the Town for revenue loss under CGS Sections 12-129d and 7-528.

The Connecticut General Statutes also provides for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, for the supply of gas, for the supply of electricity, for electric demand response, for

conservation and load management, for distributed generation, for renewable energy projects, for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes, for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from state or federal grants for which the Town has received a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient, together with such investment earnings thereon as are to be retained in said escrow, to provide for the payment when due of the principal of and interest on such bond, note or other evidence of indebtedness.

STATEMENT OF STATUTORY DEBT LIMITATION ¹

As of April 15, 2026

(Pro Forma)

Total Receipts for fiscal year ended June 30, 2025 (including interest and lien fees) \$ 28,445,242

State Reimbursement for Revenue Loss on:

Tax Relief for Elderly 5,415

Base for Establishing Debt Limit \$ 28,450,657

	General Purpose	Schools	Sewers	Urban Renewal	Past Pension	Total Debt
(2.25 times base).....	\$ 64,013,978					
(4.50 times base).....		\$128,027,957				
(3.75 times base).....			\$106,689,964			
(3.25 times base).....				\$ 92,464,635		
(3.00 times base).....					\$ 85,351,971	
(7.00 times base).....						\$ 199,154,599
Indebtedness						
Bonds Payable.....	\$ 7,218,000	\$ 5,587,000	\$ -	\$ -	\$ -	\$ 12,805,000
Notes Payable <i>(This issue)</i>	2,000,000	-	-	-	-	2,000,000
Financed Purchases.....	632,998	-	-	-	-	632,998
Authorized but						
Unissued Debt.....	1,501,257	15,349,032	-	-	-	16,850,289
Total Bonded Indebtedness.....	11,352,255	20,936,032	-	-	-	32,288,287
Overlapping Debt	-	-	- ²	-	-	-
Net Bonded Indebtedness.....	11,352,255	20,936,032	-	-	-	32,288,287
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	\$ 52,661,723	\$107,091,925	\$106,689,964	\$ 92,464,635	\$ 85,351,971	\$ 166,866,312

¹ Does not include capital leases.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$199,154,599.

For the purpose of determining a municipality's compliance with the statutory debt limitation, there is no requirement that authorized but unissued debt be considered.

AUTHORIZED BUT UNISSUED DEBT

As of April 15, 2026
(Pro Forma)

Project	Amount of		Paydowns / Grants/ Other Funds	The Notes This Issue	Debt Authorized but Unissued			
	Total Authorization	Previously Bonded			General Purpose	Schools	Sewers	Total
Road & Parking Lot Improvements....	\$ 3,500,000	\$ -	\$ -	\$2,000,000	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
HVAC Project ¹	15,000,000	-	-	-	-	15,000,000	-	15,000,000
2018 Road & Bridge Improvements...	4,000,000	3,855,000	143,743	-	1,257	-	-	1,257
2018 School Improvements ²	6,000,000	5,550,000	100,968	-	-	349,032	-	349,032
	<u>28,500,000</u>	<u>9,405,000</u>	<u>244,711</u>	<u>2,000,000</u>	<u>1,501,257</u>	<u>15,349,032</u>	<u>-</u>	<u>\$ 16,850,289</u>

¹This project qualifies for State of Connecticut grants of approximately \$5,880,000.

²This project qualifies for State of Connecticut School Construction grants of approximately \$411,000.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT ¹

Long-Term Debt	2025	2024	2023	2022	2021
Bonds.....	\$13,810,000	\$13,110,000	\$14,430,000	\$15,750,000	\$16,725,000
Short-Term Debt					
Bond Anticipation Notes.....	0	0	0	0	0
Totals.....	<u>\$13,810,000</u>	<u>\$13,110,000</u>	<u>\$14,430,000</u>	<u>\$15,750,000</u>	<u>\$16,725,000</u>

¹ Excludes capital leases and financed purchase obligations.

Source: Audited Financial Statements FY 2021-2025.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Ratio of Direct Debt to Net Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2025	\$990,012,665	\$1,414,303,807	\$13,810,000	1.39%	0.98%	10,308	\$1,339.74	2.65%
2024	982,662,063	1,403,802,947	13,110,000	1.33%	0.93%	10,308	1,271.83	2.52%
2023	969,467,940	1,384,954,200	14,430,000	1.49%	1.04%	10,164	1,419.72	2.81%
2022	936,833,289	1,338,333,270	15,750,000	1.68%	1.18%	10,086	1,561.57	3.09%
2021	876,707,681	1,252,439,544	16,725,000	1.91%	1.34%	10,398	1,608.48	3.18%

¹ Excludes State of Connecticut School Construction Grants, actual and estimated, due to the Town of Somers over the life of the bond issues.

² U.S. Census Bureau, 2020-2024 American Community Survey.

³ Income per Capita: \$50,529 – U.S. Census Bureau, 2020-2024 American Community Survey.

THE TOWN OF SOMERS HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

VII. ADDITIONAL INFORMATION

THE COVID-19 OUTBREAK AND FUTURE PANDEMICS

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President Trump declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the “State”) and took steps to mitigate the spread and impacts of COVID-19. On May 11, 2023, the federal and State public health emergency declarations were terminated.

The outbreak of COVID-19 and the response of governments to the pandemic materially affected travel, commerce and economic activity and financial markets globally.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”) that provided various forms of financial assistance and other relief to state and local governments. The Town received approximately \$3.2 million from the Rescue Plan. The Town developed a plan for the use of such funds that focused on capital projects and other initiatives that comply with the program’s eligibility criteria. All funds have been appropriated and all projects are fully under way. \$60,024 of such funds remain to be spent and are expected to be expended by the end of calendar year 2026.

For information concerning the State’s actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Notes, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses, operations and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the finances and operations of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor or the federal government may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Town revenues, expenses, operations and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

CYBERSECURITY

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including, but not limited to, hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations being impacted and/or damaged from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls. The Town works with a Managed Services Provider (“MSP”), Suzor IT. The Town has replaced all workstations, upgraded HP machines with commercial-grade Dell equipment and has upgraded to a new Cisco Meraki network with services now operated in the cloud. Additionally, the Town purchased cybersecurity insurance with Beazley, so that a claim can be made to the insurance provider in the event of a cyber-attack. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could negatively impact business operations and/or damage the Town’s digital networks and systems and the costs of remedying any such damage could be substantial. As of May 6, 2025, the Town has suffered no cyber breaches.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. The Town faces other weather-related threats, including damaging wind that could become more severe and frequent. The Town has a very active program of tree inspections and removals. Recently, the Town signed a lease agreement for construction of a 1-megawatt solar array on the capped landfill. The Town also has insurance to protect against weather-related losses. The Town cannot predict the timing, extent or severity of climate events and their potential impact on its operations and finances. However, the Town believes that it holds sufficient reserves and annually budgets for contingencies to address any unforeseen expenses resulting from the increasing frequency of severe weather. Additionally, the Town works closely with the local power company to remove or trim trees that have been identified as a hazard to the utility infrastructure. Overall, new development and redevelopment is not increasing risks to natural resources.

LITIGATION

The Town of Somers, its officers, employees, boards and commissions are defendants in a number of lawsuits. It is the opinion of the Town Attorney that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a municipal advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The plan of financing and the structuring of the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

CLOSING DOCUMENTS

Upon the delivery of the Notes, the winning bidder(s) will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery of the Notes no litigation is pending or threatened affecting the validity of the Notes or the levy or collection of taxes to pay the principal of and interest on the Notes.
2. A Certificate on behalf of the Town signed by the First Selectman and the Treasurer, which will be dated the date of delivery and will be attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids on the Notes were accepted, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Notes.
4. The approving opinion of Updike, Kelly & Spellacy, P.C., Bond Counsel, of Hartford, Connecticut substantially in the form of Appendix B attached hereto.
5. An executed Continuing Disclosure Agreement for the Notes substantially in the form of Appendix C attached hereto.

6. The Town of Somers, Connecticut has prepared this Preliminary Official Statement for the Notes which is dated March 24, 2026. The Town deems such Preliminary Official Statement final as of its date for purposes of the Rule. The Town will make available to the winning bidder(s) of the Notes a reasonable number of copies of the Official Statement at the Town's expense within seven business days of the bid opening. Additional copies may be obtained by the purchaser(s) at their own expense by arrangement with the printer.

CONCLUDING STATEMENT

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized.

No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

This Official Statement is submitted only in connection with the sale of the Notes by the Town and may not be reproduced or used in whole or in part for any other purpose. This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town of Somers by the following officials:

TOWN OF SOMERS, CONNECTICUT

Tim Keeney, *First Selectman*

Brian Wissinger, *Treasurer*

April ____, 2026

APPENDIX A - BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Appendix A - Basic Financial Statements - is taken from the Financial Statements of the Town of Somers for the Fiscal Year ended June 30, 2025 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Chief Financial Officer, Town of Somers, Somers, Connecticut.

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Somers, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Somers, Connecticut, (the Town) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Somers, Connecticut, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter - Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 10, 2025

Management's Discussion and Analysis

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

The management of the Town of Somers, Connecticut, (the Town) offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vii of this Annual Comprehensive Financial Report.

FINANCIAL HIGHLIGHTS

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Town's assets, deferred outflows and inflows of resources and liabilities, with the difference between these elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include: general government, public safety, public works, sanitation, health and social services, library, culture and recreation, and education. The Town does not have any business-type activities. The government-wide financial statements include only the Town itself because there are no legally separate organizations for which the Town is financially accountable.

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

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

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

The basic governmental fund financial statements can be found on pages 16 through 20 of this report.

Proprietary Funds

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

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

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

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

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

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

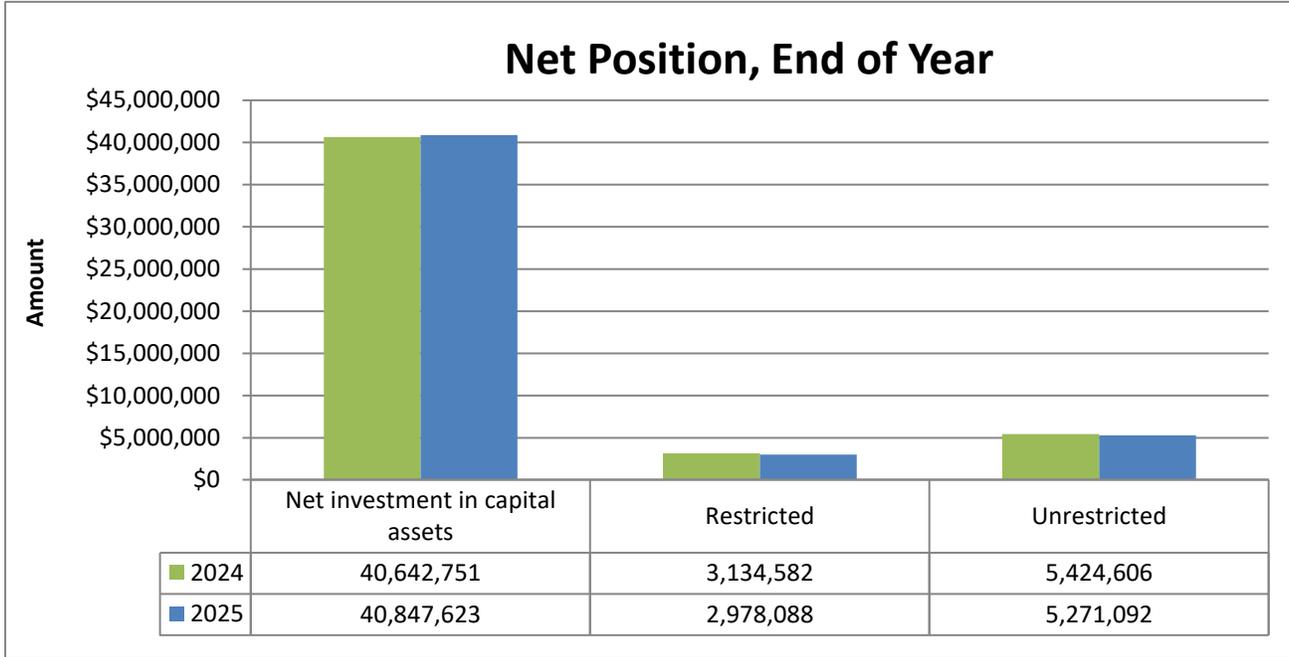
	2025	2024 As Restated	\$ Variance	% Variance
Current and other assets	\$ 15,523,143	\$ 15,619,781	\$ (96,638)	-0.6%
Capital assets, net	56,084,221	54,879,006	1,205,215	2.2%
Total assets	<u>71,607,364</u>	<u>70,498,787</u>	<u>1,108,577</u>	1.6%
Deferred outflows of resources	<u>1,108,750</u>	<u>1,231,413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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Net Position *(Continued)*



83.2% of the Town's net position as of June 30, 2025 reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

6.1% of the Town's net position as of June 30, 2025 is subject to external restrictions on how they may be used and are, therefore, presented as restricted.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position

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

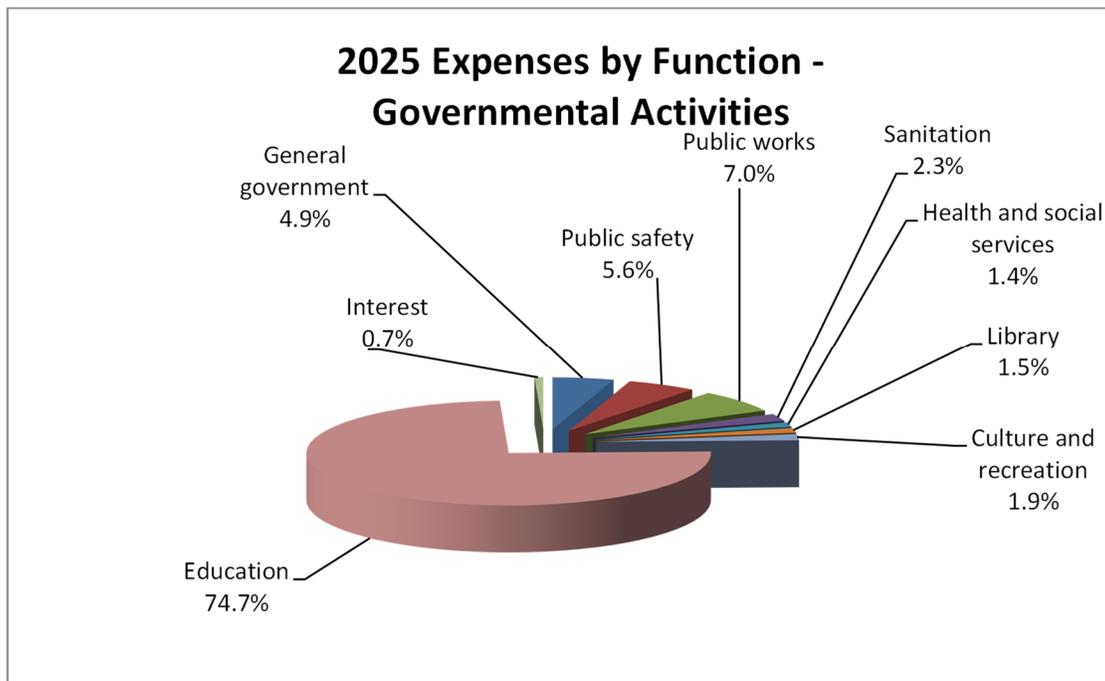
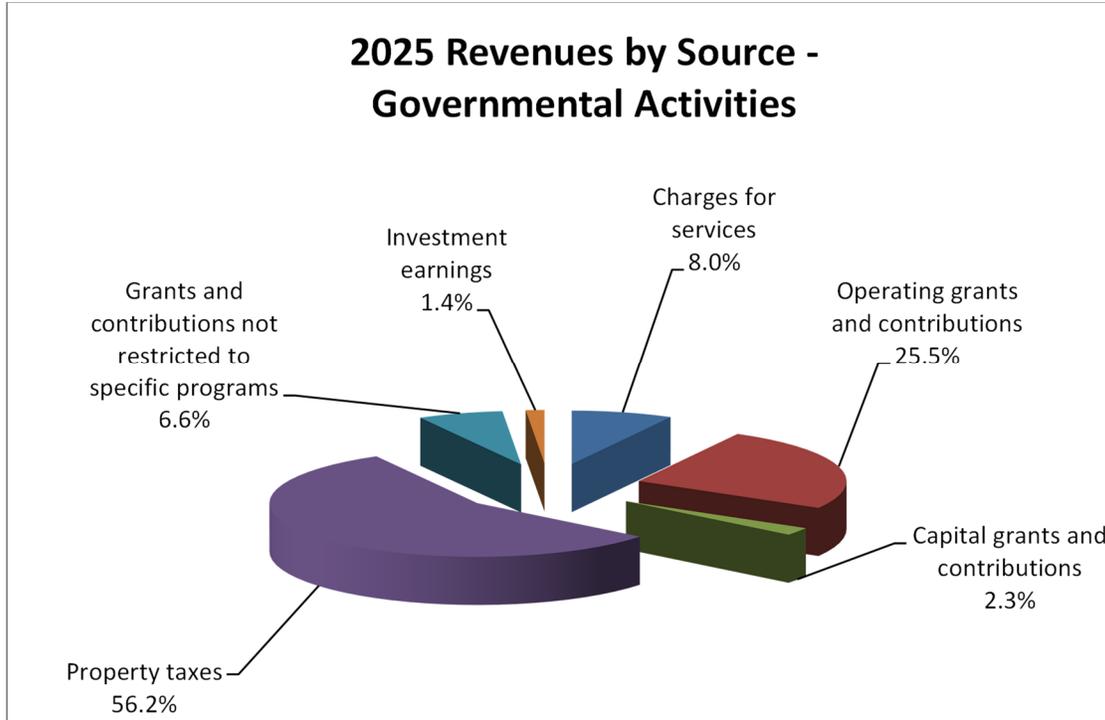
	<u>2025</u>	<u>2024</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues				
Program revenues:				
Charges for services	\$ 3,935,629	\$ 4,039,896	\$ (104,267)	-2.6%
Operating grants and contributions	12,683,561	12,226,860	456,701	3.7%
Capital grants and contributions	1,169,343	236,960	932,383	393.5%
General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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



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

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,137,254, a decrease of \$288,668 over the prior year. Approximately 48.7% or \$5,909,337 of this amount is considered to be unassigned and is available for spending at the Town's discretion.

General Fund

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

Ambulance Fund

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

Recreation Commission Fund

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

Sewer Fund

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

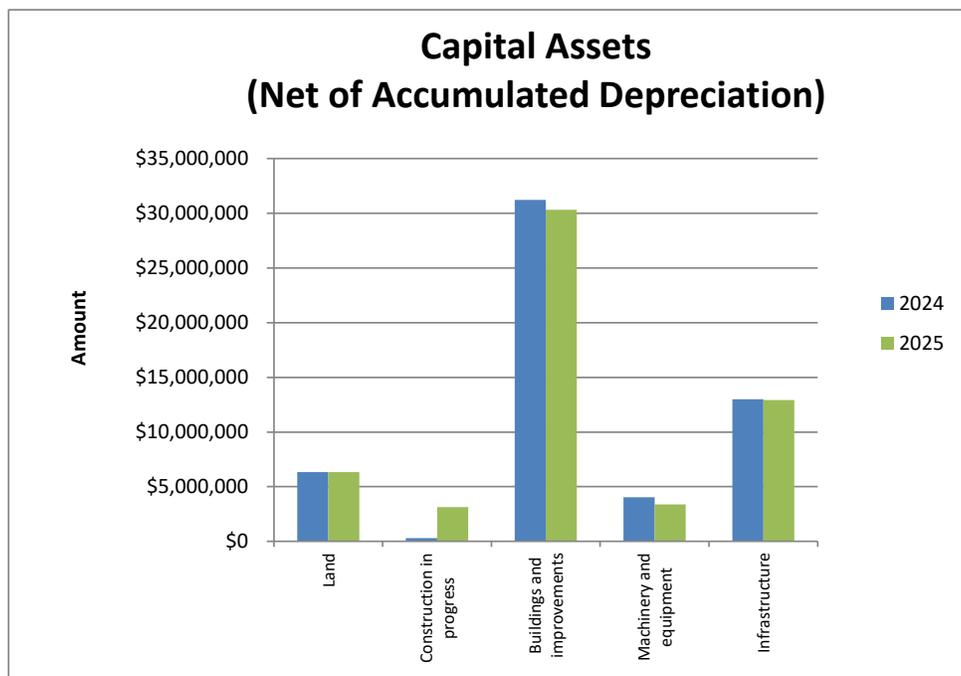
CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

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

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



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

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Capital Assets *(Continued)*

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

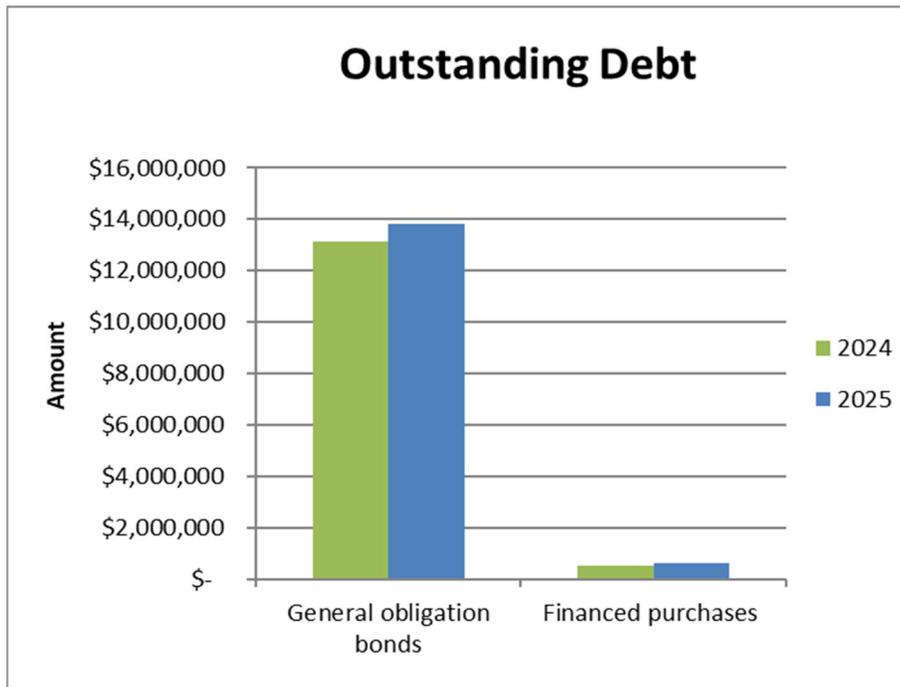
Long-term Debt

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

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

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

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



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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- Inflationary trends in the region approximate the national indices.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2026, the Assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on-behalf of certain taxpayers.
 - The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive. The Town's budget for such grants were based on estimates from the State.
 - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Building Department, the Town Clerk and the amount of conveyance taxes and interest income.

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

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

REQUESTS FOR INFORMATION

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

Basic Financial Statements

TOWN OF SOMERS, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

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

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

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

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

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

TOWN OF SOMERS, CONNECTICUT

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2025

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

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

TOWN OF SOMERS, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

Total fund balances for governmental funds		\$ 12,137,254
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		56,084,221
Deferred charges on refundings are not recognized as expenditures in the governmental funds. However, these costs are deferred and amortized over the life of the related debt in the statement of net position.		13,697
Net pension assets are not recognized in the governmental funds. Net pension assets results from the difference between the pension plan's fiduciary net position and the portion of the present value of projected benefit payments to be provided through the pension plan.		616,023
Some of the Town's taxes, assessments and fees will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		610,065
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		(1,383,938)
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Those liabilities consist of:		
Long-term debt:		
Bonds	\$ (13,810,000)	
Premium on bonds	(669,060)	
Financed purchases	(632,998)	
Accrued interest	(79,804)	
Other long-term liabilities:		
Compensated absences	(2,352,036)	
Net pension liability	(700,642)	
Net OPEB liability	(736,480)	
Total long-term liabilities	(18,981,020)	(18,981,020)
Internal service funds are used by the Town to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		501
Net position of governmental activities		\$ 49,096,803

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

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

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

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

TOWN OF SOMERS, CONNECTICUT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
 THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2025

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

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. The difference between depreciation and amortization and capital outlays in the current period is as follows:

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

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

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

Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as deferred inflows of resources in the governmental funds. This amount represents the change in deferred inflows of resources. (515,510)

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

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

Continued

TOWN OF SOMERS, CONNECTICUT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
 THE STATEMENT OF ACTIVITIES *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF SOMERS, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

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

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

Related Organization

The Town is responsible for appointing members to the Board of Directors of the Housing Authority of the Town of Somers (the Authority), but the Town's accountability for the Authority does not extend beyond making the appointments. The Town made no appropriations for the operation of this agency for the fiscal year ended June 30, 2025.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

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

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

Government-wide Financial Statements *(Continued)*

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

Fund Financial Statements

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

The Town reports the following major governmental funds:

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

Measurement Focus and Basis of Accounting *(Continued)*

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

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

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

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

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

Cash and Cash Equivalents

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

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

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

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

Investments

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

Donor-restricted Endowments

The Town allocates investment income on endowment investments in accordance with donor restrictions and Connecticut law. The State of Connecticut has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town. Amounts of net appreciation of endowments available for expenditure totaled \$2,110,996 as of June 30, 2025 and is reported as a component of restricted net position and fund balance.

Property Taxes and Assessments

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Taxes become delinquent thirty days after the installment is due and liens are filed on delinquent real estate taxes within one year. Interest is charged on delinquent amounts at a statutory rate of 1.5% per month. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$5,000 and \$2,000, respectively, as of June 30, 2025.

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

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

Capital Assets

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

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

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

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

Capital Assets *(Continued)*

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

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

Deferred Outflows and Inflows of Resources

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

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

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

Unearned Revenue

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

Long-term Obligations

Long-term Debt

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

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

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

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

Long-term Obligations *(Continued)*

Long-term Debt (Continued)

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

Leases (as Lessee)

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

Compensated Absences

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

Net Position

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

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

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

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

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

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

Net Position *(Continued)*

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

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

Fund Balance

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

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

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

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

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

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

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

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

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

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

Fund Balance *(Continued)*

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

Interfund Activity

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

Use of Estimates

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

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

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

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

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

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town's policy provides for uninsured demand and time deposits with banks and savings and loan institutions to be collateralized as prescribed in the Connecticut General Statutes, as described below. In addition, in order to anticipate market changes and provide for a level of security for all funds, all public deposits shall be held in qualified public depositories. As of June 30, 2025, the carrying amount of the Town's cash deposits was \$8,922,894. As of June 30, 2025, \$8,407,517 of the Town's bank balance of \$9,862,437 was exposed to custodial credit risk as follows:

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

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

Investments

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

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

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

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

Investments *(Continued)*

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

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

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

Interest Rate Risk

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

Credit Risk

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

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

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

Investments (Continued)

Credit Risk (Continued)

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

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

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

Custodial Credit Risk

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

Concentration of Credit Risk

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

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

NOTE 3 - FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

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

NOTE 4 - CAPITAL ASSETS

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

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

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

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

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

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

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

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

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

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

NOTE 6 - INTERFUND TRANSFERS

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

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

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

NOTE 7 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

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

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

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

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

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

General Obligation Bonds

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

	<u>Fiscal Year of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
Governmental Activities					
Bonds Payable					
General Obligation Refunding Bonds	2013	\$ 7,610,000	2.0% - 3.0%	8/2027	\$ 1,030,000
General Obligation Bonds	2015	5,320,000	2.0% - 4.0%	11/2034	2,500,000
General Obligation Bonds	2020	9,405,000	2.0% - 4.0%	10/2041	8,280,000
General Obligation Bonds	2025	2,000,000	4.0% - 5.0%	06/2035	2,000,000
					<u>\$ 13,810,000</u>

Financed Purchases

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

Advance Refundings

The Town has refunded general obligation bonds in prior years. At June 30, 2025, \$1,005,000 of defeased bonds remain outstanding. The difference between the reacquisition price (the amount placed in escrow) and the net carrying amount of the refunded bonds resulted in deferred charges on refundings. This amount, net of accumulated amortization, has been presented as a deferred outflow of resources in the government-wide financial statements and is being amortized to interest expense using the effective-interest method over the life of the new bonds. Amortization of deferred charges on refundings totaled \$15,713 for the year ended June 30, 2025. The general obligation bonds refunded are considered defeased and the liability for those bonds has been removed from the statement of net position. Proceeds from the issuance of the refunding bonds are being held by an escrow agent in an irrevocable trust fund to provide all future debt service payments on the refunded bonds.

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the statute. Further, the statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The statute does exclude from the Town's aggregate debt calculation any debt issued (a) in anticipation of taxes; (b) for water, gas, or electricity supply, electric demand response, conservation and load management, distributed generation, renewable energy projects, cable, wire, and pipe subway construction, underground cable, wire, and pipe conduit construction, constructing and operating a municipal community antenna television system, or a combination of such projects; (c) in anticipation of public improvement benefit assessment revenue; (d) in anticipation of state or federal grant funding; (e) for water pollution control projects in order to meet the energy and environmental protection commissioner's abatement order requirements; and debt issued (f) for which funds have been placed in escrow (from the proceeds of refunding bonds, notes, or other obligations or other municipal funds) in an amount sufficient, together with investment earnings, to provide for the payment when due of the principal of and interest on such debt. The Town did not exceed this statutory debt limitation as of June 30, 2025.

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

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

Authorized and Unissued Debt

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

Long-term Debt Service Requirements

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

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

Compensated Absences

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

Landfill Post-Closure Care Liability

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

NOTE 8 - PENSION PLANS

Defined Benefit Pension Plans

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

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

NOTE 8 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plans *(Continued)*

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

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

Detailed disclosures for each plan follow.

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

Plan Descriptions

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

Summary of Significant Accounting Policies

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

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

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

Concentrations - The Plans' investments were not subject to significant concentration risks as of June 30, 2025. As of June 30, 2025, there were no amounts invested in any one issuer that represented more than 5.0% of the total assets for each plan.

Rate of return - For the year ended June 30, 2025, the annual money-weighted rate of return on the Town Plan's, the Board of Education Plan's and the Volunteer Firefighters' Plan's pension plan investments, net of pension plan investment expense, was 12.92%, 7.20% and 14.12%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

NOTE 8 - PENSION PLANS *(Continued)*

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

Summary of Significant Accounting Policies *(Continued)*

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

Plan Membership

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

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

Benefit Provisions

Town Plan

All full-time Town employees who are not governed by a collective bargaining agreement, under which retirement benefits were the subject of good faith bargaining, are eligible to participate in the plan. Benefits vest after 5 years of service. Normal retirement date is the participant's 65th birthday or the 5th anniversary of joining the plan, if later. Pension benefits for normal retirement under the plan are based on the average annual earnings received during the five consecutive plan years immediately preceding the date on which the participants' employment terminates. The participant's monthly benefit shall be equal to 1.67% of the average monthly compensation multiplied by the total number of years of employment with the Town (limited to 25 years). The plan permits early retirement for participants at age 55 with 10 years of service. Benefits for early retirement shall be equal to the present value of the participants' accrued benefit. Prior to September 1, 2011, non-union participants contributed 1% and union participants contributed 2.0% of their annual earnings. Effective September 1, 2011, participants were required to make a picked-up contribution to the plan, which the Town agreed to make on the participant's behalf. The amount of the picked-up contribution to the plan was 2.0% for certain union participants and 4.0% for all other employees through June 30, 2015 and 5.0% effective July 1, 2015.

Board of Education Plan

All secretaries, aides, maintenance and custodial workers and nurses employed by the Board of Education are eligible to participate in the plan. Employees hired on or after July 1, 2018 are no longer eligible to participate in the plan. Benefits vest after 10 years of credited service. Normal retirement date is the participants' 65th birthday or the 5th anniversary of joining the plan, if later. Pension benefits for normal retirement under the plan are based on the average monthly compensation during the five consecutive years of service, at which the participants' earnings were at their highest level. The participant's monthly benefit shall be equal to 1.67% of the average monthly compensation multiplied by the total number of years of employment with the Town (limited to 20 years). Effective July 1, 2018, participants are required to contribute 4.0% of their annual earnings. Effective July 1, 2020, nurse union and custodial/maintenance union participants that are grandfathered in are required to contribute 4.0% of compensation.

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

NOTE 8 - PENSION PLANS *(Continued)*

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

Benefit Provisions *(Continued)*

Volunteer Firefighters' Plan

Each active volunteer firefighter must have completed one active year of service in order to become a participant in the plan. A participant will be eligible for some accrued benefits at age 65 provided he has accrued at least five years of credited service. The retirement benefit formula is \$5 per month per year of credited service. The benefit multiplier was increased from \$5.00 to \$10.00 effective July 1, 2024 for future retirements and effective January 1, 2025 for participants who were collecting benefits as of July 1, 2024.

Other Plan Provisions

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

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

The Volunteer Firefighters Plan does not provide disability benefits.

Funding Policy

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

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

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

Net Pension Liability (Asset)

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

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

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

NOTE 8 - PENSION PLANS *(Continued)*

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

Net Pension Liability (Asset) *(Continued)*

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

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

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

NOTE 8 - PENSION PLANS *(Continued)*

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

Net Pension Liability (Asset) *(Continued)*

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

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

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

The long-term expected rate of returns on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in each of the plan's target asset allocation as of June 30, 2025 are summarized in the following table:

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

Discount rate - The discount rate used to measure the total pension liability for the Town Plan, Board of Education Plan and the Volunteer Firefighters' Plan was 6.25%, 6.0% and 6.25%, respectively. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the each of the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on each Plan's investments were applied to all periods of projected benefit payments to determine each Plan's total pension liability.

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

NOTE 8 - PENSION PLANS *(Continued)*

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

Net Pension Liability (Asset) *(Continued)*

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

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

Pension Expense and Deferred Outflows and Inflows of Resources

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

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

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

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

NOTE 8 - PENSION PLANS *(Continued)*

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

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

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

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

Pension Plans Financial Statements

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

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

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

NOTE 8 - PENSION PLANS *(Continued)*

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

Pension Plans Financial Statements *(Continued)*

	<u>Town Plan</u>	<u>Board of Education Plan</u>	<u>Firefighters' Plan</u>
Additions			
Contributions:			
Employer	\$ 161,097	\$ 178,988	\$ 4,830
Plan members	138,538	53,993	-
Total contributions	<u>299,635</u>	<u>232,981</u>	<u>4,830</u>
Investment earnings:			
Interest and dividends	213,551	262,819	13,871
Net change in the fair value of investments, net of investment fees	<u>637,381</u>	<u>207,224</u>	<u>52,702</u>
Total investment earnings, net	<u>850,932</u>	<u>470,043</u>	<u>66,573</u>
Total additions	<u>1,150,567</u>	<u>703,024</u>	<u>71,403</u>
Deductions			
Benefit payments	290,213	394,575	24,570
Administrative expenses	10,761	1,219	12,696
Total deductions	<u>300,974</u>	<u>395,794</u>	<u>37,266</u>
Change in net position	849,593	307,230	34,137
Net Position Restricted for Pension Benefits			
Beginning	6,467,518	6,581,740	445,597
Ending	<u>\$ 7,317,111</u>	<u>\$ 6,888,970</u>	<u>\$ 479,734</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, 2025

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions

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

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

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

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

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

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

Contributions

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

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

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

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

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Administrative Expenses

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

Basis of Presentation

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

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

Allocation Methodology

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

Collective Net Pension Liability

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

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

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

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense

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

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

Actuarial Assumptions

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

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

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

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

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

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return

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

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

Discount Rate

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

NOTE 9 - OTHER RETIREMENT PLANS

Firefighters' Deferred Compensation Plan

The Town offers all firefighters a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under terms of the plan, the Town is required to contribute 6.0% of a full-time participant's base wages. There is no Town contribution for part-time bargaining unit participants. Deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The Town has no trustee or other fiduciary responsibilities related to participant accounts and therefore the plan is not accounted for in the fiduciary fund financial statements of the Town.

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

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

NOTE 9 - OTHER RETIREMENT PLANS *(Continued)*

Town Deferred Compensation Plan

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

Board of Education 403(b) Plans

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

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

Detailed disclosures for each plan follow.

Board of Education Other Post-employment Benefits Plan

Plan Description

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

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

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

Board of Education Other Post-employment Benefits Plan

Plan Description *(Continued)*

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

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

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

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

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

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

Summary of Significant Accounting Policies

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

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

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

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

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

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

Summary of Significant Accounting Policies *(Continued)*

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

Net OPEB Liability

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

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

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

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

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

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

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

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

Net OPEB Liability *(Continued)*

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

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

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

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

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2025 are summarized in the following table:

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

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

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

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

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

Net OPEB Liability *(Continued)*

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

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

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

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

OPEB Plan Financial Statements

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

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

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

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

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

OPEB Plan Financial Statements *(Continued)*

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

OPEB Expense and Deferred Outflows and Inflows of Resources

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

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

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

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

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

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

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

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

Connecticut Teachers' Retirement System

Plan Description

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

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

Benefit Provisions

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

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

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

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

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

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

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

Contributions

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

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

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

Administrative Expenses

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

Basis of Presentation

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

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

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

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

Connecticut Teachers' Retirement System *(Continued)*

Allocation Methodology

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

Collective Net OPEB Liability

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

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

Collective OPEB Expense

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

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

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

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

Connecticut Teachers' Retirement System *(Continued)*

Actuarial Assumptions

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

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

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

Long-Term Rate of Return

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

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

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

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

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

Connecticut Teachers' Retirement System *(Continued)*

Discount Rate

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

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

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

NOTE 11 - FUND BALANCE

Fund Balance Policy

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

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

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

(Continued)

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

NOTE 11 - FUND BALANCE

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

(Concluded)

NOTE 12 - RISK MANAGEMENT

Insurance

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

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

Workers' Compensation Pool

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

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

NOTE 12 - RISK MANAGEMENT *(Continued)*

Insurance *(Continued)*

Liability-Automobile-Property Pool

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

NOTE 13 - RESTATEMENTS

Changes within the Financial Reporting Entity

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

Change in Accounting Principle

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

Adjustments to and Restatements of Beginning Balances

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

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

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

NOTE 14 - CONTINGENCIES

Federal Awards and State Financial Assistance

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

Legal

The Town, in the normal course of operations, is named as defendants in lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. The outcome and eventual liability to the Town, if any, for such matters are not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such matters would not materially affect the financial position of the Town.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES:				
Property taxes	\$ 28,505,131	\$ 28,505,131	\$ 28,457,994	\$ (47,137)
Intergovernmental	9,316,097	9,316,097	9,035,086	(281,011)
Charges for services	1,085,500	1,085,500	1,101,672	16,172
Investment earnings	500,000	500,000	446,421	(53,579)
Total revenues	<u>39,406,728</u>	<u>39,406,728</u>	<u>39,041,173</u>	<u>(365,555)</u>
OTHER FINANCING SOURCES:				
Appropriation from fund balance	420,000	534,081	-	(534,081)
Total revenues and other financing sources	<u>39,826,728</u>	<u>39,940,809</u>	<u>39,041,173</u>	<u>(899,636)</u>
EXPENDITURES:				
General Government:				
Selectmen	525,398	539,428	539,428	-
Finance	293,325	327,281	327,281	-
Land Use	186,090	167,746	166,601	(1,145)
Assessor	155,921	167,413	167,413	-
Tax Collector	136,485	133,092	131,091	(2,001)
Information Technology	186,500	211,302	210,626	(676)
Town Clerk	141,584	124,732	124,732	-
Building Department	96,000	166,939	132,924	(34,015)
Election	79,360	81,347	81,347	-
Board of Finance	49,500	53,271	52,758	(513)
Conservation	20,350	20,188	20,131	(57)
Probate Court	7,000	4,719	4,719	-
Zoning	2,000	1,764	1,653	(111)
Zoning Board of Appeals	1,000	1,236	1,236	-
Planning	500	500	-	(500)
Board of Assessment Appeals	200	200	-	(200)
Total general government	<u>1,881,213</u>	<u>2,001,158</u>	<u>1,961,940</u>	<u>(39,218)</u>
Public Safety:				
Police Protection	787,625	715,089	713,007	(2,082)
Fire Protection	612,565	588,108	584,248	(3,860)
Civil Preparedness	42,280	25,334	22,562	(2,722)
Total public safety	<u>1,442,470</u>	<u>1,328,531</u>	<u>1,319,817</u>	<u>(8,714)</u>
Public Works:				
Public Works	860,760	909,026	909,026	-
Town Facilities	715,095	882,938	882,938	-
Highway Department	244,269	259,827	259,827	-
Park and Recreation Maintenance	53,665	74,521	73,951	(570)
Total public works	<u>1,873,789</u>	<u>2,126,312</u>	<u>2,125,742</u>	<u>(570)</u>
Sanitation:				
Transfer Station	740,446	719,590	718,086	(1,504)
Water Pollution Control Authority	90,709	84,837	84,728	(109)
Total sanitation	<u>831,155</u>	<u>804,427</u>	<u>802,814</u>	<u>(1,613)</u>
Health and Social Services:				
Human Services	273,656	275,991	275,775	(216)

Continued

See accompanying notes to required supplementary information.

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

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

See accompanying notes to required supplementary information.

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

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

See accompanying notes to required supplementary information.

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

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

See accompanying notes to required supplementary information.

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

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

See accompanying notes to required supplementary information.

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

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

See accompanying notes to required supplementary information.

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

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

See accompanying notes to required supplementary information.

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

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

See accompanying notes to required supplementary information.

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

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

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

See accompanying notes to required supplementary information.

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

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

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

See accompanying notes to required supplementary information.

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

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

* OPEB Trust established by the Town in June 2018.

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

See accompanying notes to required supplementary information.

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

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

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

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

See accompanying notes to required supplementary information.

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

NOTE 1 - BUDGETARY INFORMATION AND COMPLIANCE

Budgetary Information

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

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town meeting. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function and department. Management may not exceed appropriations at the department level, the legal level of budgetary control. The Board of Finance is authorized to transfer budgeted amounts between departments. Additional appropriations of less than \$20,000 must be approved by the Board of Finance. Appropriations in excess of \$20,000 must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Intergovernmental revenues and other reimbursement for certain special education costs are recorded as reductions to expenditures for budgetary purposes and “on-behalf” payments made by the State of Connecticut into the State Teacher’s Retirement System are not recorded for budgetary purposes. In addition, activity of the Revaluation Fund is excluded for budgetary purposes due to perspective differences. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- All unexpended and unencumbered appropriations lapse at year-end, except those for Capital Projects Funds.

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

NOTE 1 - BUDGETARY INFORMATION AND COMPLIANCE *(Continued)*

Budgetary Information *(Continued)*

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP basis). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2025:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix B – Form of Opinion of Bond Counsel and Tax Matters

April 15, 2026

Town of Somers
Town Hall
600 Main Street
Somers, CT 06071

RE: Town of Somers, Connecticut
\$2,000,000 General Obligation Bond Anticipation Notes, dated April 15, 2026

Greetings:

We have acted as bond counsel in connection with the issuance by the Town of Somers, Connecticut (the “Town”) of its \$2,000,000 General Obligation Bond Anticipation Notes, dated April 15, 2026 (the “Notes”).

In connection therewith, we have examined the law and such other materials as we have deemed necessary in order to render this opinion and have relied upon originals or copies, certified or otherwise identified to our satisfaction, of such public and private records, certificates and correspondence of public officials, including certificates of officials of the Town, and such other documents as were provided to us. In making such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of documents submitted as certified or photostatic copies, the validity of all applicable statutes, ordinances, rules and regulations, the capacity of all persons executing documents and the proper indexing and accuracy of all public records and documents. As to questions of fact material to our opinion, we have relied upon written representations and agreements executed by officials of the Town authorized to issue the Notes, in connection with the issuance and delivery of the Notes, without undertaking to verify the same by independent investigation.

Based upon the foregoing examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. When certified as provided thereon by a duly authorized official of U.S. Bank Trust Company, National Association, the Notes will be the valid and binding general obligations of the Town. The Notes will be payable as to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to certain classified property. Pursuant to the Connecticut General Statutes, classified property includes certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts.

2. Interest on the Notes is excludable from gross income for federal income tax purposes under to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”),

and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Town has designated the Notes as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80% of that portion of such financial institutions’ interest expense allocable to interest on the Notes.

The opinions set forth in the preceding paragraphs are subject to the condition that the Town comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The Town has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Notes to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

3. Under existing law, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates subject to and required to pay the federal alternative minimum tax.

The rights of the holders of the Notes and the enforceability of the Notes are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy or completeness of the Preliminary Official Statement, the final Official Statement or any other offering material relating to the Notes. Further, we express no opinion herein regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Notes may affect the tax status of interest on the Notes.

Although we have rendered an opinion that interest on the Notes is not includable in the gross income of the owners thereof for purposes of federal income taxation, federal income tax liability may otherwise be affected by the ownership or disposition of the Notes. We express no opinion regarding any other federal or state tax consequence of ownership or disposition of, or receipt of interest income on, the Notes not specifically described herein.

Very truly yours,

UPDIKE, KELLY & SPELLACY, P.C.

TAX MATTERS

Federal Tax Matters

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Notes in order that interest on the Notes be and remains excluded from gross income for federal income tax purposes. Failure to comply with the continuing requirements of the Code may cause interest on the Notes to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes, irrespective of the date on which such noncompliance occurs. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Notes, contains certain representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Notes in order to comply with requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Town also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Notes shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Town with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax; however, such interest is taken into account in determining the adjusted federal statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Ownership of the Notes may result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Notes. The foregoing is not intended to be an exhaustive list of potential tax consequences. Prospective purchasers of the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of the Notes.

State Taxes

In the opinion of Bond Counsel, based on existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention, or to reflect any changes in law that may thereafter occur or become effective.

Interest on the Notes is included in gross income for purposes of the Connecticut corporation business tax.

No assurance can be given that future legislation, or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Notes or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon.

Prospective purchasers of the Notes are advised to consult their own tax advisors regarding other state and local tax consequences of ownership and disposition of the Notes.

Original Issue Discount

With respect to any of the Notes where the initial public offering price of such Notes is less than the amount payable on those Notes at maturity (the "OID Notes"), the difference between the initial public offering price to the public (excluding bond houses and brokers) at which a substantial amount of the OID Notes of any maturity are sold and the amount payable on such OID Notes at maturity constitutes original issue discount ("OID"). Under existing law, OID on the Notes accrued and properly allocable to the owners thereof under the Code is not includable in gross income of the owners of the Notes for Federal income tax purposes if interest on the Notes is not included in the gross income for federal income tax purposes. Accrued original issue discount on an OID Note is also excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any note during each day it is owned is added to the adjusted basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such notes by such owner. Original issue discount on any note is treated as accruing on the basis of economic accrual, computed by a constant semiannual compounding method using the yield to maturity on such note, and the adjusted basis of such OID Note acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original

issue discount. Owners of the OID Notes are advised to consult with their tax advisors with respect to the Federal, state and local tax consequences of owning the OID Notes.

Prospective purchasers of OID Notes should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Notes purchasing such Notes after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Notes.

Original Issue Premium

With respect to any of the Notes where the initial public offering prices of such Notes is greater than the amount payable on those Notes at maturity (the “OIP Notes”), the excess of the price paid by the first owner of an OIP Note over the principal amount payable at the maturity of such OIP Note constitutes original issue premium. Original issue premium on any note is treated as amortizing on the basis of the taxpayer’s yield to maturity using the taxpayer’s adjusted basis and a constant semiannual compounding method. The portion of such premium amortizing over the period the OIP Note is held by the owner does not reduce taxable income for purposes of either the federal income tax or the Connecticut income tax on individuals, trusts and estates and does not reduce amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax, but it does reduce the owner’s adjusted basis in the OIP Note for purposes of determining gain or loss on its disposition. Prospective purchasers of OIP Notes should consult their own tax advisors regarding the amortization of premium and the effect upon basis.

Proposed Legislation and Other Matters

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Notes, gain from the sale or other disposition of the Notes, the market value of the Notes, or the marketability of the Notes, or otherwise prevent the owners of the Notes from realizing the full current benefit of the exclusion from gross income of the interest thereon. For example, federal legislative proposals have been made recently and in recent years that would, among other things, limit the exclusion from gross income of interest on obligations such as the Notes for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Notes or the market price for, or marketability of, the Notes. No assurance can be given with respect to the impact of future legislation on the Notes. Prospective purchasers of the Notes should consult their own tax and financial advisors regarding such matters.

General

The opinions of Bond Counsel are rendered as of their date, and Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may come to their attention or any changes in law that may occur after the date of their opinion. Bond Counsel’s opinions are based on existing law, which is subject to change. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Notes may affect the tax status of interest on the Notes. No assurance can be given that future federal

legislation enacted or proposed after the date of issuance of the Notes will not have an adverse effect on the tax-exempt status or market price of the Notes or will not change the effect of other federal tax law consequences discussed above of owning and disposing of the Notes. No assurance can be given that future legislation, or amendments to the State of Connecticut income tax law, if enacted into law, will not contain provisions which could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Notes or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates. The opinions of Bond Counsel are further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Notes, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

Appendix C – Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (“Agreement”) is executed and delivered as of the 15th day of April, 2026 by the Town of Somers, Connecticut (the “Town”), acting by its undersigned officers, duly authorized, in connection with the issuance of its \$2,000,000 General Obligation Bond Anticipation Notes, dated April 15, 2026 (the “Notes”), for the benefit of the beneficial owners from time to time of the Notes.

Section 1. Definitions.

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

“Listed Events” means any of the events listed in Section 2 of this Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” means the MSRB, through the operation of the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 59061 and maintained by the MSRB for purposes of the Rule, or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“Rule” means rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Reporting of Listed Events.

The Town agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following Listed Events with respect to the Notes, in a timely manner not later than ten (10) business days after the occurrence of any such Listed Event:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;

- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;

Note to clause (l): For the purposes of the event identified in clause (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town;

- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (o) the incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect securities holders, if material; and

- (p) a default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

Note to clauses (o) and (p): For the purposes of the events identified in clauses (o) and (p) above, the term “financial obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii) but shall not include municipal securities as to which a final official statement has been provided to MSRB consistent with the Rule.

Section 3. Use of Agents.

Notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purpose from time to time.

Section 4. Termination.

The obligations of the Town under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Notes, or (ii) such time as the Town ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

Section 5. Enforcement.

The Town acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding five (5) business days) from the time the First Selectman receives written notice from any beneficial owner of the Notes of such failure. For purposes of this section, notice to the Town should be made to the First Selectman, Town Hall, 600 Main Street, Somers, Connecticut 06071.

In the event the Town does not cure such failure within the time specified above, the beneficial owner of any of the Notes shall be entitled only to the remedy of specific performance. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

Section 6. Miscellaneous.

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Notes. If the Town elects to

provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provisions of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) this Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owners of the Notes or an approving vote by the holders of not less than 66 2/3% of the aggregate principal amount of the Notes then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with the Repository in electronic format.

TOWN OF SOMERS, CONNECTICUT

By: _____
TIM KEENEY
First Selectman

By: _____
BRIAN WISSINGER
Treasurer

Appendix D – Notice of Sale

NOTICE OF SALE

TOWN OF SOMERS, CONNECTICUT

\$2,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

NOTICE IS GIVEN that TELEPHONE PROPOSALS at 860-372-1887 until 11:25 A.M. (Eastern Time) and ELECTRONIC BIDS solely via *PARITY*® will be received by the TOWN OF SOMERS, CONNECTICUT (the “Town”), until 11:30 A.M. (Eastern Time) on WEDNESDAY,

APRIL 1, 2026

(the “Sale Date”) for the purchase, when issued of all, or any part of, the Town’s \$2,000,000 General Obligation Bond Anticipation Notes, dated April 15, 2026 and due April 14, 2027 (the “Notes”).

The Notes are due and payable as to both principal and interest at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum. Interest shall be computed on the basis of a 30-day month and a 360-day year. The Notes are not subject to redemption prior to maturity.

Nature of Obligation

The Notes will constitute general obligations of the Town, and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied against all taxable property in the Town. All property taxation is without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Notes SHALL be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

DTC Book Entry

Unless requested by the successful bidder as described below under “Option For No Book-Entry”, the Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the

Notes in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of, and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Town, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co, is the noteholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Notes and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Notes, the Town will provide for the issuance of fully registered note certificates directly to the beneficial owners of the Notes or the nominees. A beneficial owner of the Notes, upon registration of certificates held in such beneficial owner's name, will become the registered owner of the Notes.

Option For No Book-Entry

A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all of the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Town as the Certifying Agent, Registrar and Paying Agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. Any bidder seeking to have the Notes issued in non-book-entry form, or to be designated as Certifying Agent, Registrar and Paying Agent for such Notes, shall indicate this preference to the Town at the time of the submission of the bid. The Town reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the winning bidder as Certifying Agent, Registrar and Paying Agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in such manner or with such designation is not in its best interests. If the Notes are issued in non-book-entry form, the winning bidder, and any subsequent registered owner of the Notes, shall not impose on or charge the Town any costs or expenses of any re-registration or transfer of Notes from time to time, including any costs of counsel or of converting the Notes to book-entry only form, or for any costs or expenses of services as Certifying Agent, Registrar and Paying Agent for the Notes if the winning bidder is so designated. The terms and covenants of the Notes issued in non-book-entry form shall be the same as if the Notes were issued in book-entry form, except as required to reflect that the Notes are non-book-entry and the designation of the purchaser as Certifying Agent, Registrar and Paying Agent.

Bid Terms and Basis of Award; Right to Reject Proposals

Except as otherwise provided herein, bidders may submit proposals for all or any part of the Notes, but any proposal for a part must be for a minimum of \$100,000 of principal amount or integral multiples of \$5,000 in excess hereof. A separate proposal is required for each part of the Notes for which a separate stated interest rate is bid. Bidders are to name one rate of interest in a multiple of one hundredths (1/100ths) of one per cent for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the responsible bidder or bidders offering to purchase the Notes at the lowest net interest cost to the Town, which will be determined for each interest rate stated in the proposal based on the total interest to be payable at such rate and deducting therefrom any premium. If there is more than one responsible bidder making said offer at the same lowest net interest cost, the Notes will be sold to the responsible bidder with a proposal for the highest principal amount of Notes specified. No bid for less than par and accrued interest, if any, will be considered. The Town reserves the right to award to any bidder all or any part of the Notes bid in its proposal. If a bidder is awarded only a part of the Notes, any premium offered in such proposal will be proportionately reduced so that the resulting net interest rate with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to four places. The right is reserved to reject any and all bids and to waive any irregularity or informality with respect to any bid.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Notes in accordance with the provisions of this Notice of Sale.

CUSIP Numbers

The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. The Town's Municipal Advisor will apply for CUSIP numbers for the Notes prior to delivery. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the Town; provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Notes must be submitted through the facilities of **PARITY®** by 11:30 A.M. (Eastern Time) on Wednesday, April 1, 2026. Any prospective bidder must be a subscriber of Ipreo's BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o Ipreo LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 – email notice: parity@ihsmarkit.com). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe. All bids shall be deemed to incorporate the provisions of this Notice.

Once an electronic bid made through the facilities of **PARITY®** is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Town. By submitting a bid for the Notes via **PARITY®**, the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice. **The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY®, the use of PARITY® facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

Disclaimer. Each of **PARITY®** prospective electronic bidders shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Town nor **PARITY®** shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY®**. The Town is using **PARITY®** as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Notes. The Town is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY®** are the sole responsibility of the bidders; and the Town is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Notes, the prospective bidder should telephone **PARITY®** at (212) 849-5021. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time maintained on **PARITY®** shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

Unless the winning bidder on the Notes is designated as the Certifying Agent, Registrar and Paying Agent for the Notes as provided in "Option For No Book-Entry" above, the Notes will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

Unless the winning bidder requests the no book-entry option, the Notes will be delivered against payment in immediately available federal funds through the facilities of DTC, New York,

New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about April 15, 2026.

At or prior to the delivery of the Notes the winning bidder shall be furnished, without cost, with (a) the approving opinion of Updike, Kelly & Spellacy, P.C. of Hartford, Connecticut (“Bond Counsel”) (see “Bond Counsel Opinion” below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Town to levy and collect taxes to pay them; (c) a certificate of Town Officials relating to the accuracy and completeness of the Official Statement; (d) an executed copy of the Continuing Disclosure Agreement (as defined below); and (e) a receipt of payment for the Notes.

The Town will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Town’s costs of issuance except to the extent specifically stated in this Notice of Sale. The purchaser will be responsible for the clearance or exemption with respect to the status of the Notes for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Town shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Updike, Kelly & Spellacy, P.C., of Hartford, Connecticut, Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will appear on each note certificate and will state that the Notes are valid and binding obligations of the Town. Bond Counsel will require as a precondition to release of its opinion printed on the Notes that the purchaser of such Notes deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”.

Establishment of Issue Price

In order to provide the Town with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Town at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Michael P. Botelho, Esq., Updike, Kelly & Spellacy, P.C., 225 Asylum Street, 20th Floor, Hartford, CT 06103, Telephone: (860) 548-2637, E-mail: mbotelho@uks.com and (2) the Municipal Advisor at Susan Caron, Vice President, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, Telephone: (860) 372-1887, E-mail:

susan.caron@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Town and the Municipal Advisor may act on behalf of the Town.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Town that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Town that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Town.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

Competitive Sale Rule. The Town intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “Competitive Sale Rule”) because:

- (1) the Town shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Town anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Town anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest NIC, as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Town, or the Municipal Advisor on behalf of the Town, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed “ISSUE PRICE CERTIFICATE” in the form attached hereto as Attachment A.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Town, or the Municipal Advisor on behalf of the Town, shall at the time of award advise the winning bidder. The Town may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 3:30 p.m. (E.D.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (A)(I) of the first price at which ten percent (10%) of each Maturity of Notes has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Notes that satisfy the Actual Sales Rule as of the Sale Date, and (B) those Maturities of the Notes that the winning bidder is purchasing for its own account and not with a view to distribution or resale of such Maturity to the Public. After such receipt, the Town, or Bond Counsel on behalf of the Town, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices and (iii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a

member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Town (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

Official Statement

For more information regarding the Notes or the Town, reference is made to the Preliminary Official Statement dated March 24, 2026 (the “Official Statement”) describing the Notes and the financial condition of the Town. The Official Statement is available in electronic format at www.i-dealprospectus.com, and such electronic access is being provided as a matter of convenience only. Copies of the Official Statement may be obtained from the Municipal

Advisor. The Town deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Town will make available to the purchaser a reasonable number of copies of the final Official Statement at the Town’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Town’s Municipal Advisor is provided with the necessary information from the purchaser by 12:00 Noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Town will undertake, pursuant to a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of the occurrence of such events. A form of the Continuing Disclosure Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed Continuing Disclosure Agreement.

TOWN OF SOMERS, CONNECTICUT

TIM KEENEY
First Selectman

BRIAN WISSINGER
Treasurer

March 24, 2026

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(Competitive Sale Requirements Satisfied)

TOWN OF SOMERS, CONNECTICUT
\$2,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES
Dated April 15, 2026

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Notes”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Notes.

2. ***Purchase Price.*** The TOWN OF SOMERS, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about April 15, 2026, the Notes at a price of par (\$2,000,000), plus an aggregate net premium of \$_____ and less an underwriter’s discount of \$_____, resulting in an aggregate net purchase price of \$_____.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of April 1, 2026 (the “Sale Date”), the reasonably expected initial offering prices of the Notes to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Notes used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Notes. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Notes.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Notes.

4. ***Defined Terms.***

(a) “Maturity” means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

5. **Representations and Information.** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Notes under the Code and with respect to compliance with the federal income tax rules affecting the Notes. Updike, Kelly & Spellacy, P.C., bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Notes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Notes. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of April 15, 2026.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
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Schedule B to Issue Price Certificate