

**TOWN OF MIDDLEFIELD, CONNECTICUT
FINANCIAL REPORT
June 30, 2024**

**TOWN OF MIDDLEFIELD, CONNECTICUT
FINANCIAL REPORT**

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FINANCIAL REPORT**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Members
of the Board of Finance
Town of Middlefield, 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 Middlefield, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Middlefield, Connecticut'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 Middlefield, Connecticut, as of June 30, 2024, and the respective changes in financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Middlefield, Connecticut, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Middlefield, Connecticut'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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 of Middlefield, Connecticut'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 of Middlefield, Connecticut'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 to 10, budgetary comparison information on pages 46 to 53, and the retirement system schedules on pages 54 to 55 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 GAAS, 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 of Middlefield, Connecticut's basic financial statements. The accompanying combining and individual nonmajor 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2025, on our consideration of the Town of Middlefield, Connecticut'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 of Middlefield, Connecticut'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 of Middlefield, Connecticut's internal control over financial reporting and compliance.

Seward and Monde

North Haven, Connecticut

February 5, 2025

**TOWN OF MIDDLEFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

This discussion and analysis of the Town of Middlefield, Connecticut's (the "Town") financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2024. This management discussion and analysis should be read in conjunction with the Town's financial statements.

Financial Highlights

- The net position of the Town's governmental activities increased by \$1,078,339 or approximately 5.8%.
- The total cost of all of the Town's governmental activities was \$19,250,989.
- The General Fund reported a fund balance of \$4,454,100 at June 30, 2024.
- For the year ended June 30, 2024, the resources available for appropriation were \$1,028,211 more than budgeted for the general fund. Expenditures were \$300,343 less than budgeted for the general fund.

Overview of the Financial Statements

This discussion and analysis provided here is intended to serve as an introduction to the Town of Middlefield's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplementary information intended to furnish additional details to support 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 financial information on all of the Town's assets, liabilities, and deferred outflows and inflows of resources with the difference 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the statement of net position and the statement of activities, the Town reports its activities:

- *Governmental activities* - Most of the Town's basic services are reported here, including general government, highway, public safety, health and welfare, library, recreation, environmental services and education. Property taxes, charges for services and state and federal grants finance most of these activities.

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 fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by Charter or State law. However, the First Selectman establishes many other funds to help the Town control and manage financial activities for particular purposes (like the Old Indian Trail Water System Fund, Route 66 Sewer Project Fund and Miscellaneous Grant Funds) or to show that the Town is meeting legal responsibilities for using certain grants and other money (like grants received from the State of Connecticut). The Town's funds are divided into two categories; governmental and fiduciary.

Governmental funds - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Government fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation following each of the fund financial statements.

The Town maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Reserve Fund for Capital and Nonrecurring Expenditures, Lake Beseck, Housing Rehabilitation Programs and the ARPA Fund which are considered to be major funds. Data from nine other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining fund statements.

The Town adopts an annual appropriated budget for its General Fund. The schedule of revenues and other financing sources and the schedule of expenditures and other financing uses are presented as required supplementary information and have been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds - All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and statement of changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use the assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Government-wide Financial Analysis

The Town's combined net position increased from a year ago. The analysis below focuses on the net position and changes in net position of the Town's governmental activities.

| | Governmental Activities | |
|---|--------------------------------|----------------------|
| | 2024 | 2023 |
| Assets | | |
| Current and other assets | \$ 12,642,577 | \$ 11,403,300 |
| Capital assets, net | <u>11,068,026</u> | <u>10,077,869</u> |
| Total assets | <u>23,710,603</u> | <u>21,481,169</u> |
| Deferred Outflows of Resources | | |
| Charges related to pensions | 339,517 | 379,191 |
| Liabilities | | |
| Current liabilities | 787,934 | 1,718,025 |
| Long-term liabilities: | | |
| Due within one year | 97,388 | 87,594 |
| Due in more than one year | <u>1,072,180</u> | <u>1,128,777</u> |
| Total liabilities | <u>1,957,502</u> | <u>2,934,396</u> |
| Deferred Inflows of Resources | | |
| Credits related to leases | 2,321,495 | 199,830 |
| Credits related to pensions | <u>48,002</u> | <u>81,352</u> |
| | <u>2,369,497</u> | <u>281,182</u> |
| Net Position | | |
| Net investment in capital assets | 10,923,463 | 9,887,558 |
| Unrestricted | <u>8,799,658</u> | <u>8,757,224</u> |
| Total net position | <u>\$ 19,723,121</u> | <u>\$ 18,644,782</u> |

The net position of the Town's governmental activities increased by \$1,078,339 or 5.8%. Unrestricted net position - the part of net assets than can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased by \$42,434 to \$8,799,658 at June 30, 2024.

| | Governmental Activities | | |
|--|--------------------------------|-------------------|-------------------|
| | 2024 | 2023 | Change |
| Revenues | | | |
| Program revenues: | | | |
| Charges for services | \$ 711,470 | \$ 743,647 | (\$ 32,177) |
| Operating grants and contributions | 3,367,764 | 2,253,630 | 1,114,134 |
| Capital grants and contributions | - | 158,882 | (158,882) |
| General reviews: | | | - |
| Property taxes | 15,058,417 | 14,479,604 | 578,813 |
| Grants and contributions not restricted to specific purposes | 431,288 | 397,896 | 33,392 |
| Unrestricted investment earnings | 731,889 | 240,682 | 491,207 |
| Miscellaneous | 28,500 | (9,693) | 38,193 |
| Total revenues | 20,329,328 | 18,264,648 | 2,064,680 |
| Program expenses: | | | |
| General government | 2,559,537 | 2,642,340 | (82,803) |
| Public safety | 622,952 | 634,899 | (11,947) |
| Public works | 2,321,792 | 1,346,462 | 975,330 |
| Health and welfare | 46,866 | 73,947 | (27,081) |
| Parks and recreation | 206,809 | 221,829 | (15,020) |
| Education | 13,488,046 | 12,934,536 | 553,510 |
| Interest expenses | 4,987 | 6,157 | (1,170) |
| Total program expenses | 19,250,989 | 17,860,170 | 1,390,819 |
| Change in net position | \$ 1,078,339 | \$ 404,478 | \$ 673,861 |

The Town's total revenue was \$20,329,328. The total cost of all programs and services was \$19,250,989. Our analysis above separately considers the operations of governmental activities.

Governmental activities

Governmental activities increased the Town's net position by \$1,078,339. Property tax revenue, operating and capital grants as well as investment income were once again the main contributors to this year's results.

The table below presents the cost of each of the Town's five largest programs - general government, public works, public safety, parks and recreation and education - as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the burden that was placed on the Town's taxpayers by each of the functions.

Government Activities

| | Year Ended June 30, 2024 | | Year Ended June 20, 2023 | |
|----------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| General government | \$ 2,559,437 | \$ 1,040,350 | \$ 2,642,340 | \$ 2,171,266 |
| Public works | 2,321,792 | 1,832,146 | 1,346,462 | 702,687 |
| Public safety | 622,952 | 621,772 | 634,899 | 634,798 |
| Parks and recreation | 206,809 | 114,180 | 221,829 | 80,654 |
| Education | 13,488,046 | 11,529,261 | 12,934,536 | 11,046,371 |

Town Fund Financial Analysis

Governmental funds

As the Town completed the year, its governmental funds reported a combined fund balance of \$8,546,051 which is an increase of \$109,934 from last year's total of \$8,436,117. Included in this year's total change in fund balance is an increase in the Town's General Fund balance of \$417,730, and a decrease in the Town's Reserve Fund for Capital and Nonrecurring Expenditures Fund balance of \$308,938. The General Fund's current year surplus was larger than anticipated due to property tax collections, additional grant funding and investment income. The decrease in the Town's Reserve Fund is attributable primarily to current year capital needs exceeding revenues and the General Fund appropriation.

General Fund budgetary highlights

General property taxes revenue was \$246,686 more than budgeted due primarily to current and prior year tax collections and related interest being greater than anticipated. Intergovernmental revenue exceeded budgetary amounts primary due to receipt of additional Pilot-tiered grants. Local revenues were greater than budgeted amounts due primarily to greater than anticipated Land Use and Health Department fees and Town Clerk revenues. Interest income was significantly over budget due diligent monitoring of invested balances and rising interest rates. The Town saw expenditure savings for general and central services, employee benefits, the police department and public works and parks and recreation.

Capital asset and debt administration

At June 30, 2024 the Town had a net balance of \$11,068,026 invested in a broad range of capital assets, including land, buildings, vehicles and equipment, and infrastructure. This represents a net increase (including additions and deductions) of \$990,157, or 9.8% from the prior year.

The Town's 2023-2024 budget called for major capital expenditures relating to the acquisition of certain pieces of Public Works and Fire Department equipment all made through the Reserve Fund for Capital and Nonrecurring Expenditures.

Capital assets at year-end (net of depreciation)

| | Governmental Activities | |
|-----------------------------------|--------------------------|--------------------------|
| | 2024 | 2023 |
| Land | \$ 4,348,689 | \$ 4,348,689 |
| Powder Ridge development rights | 1,893,919 | 1,893,919 |
| Buildings and improvements | 725,038 | 691,706 |
| Machinery, equipment and vehicles | 3,086,450 | 2,103,943 |
| Infrastructure | <u>1,013,930</u> | <u>1,039,612</u> |
| Totals | <u>\$ 11,068,026</u> | <u>\$ 10,077,869</u> |

Long-term obligations

At June 30, 2024, the Town had outstanding debt obligations, including compensated absences and net pension liability, as shown below:

| | Long-term obligations at year-end | |
|---------------------------------|-----------------------------------|-------------------------|
| | Governmental Activities | |
| | 2024 | 2023 |
| Note payable - direct borrowing | \$ 144,563 | \$ 190,311 |
| Compensated absences | 120,153 | 102,232 |
| Net pension liability | <u>904,852</u> | <u>923,828</u> |
| Totals | <u>\$ 1,169,568</u> | <u>\$ 1,216,371</u> |

The State limits the amount of general obligation debt that cities and towns can issue based on a formula determined under State statutes based on the type of debt and the tax base. The Town's outstanding general obligation debt is significantly below the state-imposed limit.

Other obligations include accrued vacation and sick leave. More detailed information about the Town's long-term liabilities is presented in the notes to the financial statements.

Economic factors and next year's budgets and rates

The Town's elected and appointed officials consider many factors when establishing the annual budget and setting the mill rate. The budget for fiscal year 2024-2025 passed on the first vote with a mill rate decrease of .18 or approximately 0.6%. The most significant factors for the fiscal year 2024-2025 budget were a relatively flat Grand List; continued uncertainty with regards to State funding to the Town as well as shifts in Regional School District #13 enrollment.

In order to minimize the tax impact of increased expenditures for fiscal year 2024-2025 the Town appropriated \$960,272 of its Unassigned General Fund Balance to offset mandated increases in activities related to the Registrars of Voters office, capital needs of the Town and increased costs related to certain outside agencies.

These factors were taken into account when adopting the General Fund budget.

Contacting the Town's financial management

This report has been designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Director at the Town of Middlefield, 393 Jackson Hill Road, Middlefield, Connecticut.

TOWN OF MIDDLEFIELD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2024

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 11,155,131 |
| Receivables, net: | |
| Property taxes, interest and liens | 432,898 |
| Loans and assessments | 593,702 |
| Leases | 158,843 |
| Other | 224,717 |
| Prepaid items | 77,286 |
| Capital assets, not being depreciated | 6,242,608 |
| Capital assets, being depreciated, net of accumulated depreciation | <u>4,825,418</u> |
| Total assets | <u>23,710,603</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred charges related to pensions | <u>339,517</u> |
| Total deferred outflows of resources | <u>339,517</u> |
| LIABILITIES | |
| Accounts payable and accrued expenses | 632,116 |
| Due to fiduciary funds | 1,080 |
| Unearned revenue | 154,738 |
| Noncurrent liabilities: | |
| Due within one year | 97,388 |
| Due in more than one year | <u>1,072,180</u> |
| Total liabilities | <u>1,957,502</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred credits related to leases | 2,321,495 |
| Deferred credits related to pensions | <u>48,002</u> |
| Total deferred inflows of resources | <u>2,369,497</u> |
| NET POSITION | |
| Net investment in capital assets | 10,923,463 |
| Unrestricted | <u>8,799,658</u> |
| Total net position | <u>\$ 19,723,121</u> |

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

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

| Functions/Programs | Expenses | Program Revenues | | | | Total | Governmental Activities | Net (Expense) Revenue and Changes in Net Position | | | | |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---------------------|----------------------|-------------------------|---|--|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | | | | | | | | |
| Primary Government | | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | | |
| General government | \$ 2,559,537 | \$ 311,670 | \$ 1,207,517 | \$ - | \$ 1,519,187 | (\$ 1,040,350) | | | | | | |
| Public safety | 622,952 | 1,180 | - | - | 1,180 | (621,772) | | | | | | |
| Public works | 2,321,792 | 288,184 | 201,462 | - | 489,646 | (1,832,146) | | | | | | |
| Health and welfare | 46,866 | 17,807 | - | - | 17,807 | (29,059) | | | | | | |
| Parks and recreation | 206,809 | 92,629 | - | - | 92,629 | (114,180) | | | | | | |
| Education | 13,488,046 | - | 1,958,785 | - | 1,958,785 | (11,529,261) | | | | | | |
| Interest expense | 4,987 | - | - | - | - | (4,987) | | | | | | |
| Total governmental activities | \$ 19,250,989 | \$ 711,470 | \$ 3,367,764 | \$ - | \$ 4,079,234 | (15,171,755) | | | | | | |
| General revenues: | | | | | | | | | | | | |
| Property taxes, interest & lien fee | | | | | | 15,058,417 | | | | | | |
| Grants and contributions not restricted to specific programs | | | | | | 431,288 | | | | | | |
| Unrestricted investment earnings | | | | | | 731,889 | | | | | | |
| Other | | | | | | 28,500 | | | | | | |
| Total general revenues | | | | | | 16,250,094 | | | | | | |
| Change in net position | | | | | | | | | | | | |
| Net position - July 1, 2023 | | | | | | 1,078,339 | | | | | | |
| Net position - June 30, 2024 | | | | | | \$ 18,644,782 | | | | | | |
| | | | | | | | | \$ 19,723,121 | | | | |

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

TOWN OF MIDDLEFIELD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

| | General Fund | Reserve Fund For Capital and Nonrecurring Expenditures | Lake Besek | Housing Rehabilitation Programs | ARPA Fund | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------------|---|--------------------------|---------------------------------------|-------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 10,456,463 | \$ - | \$ 370,297 | \$ 180,888 | \$ - | \$ 147,483 | \$ 11,155,131 |
| Receivables, net: | | | | | | | |
| Property taxes, interest and liens | 432,898 | - | - | - | - | - | 432,898 |
| Loans | - | - | - | 593,702 | - | - | 593,702 |
| Leases | 158,843 | - | - | - | - | - | 158,843 |
| Other | 14,586 | - | 64,233 | - | - | 145,898 | 224,717 |
| Prepaid items | 77,286 | - | - | - | - | - | 77,286 |
| Due from other funds | 56,941 | 3,542,022 | 4,852 | - | 71,039 | 213,218 | 3,888,072 |
| Total assets | <u>\$ 11,197,017</u> | <u>\$ 3,542,022</u> | <u>\$ 439,382</u> | <u>\$ 774,590</u> | <u>\$ 71,039</u> | <u>\$ 506,599</u> | <u>\$ 16,530,649</u> |
| LIABILITIES | | | | | | | |
| Accounts payable and accrued expenses | \$ 528,270 | \$ 35,423 | \$ 57,376 | \$ 72 | \$ 3,750 | \$ 7,225 | \$ 632,116 |
| Unearned revenue | - | 47,741 | - | - | 67,289 | 36,839 | 151,869 |
| Due to other funds | 3,566,958 | - | 130,433 | 27,303 | - | 164,458 | 3,889,152 |
| Total liabilities | <u>4,095,228</u> | <u>83,164</u> | <u>187,809</u> | <u>27,375</u> | <u>71,039</u> | <u>208,522</u> | <u>4,673,137</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue - property taxes | 326,194 | - | - | - | - | - | 326,194 |
| Unavailable revenue - leases | 2,321,495 | - | - | - | - | - | 2,321,495 |
| Unavailable revenue - loans and other receivables | - | - | 64,233 | 593,702 | - | 5,837 | 663,772 |
| Total deferred inflows of resources | <u>2,647,689</u> | <u>-</u> | <u>64,233</u> | <u>593,702</u> | <u>-</u> | <u>5,837</u> | <u>3,311,461</u> |
| FUND BALANCES | | | | | | | |
| Nonspendable | 77,286 | - | - | - | - | - | 77,286 |
| Restricted | - | - | - | 153,513 | - | 146,782 | 300,295 |
| Committed | 1,068,486 | 3,458,858 | 187,340 | - | - | 177,982 | 4,892,666 |
| Unassigned | 3,308,328 | - | - | - | - | (32,524) | 3,275,804 |
| Total fund balances | <u>4,454,100</u> | <u>3,458,858</u> | <u>187,340</u> | <u>153,513</u> | <u>-</u> | <u>292,240</u> | <u>8,546,051</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u><u>\$ 11,197,017</u></u> | <u><u>\$ 3,542,022</u></u> | <u><u>\$ 439,382</u></u> | <u><u>\$ 774,590</u></u> | <u><u>\$ 71,039</u></u> | <u><u>\$ 506,599</u></u> | <u><u>\$ 16,530,649</u></u> |

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

TOWN OF MIDDLEFIELD, CONNECTICUT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balances - total governmental funds \$ 8,546,051

Amounts reported for governmental activities in the Statement of Net Position are different from the Governmental Fund Balance Sheet. The details of this difference are as follows:

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. 11,068,026

Other long-term assets are not available to pay for current period expenditures and, therefore are reported as unavailable revenue in the funds:

| | |
|---------------------------------------|---------|
| Property taxes - accrual basis change | 323,325 |
| Loans and assessments receivable | 663,772 |

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds:

| | |
|---------------------------------|------------|
| Note payable - direct borrowing | (144,563) |
| Net pension liability | (904,852) |
| Compensated absences | (120,153) |

Deferred outflows and inflows of resources resulting from changes in the components of the Town's net pension liability are reported in the statement of net position. 291,515

Net position of governmental activities \$ 19,723,121

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

TOWN OF MIDDLEFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

| | General Fund | Reserve Fund For Capital and Nonrecurring Expenditures | Lake Beseck | Housing Rehabilitation Programs | ARPA Fund | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|---|-------------------|---------------------------------------|----------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | | |
| Property taxes, interest and lien fees | \$ 15,112,949 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 15,112,949 |
| Intergovernmental | 2,360,757 | 214,714 | - | - | 986,803 | 207,462 | 3,769,736 |
| Licenses, fees and charges for goods and services | 231,606 | - | 249,951 | - | - | 132,374 | 613,931 |
| Investment income | 724,861 | - | 5,251 | 154 | - | 1,623 | 731,889 |
| Miscellaneous | 156,486 | - | - | 35,150 | - | 193 | 191,829 |
| Total revenues | 18,586,659 | 214,714 | 255,202 | 35,304 | 986,803 | 341,652 | 20,420,334 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | 2,425,407 | 8,057 | - | - | 74,476 | 6,000 | 2,513,940 |
| Public safety | 513,505 | - | - | - | - | - | 513,505 |
| Public works | 519,541 | 74,800 | 274,689 | - | - | 268,124 | 1,137,154 |
| Health and welfare | 70,397 | - | - | 1,125 | - | - | 71,522 |
| Parks and recreation | 155,538 | - | - | - | - | 38,097 | 193,635 |
| Education | 13,488,046 | - | - | - | - | - | 13,488,046 |
| Debt service | 50,735 | - | - | - | - | - | 50,735 |
| Capital outlays | - | 1,429,536 | - | - | 912,327 | - | 2,341,863 |
| Total expenditures | 17,223,169 | 1,512,393 | 274,689 | 1,125 | 986,803 | 312,221 | 20,310,400 |
| Excess of revenues over (under) expenditures | <u>1,363,490</u> | <u>(1,297,679)</u> | <u>(19,487)</u> | <u>34,179</u> | <u>-</u> | <u>29,431</u> | <u>109,934</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Operating transfers in | 48,331 | 988,741 | - | - | - | 5,350 | 1,042,422 |
| Operating transfers out | (994,091) | - | - | - | - | (48,331) | (1,042,422) |
| Total other financing sources (uses) | (945,760) | 988,741 | - | - | - | (42,981) | - |
| Net change in fund balance | 417,730 | (308,938) | (19,487) | 34,179 | - | (13,550) | 109,934 |
| Fund balance - July 1, 2023 | 4,036,370 | 3,767,796 | 206,827 | 119,334 | - | 305,790 | 8,436,117 |
| Fund balance - June 30, 2024 | \$ 4,454,100 | \$ 3,458,858 | \$ 187,340 | \$ 153,513 | \$ - | \$ 292,240 | \$ 8,546,051 |

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

TOWN OF MIDDLEFIELD, CONNECTICUT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds \$ 109,934

Amounts reported for governmental activities in the statement of activities
are different due to:

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 expense. This is the
amount by which capital outlays exceeded depreciation in the current period.

| | |
|----------------------|----------------|
| Capital outlay | 1,294,018 |
| Depreciation expense | (303,861) |
| Total | <u>990,157</u> |

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds.

| | |
|---|-----------|
| Increase in property taxes - accrual basis change | (54,532) |
| Loans and assessments receivable | (7,699) |

The issuance of long-term debt (e.g. bonds, leases) provides current financial
resources to governmental funds, while the repayment of the principal of
long-term debt consumes the current financial resources of governmental
funds. Neither transaction, however, has any effect on net assets.

The details of these differences in the treatment of long-term debt and
related items are as follows.

| | |
|---------------------------------|--------|
| Principal repayments: | |
| Note payable - direct borrowing | 45,748 |

Some expenses reported in the statement of activities do not require the use
of current financial resources and, therefore are not reported as
expenditures in governmental funds:

| | |
|---------------------------------|-----------|
| Change in net pension liability | 18,976 |
| Change in compensated absences | (17,921) |

Deferred outflows and inflows of resources resulting from changes in the
components of the net pension liability are amortized as components of pension
expense in the statement of activities. (6,324)

Change in net position of governmental activities \$ 1,078,339

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

TOWN OF MIDDLEFIELD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

| | <u>Custodial Funds</u> |
|---------------------------|----------------------------|
| | <u>Giving Garden</u> |
| ASSETS | |
| Due from the General Fund | <u>\$ 1,080</u> |
| Total assets | <u><u>\$ 1,080</u></u> |
| NET POSITION | |
| Restricted for: | |
| Organizations | <u>1,080</u> |
| Total net position | <u><u>\$ 1,080</u></u> |

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

TOWN OF MIDDLEFIELD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

| | |
|----------------------------|--|
| <u>Custodial Funds</u> | |
| <u>Giving Garden</u> | |

Additions

| | |
|-----------------|---------------|
| Gifts | <u>\$ 450</u> |
| Total additions | <u>450</u> |

Deductions

| | |
|--------------------------------------|-----------------|
| Payments to organizations | <u>1,598</u> |
| Total deductions | <u>1,598</u> |
| Net change in fiduciary net position | (1,148) |
| Net position, July 1, 2023 | <u>2,228</u> |
| Net position, June 30, 2024 | <u>\$ 1,080</u> |

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

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The Town of Middlefield, Connecticut (the Town) adopted a Town Charter which became effective in 1971. The form of government includes a Board of Selectmen consisting of a First Selectman, who is the chief administrative and executive official, and two other members. The Board of Selectmen and the Town Meeting have the legislative power of the Town and may enact ordinances consistent with the General Statutes of the State of Connecticut and specific provisions of the Town Charter.

Additionally, the Town Charter includes a Board of Finance and a Treasurer. The six-member Board of Finance is responsible for presenting fiscal operating budgets for approval to the Annual Town Meeting. The members of the Board of Finance are elected to 4 year terms.

The Treasurer receives all money belonging to the Town and pays it out on the order of the proper authority. The Treasurer is responsible for maintaining the records required by law and has such other powers and duties as are described in the General Statutes.

The Town is a member of Regional School District No. 13 with the Town of Durham. The District provides educational services and facilities for children of the two towns from grades K through 12. The District's board, which is elected on a proportional basis by residents of the participating towns, controls the operation of the District.

The financial reporting entity consist of 1) the primary government, 2) organizations for which the primary government is financially accountable and 3) 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 as set forth by the Governmental Accounting Standards Board (GASB).

In evaluating how to define the financial reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion has been considered and there are no agencies or entities which should be presented with this government. The following related organizations, to which the Town appropriates funds annually, do not meet the above criteria and are not included in the reporting entity:

Middlefield Volunteer Fire Company has a separate elected board and provide services to residents, generally within the geographic boundaries of the Town. They are excluded from the reporting entity because the Town does not have the ability to exercise influence or control over the daily operations or approve budgets.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

B. Basis of Presentation

The financial statements of the Town have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. GASB is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below:

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned. Governmental activities, which generally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenues. Likewise, general revenues include property taxes. Property taxes and other items not properly included among program revenues are reported instead as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major individual governmental funds with each being reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

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

The *Reserve Fund for Capital and Nonrecurring Expenditures* is used to account for financial resources set aside for designated projects of a capital or nonrecurring nature.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

The *Lake Beseck Sewer Fund* accounts for maintenance and operations of the Lake Beseck sewer system.

The *Housing Rehabilitation Programs Fund* accounts for rehabilitation expenditures and subsequent loan repayment activity under the housing rehabilitation program.

The *ARPA Fund* accounts for the proceeds of federal pandemic relief funds that are restricted to expenditures for specific purposes.

Additionally, the Town reports the following fund types:

The Custodial Funds account for funds held by the Town on behalf of outside groups or individuals such as the Giving Garden.

During the course of operations, the Town may have activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. 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 are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as gross amounts as transfers in/out. Certain eliminations are made in the preparation of the government-wide financial statements.

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.

C. Measurement Focus and Basis of Accounting

The government-wide 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 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. 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.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Entitlements are recorded as revenue when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). 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 received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Issuance of long-term debt and acquisitions under direct borrowings are reported as other financing sources.

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Custodial funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs.

D. Assets, Liabilities, Deferred Outflows/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.

Investments

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments. Investments of the Town are reported at fair value.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

Property Taxes and Other Receivables

All trade and property taxes receivable are shown net of an allowance for uncollectibles. Property taxes are assessed on property values as of October 1 and billed the following July. Real estate and personal property tax bills are payable in two installments, July 1 and the following January 1, and motor vehicle taxes are payable in one installment on July 1. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value.

Taxes become overdue one month after the installment due date. Delinquent taxes are charged interest at the rate of 18% per year (1.5% per month). The Town has the ability to impose a lien on a taxpayer if any tax, other than motor vehicle, due to the Town is not paid within the time allowed. The lien shall be effective for a period of 15 years from the date of filing unless discharged. A notice of lien shall not be effective if filed more than 2 years from the date of assessment for the taxes claimed to be due.

Section 12-165 of the General Statutes of the State of Connecticut requires each municipality to write-off, on an annual basis, the property taxes which are deemed uncollectible. Property taxes and related interest receivable at June 30, 2024 are stated net of an allowance for uncollectible amount of \$4,300.

State statutes require that a revaluation be done every five years. The last revaluation completed and enacted was for the list of October 1, 2021.

The Town administers a residential rehabilitation loan program for low to moderate income families. The loans bear an interest rate of 0.00%. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2024, loans receivable totaled \$593,702 under this program.

During the course of operations, numerous transactions occur between individual funds that may result in amounts being owed between funds. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/due from other funds" (the current portion of interfund loans) or "advances to/from other funds" (the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/due from other funds". Interfund receivables and payables within governmental activities are eliminated in the Statement of Net Position.

Leases

Lessor

The Town determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

Lease receivables represent the Town's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Town has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Town accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the Town treats the components as a single lease unit.

Lessee

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the Town initially measures the least liability at the present value of payments expected to be made during the least 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.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land and related improvements, buildings and related improvements, equipment and vehicles, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements.

Capital assets used in governmental fund operations are accounted for as capital outlays, or departmental expenditures in the fund financial statements upon acquisition.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Town has elected not to capitalize infrastructure assets acquired prior to July 1, 2003, the implementation date of GASB Statement Number 34.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital asset is not included as part of the capitalized value of the asset constructed. Depreciation starts once an asset is placed in service.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

Buildings and related improvements, land improvements, equipment and vehicles, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|------------------------------|---------|
| Land | N/A |
| Buildings | 50 |
| Building improvements | 25 |
| Infrastructure | 20 - 70 |
| Vehicles and heavy equipment | 7 - 20 |
| Other equipment | 5 |

Unearned Revenues

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources related to pensions in the government-wide statement of net position. A deferred outflow of resources related to pensions results from pension contributions after the measurement date, differences between expected and actual experience, net differences between projected and actual earnings and the change in proportional share. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to leases in the government-wide statement of net position and in the governmental funds balance sheet. Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. The Town reports deferred inflows of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pensions results from the difference between expected and actual experience and the change in the proportional share. This amount is deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees). Also, for the governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, grants and assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

Employees are paid by prescribed formula for absences due to vacation or sickness. Accumulated vacation and sick pay earned and not paid for governmental funds as of June 30, 2024 amounted to \$120,153. This liability for unpaid vacation and sick leave is reflected in the government-wide statement of position.

Net Pension Liability

The Town is a participating municipality in the Connecticut Municipal Employees Retirement System (CMERS) which is a cost-sharing multiple-employer public pension plan offered by the State of Connecticut for municipal employees in participating municipalities.

The net pension liability is measured as the Town's proportionate share of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plans' fiduciary net position. The pension plans' fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net position liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the related bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

Net Position/Fund Balance

Government-wide Financial Statements

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

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 capital assets.

Restricted net position - this component of net position consists of amounts restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - this component of net position is the net amount of assets, liabilities, and deferred outflows/inflows of resources, which do not meet the definition of the two preceding categories.

Net Position Flow Assumption - Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Financial Statements

The equity of the fund financial statements is defined as "fund balance" and is classified in the following categories:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either (a) not in spendable form - such as inventory or prepaid items or (b) legally or contractually required to be maintained intact - such as a trust that must be maintained in perpetuity.

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NOTES TO FINANCIAL STATEMENTS
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... Continued ...

Restricted Fund Balance - represents amounts that are constrained for a specific purpose by either (a) external parties, such as grantors, creditors, contributors, or laws and regulations of their government or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Town Meeting is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Committed Fund Balance is also an appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

Assigned Fund Balance - represents amounts that are constrained by the Town's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by a governing board or body or official that has been delegated to the authority to assign, modify, or rescind amounts to be used or specific purposes.

Assigned fund balance includes (a) all remaining positive amounts that are reported in governmental funds (other than the General Fund) that are not classified as spendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Town of Middlefield itself.

Unassigned Fund Balance - represents the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

Fund Balance Flow Assumptions - Sometimes the government 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. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

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.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues, expenses and expenditures. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through February 5, 2025, the date the financial statements were available to be issued.

2. Stewardship, Compliance and Accountability

Not later than one hundred twenty (120) days before the end of this fiscal year, the First Selectman is required to present to the Board of Selectmen and the Board of Finance a budget for the ensuing year. The Board of Finance is required to hold at least two public hearings and present a proposed budget to Town Meeting for consideration and adoption on the second Monday in May.

The Board of Finance, on request by Town agencies or officers, may make special appropriations, but any such special appropriation which exceeds one half of one percent of the current general government shall require approval by vote of Town Meeting. Additional appropriations during the year represented line item transfers. There was an additional appropriation of \$60,824 from General Fund balance during the fiscal year ended June 30, 2024.

The Town maintains a Reserve Fund for Capital and Nonrecurring Expenditures (Special Revenue Fund) in accordance with the State of Connecticut General Statutes. Payments or withdrawals from the reserve fund are made on the recommendation of the Board of Finance and approved by vote of any regular or special Town Meeting.

There is a Lake Beseck Fund and a Route 66 Sewer Fund (Special Revenue Funds) which are utilized to account for the operation of the sanitary systems in the Route 66 area of the Town and the Lake Beseck area. Annual operations are financed primarily through user fees levied against those properties actually connected to the system.

Budgets for other special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

Appropriations for construction or other permanent improvements, from whatever source derived, do not lapse until the purpose for which the appropriation was made shall have been accomplished or abandoned, provided that any project is deemed to have been abandoned if three (3) fiscal years shall have elapsed without any expenditure from or encumbrance of the appropriations therefore.

Legal authorization for capital projects spending is provided by the related bond ordinances and/or intergovernmental grant agreements.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts, etc.) outstanding at year-end are reported as Assigned Fund Balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

3. Cash and Cash Equivalents

The deposit of public funds is controlled by Connecticut General Statutes. Deposits may be invested in any "qualified public depository" as defined by State Statute, or, in amounts not exceeding the Federal Deposit Insurance Corporation (FDIC) insurance limit, in an "out of state bank", as defined by the State Statutes, which is not a "qualified public depository".

The State Statutes also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and is regulated under State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

The following is a summary of cash and cash equivalents at June 30, 2024:

| | <u>Government-Wide</u> |
|---|--------------------------------------|
| | <u>Statement of Net Position</u> |
| Demand, savings and money market accounts | \$ 4,773,382 |
| Petty cash | 170 |
| Connecticut Short-term Investment Fund (STIF) | <u>6,381,579</u> |
| Total cash and cash equivalents | <u>\$ 11,155,131</u> |

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

At June 30, 2024, the carrying amount of the Town's deposits with financial institutions was \$4,773,382 and the bank balance was \$4,948,900.

Custodial credit risk is the risk that, in the event of a bank failure, the Town would not be able to recover its deposits or would not be able to recover collateral securities that are in possession of an outside party. The Town does not have a deposit policy for custodial risk. Of the June 30, 2024 bank balance, \$837,524 was covered by Federal Depository Insurance. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio. A minimum of \$411,138, based on the June 30, 2024 deposits, was collateralized (collateral held by the pledging bank's trust department is not in the Town's name). The remaining bank balance of \$3,700,238 was uninsured and uncollateralized.

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2024, the Town's cash equivalents amounted to \$6,381,579.

STIF is rated AAAm by Standard & Poor's. The Town's cash equivalents held in the STIF are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

4. Property Taxes and Other Receivables

Receivables as of year-end for the Town's individual major funds and nonmajor funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | General Fund | Lake Beseck | Housing Rehabilitation Programs | Other Governmental Funds | Total |
|-------------------------|-------------------|------------------|---------------------------------|--------------------------|---------------------|
| Property taxes, net | \$ 311,448 | \$ - | \$ - | \$ - | \$ 311,448 |
| Interest and liens, net | 121,450 | - | - | - | 121,450 |
| Intergovernmental | - | - | - | 128,205 | 128,205 |
| Leases | 158,843 | - | - | - | 158,843 |
| Loans | - | - | 593,702 | - | 593,702 |
| Other | 14,586 | 64,233 | - | 17,693 | 96,512 |
| Net total receivables | <u>\$ 606,327</u> | <u>\$ 64,233</u> | <u>\$ 593,702</u> | <u>\$ 145,898</u> | <u>\$ 1,410,160</u> |

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

5. Leases Receivable

The Town, acting as lessor, leased cell tower space under a long-term, noncancelable lease agreement. The lease expired on April 30, 2024. During the year ended June 30, 2024, the Town recognized \$38,004 and \$525 in lease revenue and interest revenue, respectively, pursuant to this contract.

The Town, acting as lessor, leases cell tower space under a long-term, noncancelable lease agreement. The lease expires on October 22, 2073. During the year ended June 30, 2024, the Town recognized \$29,316 and \$-0- in lease revenue and interest revenue, respectively, pursuant to this contract.

The Town, acting as lessor, leases land under a long-term, noncancelable lease agreement. The lease expires March 31, 2028 and provides for a renewal option of ten years. During the year ended June 30, 2024, the Town recognized \$8,856 and \$4,944 in lease revenue and interest revenue, respectively, pursuant to this contract.

Total future minimum lease payments to be received under lease agreements are as follows:

| Fiscal year ended June 30 | Principal | Interest |
|------------------------------|--------------------------|-------------------------|
| 2025 | \$ 9,137 | \$ 4,663 |
| 2026 | 9,414 | 4,386 |
| 2027 | 9,699 | 4,101 |
| 2028 | 10,183 | 3,817 |
| 2029 | 10,908 | 3,492 |
| 2030 - 2034 | 59,695 | 12,305 |
| 2035 - 2038 | <u>49,807</u> | <u>2,996</u> |
| | <u><u>\$ 158,843</u></u> | <u><u>\$ 35,760</u></u> |

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

6. Interfund Transactions

Interfund Balances

Interfund balances consisted of the following at June 30, 2024, as reported in the fund financial statements:

| | <u>Due From Other Funds</u> | <u>Due to Other Funds</u> |
|---|---------------------------------|-------------------------------|
| Governmental Funds: | | |
| General Fund | \$ 56,941 | \$ 3,566,958 |
| Reserve Fund for Capital and Nonrecurring Expenditures | 3,542,022 | - |
| Lake Beseck | 4,852 | 130,433 |
| Housing Rehabilitation Programs | - | 27,303 |
| ARPA | 71,039 | - |
| Nonmajor Governmental Funds: | | |
| Route 66 Sewer Project | - | 21,886 |
| Town Aid Road | 116,961 | - |
| Park and Recreation Commission | 87,508 | - |
| Old Indian Trail Water System | 7,712 | - |
| Miscellaneous Grants | - | 111,998 |
| Special Purpose Fund | - | 22,727 |
| Donation Fund | 1,037 | - |
| Wastewater Infrastructure | - | 7,847 |
| Fiduciary Funds: | | |
| Giving Gardens | <u>1,080</u> | <u>-</u> |
| | <u><u>\$ 3,889,152</u></u> | <u><u>\$ 3,889,152</u></u> |

All interfund receivables and payables represent routine recurring transactions that are temporary in nature.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

Interfund Transfers

Interfund transfers for the year ended June 30, 2024, consisted of the following, as reported in the fund financial statements:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|---|----------------------------|----------------------------|
| General Fund | \$ 48,331 | \$ 994,091 |
| Reserve Fund for Capital and Nonrecurring Expenditures | 988,741 | - |
| Nonmajor Governmental Funds: | | |
| Park & Recreation Commission | - | 45,831 |
| Old Indian Trail Water System | <u>5,350</u> | <u>2,500</u> |
| | <u><u>\$ 1,042,422</u></u> | <u><u>\$ 1,042,422</u></u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

7. Capital Assets

Capital asset activity for the year ended June 30, 2024 is as follows:

| | Beginning Balance | Additions\Transfers | Disposals\Transfers | Ending Balance |
|---|----------------------|---------------------|---------------------|---------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 4,348,689 | \$ - | \$ - | \$ 4,348,689 |
| Powder Ridge development rights | 1,893,919 | - | - | 1,893,919 |
| Total capital assets, not being depreciated | <u>6,242,608</u> | - | - | <u>6,242,608</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 2,266,735 | 94,049 | (65,000) | 2,295,784 |
| Machinery, equipment and vehicles | 4,685,329 | 1,190,518 | (129,476) | 5,746,371 |
| Infrastructure | 1,384,737 | 9,451 | - | 1,394,188 |
| Total capital assets, being depreciated | <u>8,336,801</u> | <u>1,294,018</u> | <u>(194,476)</u> | <u>9,436,343</u> |
| Less, accumulated depreciation for: | | | | |
| Buildings and improvements | 1,575,029 | 60,717 | (65,000) | 1,570,746 |
| Machinery, equipment and vehicles | 2,581,386 | 208,011 | (129,476) | 2,659,921 |
| Infrastructure | 345,125 | 35,133 | - | 380,258 |
| Total accumulated depreciation | <u>4,501,540</u> | <u>303,861</u> | <u>(194,476)</u> | <u>4,610,925</u> |
| Total capital assets, being depreciated, net | <u>3,835,261</u> | <u>990,157</u> | <u>-</u> | <u>4,825,418</u> |
| Total net capital assets, governmental activities | <u>\$10,077,869</u> | <u>\$ 990,157</u> | <u>\$ -</u> | <u>\$11,068,026</u> |

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

Depreciation expense was charged to functions/programs as follows:

| | |
|--|-----------------------|
| General government | \$ 40,328 |
| Public safety | 109,447 |
| Public works | 136,793 |
| Health and welfare | 4,119 |
| Parks and recreation | <u>13,174</u> |
| Total depreciation expense-governmental activities | <u>\$ 303,861</u> |

8. Long-Term Obligations

During the year ended June 30, 2024, the following changes occurred in long-term obligations:

| Description | Balance July 1, 2023 | Additions | Deductions | Balance June 30, 2024 | Current Portion |
|---------------------------------|-------------------------|------------------|------------------|--------------------------|--------------------|
| Long-term obligations: | | | | | |
| Note payable - direct borrowing | \$ 190,311 | \$ - | \$ 45,748 | \$ 144,563 | \$ 46,947 |
| Compensated absences | 102,232 | 17,921 | - | 120,153 | 50,441 |
| Net pension liability | <u>923,828</u> | <u>-</u> | <u>18,976</u> | <u>904,852</u> | <u>-</u> |
| Governmental activities | | | | | |
| Long-term liabilities | <u>\$ 1,216,371</u> | <u>\$ 17,921</u> | <u>\$ 64,724</u> | <u>\$ 1,169,568</u> | <u>\$ 97,388</u> |

Note Payable - Direct Borrowing

The Town has a note payable for the acquisition of communication equipment. The equipment is recorded in capital assets in the amount of \$325,000 with accumulated amortization of \$78,250. The equipment is being amortized over 20 years. Amortization expense totaled \$16,250 and it is included in depreciation expense.

The annual future minimum payments as of June 30, 2024 are as follows:

| Fiscal Year Ended June 30, | Principal Payments | Interest Payments |
|-------------------------------|-----------------------|----------------------|
| 2025 | \$ 46,947 | \$ 3,789 |
| 2026 | <u>48,177</u> | <u>2,558</u> |
| 2027 | <u>49,439</u> | <u>1,296</u> |
| Total | <u>\$ 144,563</u> | <u>\$ 7,643</u> |

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes as reflected in the following schedule:

| Category | Debt Limit | Present Indebtedness | Balance |
|-----------------|---------------|-------------------------|---------------|
| General purpose | \$ 32,606,532 | \$ - | \$ 32,606,532 |
| Schools | 65,213,064 | 2,432,080 | 62,780,984 |
| Sewers | 54,344,220 | - | 54,344,220 |
| Urban renewal | 47,098,324 | - | 47,098,324 |
| Pension deficit | 43,475,376 | - | 43,475,376 |

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$101,442,544.

Middlefield is a member of Regional School District Number 13 which provides educational facilities for the Towns of Middlefield and Durham. As of June 30, 2024, the outstanding indebtedness of the District was \$6,880,000. These are general obligations of the Regional School District Number 13 and its member towns. The Town of Middlefield's share of the bonded indebtedness is approximately 35.35% or \$2,432,080.

Compensated Absences

Employees can accumulate unused vacation and sick leave (as determined by individual union contracts) until termination of their employment. At termination, pay-out provisions as determined by individual union contract provides for payments to vested employees net of provisions to exchange selected amounts of accumulated sick time for pension service years.

The following is a summary of management's estimate of vested potential liability for lump-sum payments to employees as of June 30, 2024:

| | |
|-----------|-----------------------|
| Town: | |
| Sick | \$ 82,039 |
| Vacation | <u>38,114</u> |
| Total | <u>\$ 120,153</u> |

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

9. Fund Balances

The following is a summary of the Governmental Fund balances of the Town at the year ended June 30, 2024:

| | |
|---|----------------------------|
| General Fund: | |
| Nonspendable | \$ 77,286 |
| Committed for subsequent year's budget | 960,272 |
| Committed for long-term projects | 108,214 |
| Unassigned | <u>3,308,328</u> |
| Total General Fund Balance | <u>4,454,100</u> |
| Reserve Fund for Capital and Nonrecurring Expenditures: | |
| Committed for capital projects | 3,458,858 |
| Lake Beseck: | |
| Committed for public works | 187,340 |
| Housing Rehabilitation Programs: | |
| Restricted for housing loans | 153,513 |
| Other Governmental Funds: | |
| Restricted for general government | 10,253 |
| Restricted for public works | 136,529 |
| Committed for public works | 100,303 |
| Committed for parks and recreation | 77,679 |
| Unassigned | <u>(32,524)</u> |
| Total Other Governmental Fund Balances | <u>292,240</u> |
| Total Governmental Fund Balances | <u><u>\$ 8,546,051</u></u> |

The Miscellaneous Grants, Special Purpose Fund and Wastewater Infrastructure Fund had fund balance deficits of \$293, \$24,384 and \$7,847, respectively at June 30, 2024. These fund balance deficits represent the excess of expenditures over actual revenues. It is anticipated that this deficit will be funded by revenues to be generated in future years.

10. Employee Retirement System and Pension Plans

Connecticut Municipal Employees' Retirement System

Plan Description

Substantially all Town employees participate in the Connecticut Municipal Employees' Retirement System (CMERS), a cost-sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut that covers fire, police, and other personnel (except teachers) of participating municipalities in the State. The State

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

Retirement Commission acts solely as the administrator and custodian of the assets of CMERS. The State makes no contribution to CMERS.

Title 7, Chapter 113 of the Connecticut General Statutes, which can be amended by legislative action, establishes plan benefits, cost-of-living adjustments, contribution requirements for plan members and participating municipalities, and other plan provisions.

The plan has four sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

Benefit Provisions

Normal Retirement: A member may retire at age 55 with 5 years of continuous services, or 15 years of active aggregate service, or 25 years of aggregate service. There is compulsory retirement at age 65 for police and fire members. A member not covered by Social Security is eligible for vested benefits of 2% of average final compensation times years of service. A member covered by Social Security is eligible for vested benefits of 1.5% of average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service. The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and maximum include Workers Compensation and Social Security benefits.

Early Retirement: A member is eligible after 5 years of continuous or 15 years of active aggregate service. The benefit is calculated on the basis of average final compensation and service to date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement: Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty. Disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

Employees are eligible for non-service-related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

Contributions

Members not covered by Social Security are required to contribute 6.0% of compensation. Members covered by Social Security are required to contribute 3.25% of compensation up to the Social Security taxable wage base plus 6.0% of compensation, if any, in excess of such base.

Each participating municipality makes annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded liability and a prior service amortization payment which covers the liabilities of the System not met by member contributions. The current rate is 15.85% of annual covered payroll.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Town reported a liability of \$904,852 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2023. The actuarial assumptions used in the June 30, 2023 valuation were based on results of an actuarial experience study for the period July 1, 2017 through June 30, 2022. The Town's proportionate share of the net pension liability was based upon the Town's 2023 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. At June 30, 2023, the Town's proportional share was .198323% for general employees.

For the year ended June 30, 2024, the Town recognized pension expense of \$65,815. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Net differences between projected and actual earnings on pension plan investments | \$ 75,820 | \$ - |
| Differences between expected and actual experience | 57,940 | 9,964 |
| Changes in assumptions | 82,365 | - |
| Employer change in proportional share | 34,561 | 38,038 |
| Town contributions subsequent to measurement date | <u>88,831</u> | <u>-</u> |
| | <u>\$ 339,517</u> | <u>\$ 48,002</u> |

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

The Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Net differences between projected and actual earnings and the employer change in proportional share are amortized over 5 years. Difference between expected and actual experience and changes in assumptions are amortized over the average remaining service period of actives and inactives, which is 5.26 years.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30

| | |
|------|------------|
| 2024 | \$ 134,534 |
| 2025 | 47,412 |
| 2026 | 95,048 |
| 2027 | 10,107 |
| 2028 | 4,414 |

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following key actuarial assumptions:

| | |
|--|--------------|
| Inflation | 2.50% |
| Salary increases, including inflation | 3.00 - 9.50% |
| Long-term investment rate of return, net of pension plan investment | 7.00% |
| expenses, including inflation | |

Mortality rates were based on:

The Pub-2010 Mortality Tables set forward one year (except active employees) are projected generationally with Scale MP-2021.

Future cost of living adjustments for members that retired prior to January 1, 2002, increases of 3.25% are assumed for those who have reached age 65 and (effective January 1, 2002) increases of 2.50% are assumed for those who have not yet reached age 65. For members that retire after December 31, 2001, increases of 2.55% are assumed, regardless of age. For members retiring between July 1, 2025 and June 30, 2026, the COLA assumption is 2.5%. The COLA assumption is reduced to 2.3% for members retiring between July 1, 2026 and June 30, 2027; 2.1% for members retiring between July 1, 2027 and June 30, 2028; and 2.0% for members retiring after July 1, 2028.

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NOTES TO FINANCIAL STATEMENTS
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... Continued ...

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Target 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 | 6.3 |
| Infra. & natural resources | 7.0 | 7.7 |
| | | <u>100.0 %</u> |

Discount rate - the discount rate used to measure the total pension liability was 7.0%. 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 employer 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.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
... Continued ...

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the net pension liability (asset) of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

| | 1% Decrease (6.0%) | Current Discount Rate (7.0%) | 1% Increase (8.0%) |
|--|-----------------------|------------------------------------|-----------------------|
| Town's net pension liability: | | | |
| General employees with social security | \$ 1,255,738 | \$ 904,852 | \$ 609,220 |

Plan fiduciary net position

Detailed information about the CMERS plan's fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2023.

VFIS Defined Contribution Service Award Program

Plan Description

The Town sponsors a length of service award program (LOSAP), a defined contribution service award program, for the benefit of the volunteer fire personnel of The Middlefield Volunteer Fire Company (MVFC). The plan was established June 1995 by the Town and was revised in January 2023. Changes to the plan, including discontinuation of the LOSAP Plan, may be made by the Town.

Active members of MVFC shall become a participant in the plan on the first day of the point system year. All participants who meet the minimum requirements of participation and complete a year of service shall be eligible for an annual contribution funded by the Town. Participants may not make contributions to this plan. Annual Contributions of \$600 to \$1,200 will be contributed annually on behalf of each participant who completes a year of service.

A participant's account balance shall be fully vested when at least one of the following criteria is satisfied:

- At least ten (10) years of membership have been awarded in the plan;
- Definition of total and permanent disability while a participant, as set forth by this plan, is satisfied;
- Death occurs while a participant; or
- In accordance with the vesting schedule (10% for each year of membership)

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
. . . Continued . . .

The Town contributed \$26,850 to the plan in the year ended June 30, 2024. At June 30, 2024, there were 37 participants.

11. Jointly Governed Organization

The Town is a participant in the organization described below:

Durham Middlefield Interlocal Agreement Advisory Board (DMIAAB) - The Town and the Town of Durham Town Meetings each appoint four members to the governing board of DMIAAB, which operates a shared refuse transfer station. The Town expended \$183,447 for operations for the year ended June 30, 2024.

12. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; worker's compensation and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in insurance coverage. Settled claims, for all types of commercial coverage, have not exceeded commercial insurance coverage during any of the past three fiscal years.

13. Commitments, Contingencies and Uncertainties

The Town, from time to time, may be a defendant in a variety of lawsuits. It is the opinion of Town officials and legal counsel that any such pending litigation will not have a materially adverse affect on the Town's financial position.

The Town has received federal and state grants 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 upon prior experience, Town management believes such disallowances, if any, will not be material.

TOWN OF MIDDLEFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

| | Original Budget | Final Appropriated Budget | Actual | Variance with Final Budget |
|-------------------------------------|--------------------|---------------------------------|-------------------|-------------------------------|
| Taxes, interest and lien fees: | | | | |
| Property tax collections | \$ 14,866,263 | \$ 14,866,263 | \$ 15,112,949 | \$ 246,686 |
| Total taxes, interest and lien fees | <u>14,866,263</u> | <u>14,866,263</u> | <u>15,112,949</u> | <u>246,686</u> |
| Intergovernmental: | | | | |
| Pequot-Mohegan grant | 5,616 | 5,616 | 5,616 | - |
| Municipal projects grant | 248,652 | 248,652 | 248,652 | - |
| Municipal stabilization grant | 14,971 | 14,971 | 14,971 | - |
| PILOT - veterans relief | 3,473 | 3,473 | 3,050 | (423) |
| PILOT - disabled program | 372 | 372 | 476 | 104 |
| Judicial fines | 1,000 | 1,000 | 1,547 | 547 |
| NIP revenue | - | - | 9,027 | 9,027 |
| Opioid revenue | - | - | 776 | 776 |
| Other | 5,000 | 5,000 | - | (5,000) |
| Pilot- tiered reimbursement | 8,416 | 8,416 | 117,857 | 109,441 |
| Education cost sharing grant | <u>1,959,060</u> | <u>1,959,060</u> | <u>1,958,785</u> | <u>(275)</u> |
| Total Intergovernmental | <u>2,246,560</u> | <u>2,246,560</u> | <u>2,360,757</u> | <u>114,197</u> |
| Charges for services: | | | | |
| Licenses and permits | 2,700 | 2,700 | 2,220 | (480) |
| Land use department | 60,000 | 60,000 | 71,993 | 11,993 |
| Town Clerk | 85,000 | 85,000 | 134,812 | 49,812 |
| Police department services | - | - | 1,180 | 1,180 |
| Fire department services | 2,000 | 2,000 | - | (2,000) |
| Health department fees | 400 | 400 | 750 | 350 |
| Dog licenses and fees | 3,500 | 3,500 | 5,381 | 1,881 |
| Beach passes | 1,500 | 1,500 | 3,594 | 2,094 |
| Miscellaneous | <u>1,000</u> | <u>1,000</u> | <u>11,676</u> | <u>10,676</u> |
| Total charges for services | <u>156,100</u> | <u>156,100</u> | <u>231,606</u> | <u>75,506</u> |

. . .Continued. . .

TOWN OF MIDDLEFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
... Continued ...

| | Original Budget | Final Appropriated Budget | Actual | Variance with Final Budget |
|---|--------------------------|---------------------------------|--------------------------|-------------------------------|
| Other revenue: | | | | |
| Middlefield Housing Authority | \$ 16,000 | \$ 16,000 | \$ 25,795 | \$ 9,795 |
| Joseph E. Coe trust fund | 9,440 | 9,440 | 13,644 | 4,204 |
| Property and equipment sales | 5,000 | 5,000 | 28,500 | 23,500 |
| Telephone access line tax | 7,922 | 7,922 | 11,615 | 3,693 |
| Rental of Town property | 15,000 | 15,000 | 36,452 | 21,452 |
| Miscellaneous | 15,000 | 15,000 | 11,164 | (3,836) |
| Cell tower lease | - | - | 29,316 | 29,316 |
| Total other revenue | 68,362 | 68,362 | 156,486 | 88,124 |
| Transfers from other funds: | | | | |
| Park and recreation fund - summer camp | 44,744 | 44,744 | 45,831 | 1,087 |
| Old Indian Trial fund | 2,500 | 2,500 | 2,500 | - |
| WPCA - Route 66 sewer system | 750 | 750 | - | (750) |
| WPCA - Lake Beseck sewer system | 1,500 | 1,500 | - | (1,500) |
| Total transfers from other funds | 49,494 | 49,494 | 48,331 | (1,163) |
| Revenue from the use of money: | | | | |
| Interest income | 220,000 | 220,000 | 311,184 | 91,184 |
| Interest income - investments | - | - | 334,779 | 334,779 |
| Interest income - cell tower lease | - | - | 78,898 | 78,898 |
| Total revenue from the use of money | 220,000 | 220,000 | 724,861 | 504,861 |
| Other financing sources: | | | | |
| General Fund balance | 850,000 | 910,824 | 910,824 | - |
| Total other financing sources | 850,000 | 910,824 | 910,824 | - |
| Total revenues and other financing sources | \$ 18,456,779 | \$ 18,517,603 | \$ 19,545,814 | \$ 1,028,211 |

TOWN OF MIDDLEFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

| | <u>Original Budget</u> | <u>Final Appropriated Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|------------------------------------|----------------------------|--|----------------|---------------------------------------|
| General Government: | | | | |
| Selectman's Office: | | | | |
| First Selectman's salary | \$ 89,391 | \$ 89,391 | \$ 89,391 | \$ - |
| Selectmen's salaries | 11,208 | 11,208 | 11,208 | - |
| Administrative Assistant | 64,883 | 64,883 | 64,883 | - |
| Finance Director | 105,062 | 111,491 | 111,491 | - |
| Account payable assistant/floater | 17,079 | 19,875 | 19,875 | - |
| Accounting software license | 7,510 | 7,581 | 7,581 | - |
| Payroll service fees | 5,914 | 6,170 | 6,170 | - |
| Dues and organizations | 5,100 | 4,351 | 4,351 | - |
| Office expenses | <u>11,000</u> | <u>15,076</u> | <u>15,076</u> | - |
| Total Selectman's office | <u>317,147</u> | <u>330,026</u> | <u>330,026</u> | - |
| Professional Services: | | | | |
| Town Engineer | 26,000 | 35,306 | 35,306 | - |
| Town and regional planning | 9,049 | 9,049 | 9,049 | - |
| Town planner | 48,000 | 48,123 | 48,123 | - |
| Town counsel | 10,000 | 19,999 | 19,999 | - |
| Labor counsel | 4,000 | 13,019 | 13,019 | - |
| Legal notices | 5,500 | 6,998 | 6,998 | - |
| Town auditor | 26,800 | 26,800 | 26,800 | - |
| Consultants | 5,000 | - | - | - |
| Computer network support | 27,500 | 36,357 | 36,357 | - |
| Town web site | <u>2,000</u> | <u>597</u> | <u>597</u> | - |
| Total professional services | <u>163,849</u> | <u>196,248</u> | <u>196,248</u> | - |
| Municipal Insurances: | | | | |
| Property/auto/liability | 66,584 | 66,896 | 66,896 | - |
| Insurance deductibles | 2,500 | 1,988 | - | 1,988 |
| Cyber liability coverage | 15,000 | 15,000 | 14,681 | 319 |
| Worker's compensation | <u>33,356</u> | <u>33,556</u> | <u>33,556</u> | - |
| Total municipal insurances | <u>117,440</u> | <u>117,440</u> | <u>115,133</u> | <u>2,307</u> |
| General and Central Services: | | | | |
| Town Hall building expenses | 14,000 | 14,000 | 11,559 | 2,441 |
| Community Center building expenses | 35,900 | 30,083 | 28,007 | 2,076 |
| Street lighting | 21,000 | 21,000 | 16,842 | 4,158 |
| Lake Beseck drawdown expense | 3,625 | 8,180 | 8,180 | - |
| Telephone/postage/copier expenses | 32,750 | 32,750 | 28,712 | 4,038 |
| Custodian salary | 28,676 | 29,938 | 29,938 | - |
| Facilities manager | 14,199 | 14,199 | 883 | 13,316 |
| Automobile maintenance | 3,000 | 3,000 | - | 3,000 |
| Town vehicle fuel | 22,000 | 22,000 | 19,917 | 2,083 |
| Old North Cemetery | <u>7,500</u> | <u>7,500</u> | <u>5,895</u> | <u>1,605</u> |
| Total general and central services | <u>182,650</u> | <u>182,650</u> | <u>149,933</u> | <u>32,717</u> |

... Continued ...

TOWN OF MIDDLEFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
... Continued ...

| | Original Budget | Final Appropriated Budget | Actual | Variance with Final Budget |
|------------------------------------|--------------------|---------------------------------|----------------|-------------------------------|
| Employee Benefits: | | | | |
| Social security | \$ 100,662 | \$ 100,662 | \$ 92,417 | \$ 8,245 |
| Health/life insurance | 261,303 | 261,303 | 243,100 | 18,203 |
| Pension - municipal employees | 109,178 | 109,178 | 88,831 | 20,347 |
| Pension - elected officials | 5,227 | 5,227 | 5,226 | 1 |
| Total employee benefits | 476,370 | 476,370 | 429,574 | 46,796 |
| Town Clerk: | | | | |
| Town Clerk salary | 59,036 | 59,036 | 59,036 | - |
| Index, recording, vital statistics | 2,000 | 371 | 371 | - |
| Records system license | 14,912 | 14,377 | 14,377 | - |
| Town Clerk assistant | 25,618 | 30,629 | 30,629 | - |
| Town records restoration | 2,000 | 1,741 | 1,741 | - |
| Conferences and dues | 700 | 495 | 495 | - |
| Office expenses | 2,000 | 1,813 | 1,813 | - |
| Total Town Clerk | 106,266 | 108,462 | 108,462 | - |
| Tax Collector: | | | | |
| Tax Collector's salary | 45,837 | 45,837 | 45,837 | - |
| Tax Collector assistant | 2,000 | 1,464 | 870 | 594 |
| State delinquent autos | - | 250 | 250 | - |
| System software license | 12,114 | 12,400 | 12,400 | - |
| Conferences and dues | 200 | 200 | 20 | 180 |
| Office expenses | 1,000 | 1,000 | 349 | 651 |
| Total Tax Collector | 61,151 | 61,151 | 59,726 | 1,425 |
| Treasurer: | | | | |
| Treasurer's salary | 7,424 | 7,424 | 6,805 | 619 |
| Bank reconciliation services | 2,400 | 2,400 | - | 2,400 |
| Total Treasurer | 9,824 | 9,824 | 6,805 | 3,019 |
| Registrars of Voters: | | | | |
| Registrars' salary | 18,460 | 18,460 | 18,460 | - |
| Election expenses | 17,768 | 30,655 | 30,655 | - |
| Education and training | 1,340 | 5,411 | 5,411 | - |
| Conferences and dues | 1,250 | 2,887 | 2,887 | - |
| Office expenses | 600 | 5,741 | 5,741 | - |
| Total Registrars of Voters | 39,418 | 63,154 | 63,154 | - |

... Continued ...

TOWN OF MIDDLEFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
... Continued ...

| | Original Budget | Final Appropriated Budget | Actual | Variance with Final Budget |
|---|--------------------|---------------------------------|----------------|-------------------------------|
| Land Use/Health Department: | | | | |
| Building official | \$ 37,864 | \$ 44,529 | \$ 44,529 | \$ - |
| Office assistant | 54,737 | 54,737 | 54,737 | - |
| Zoning officer | 28,398 | 16,250 | 14,175 | 2,075 |
| Inland/wetlands agent | 14,747 | 15,009 | 15,009 | - |
| DEEP/education fees | 3,300 | 3,300 | 2,206 | 1,094 |
| Code books | - | 2,303 | 2,303 | - |
| Water testing/lab fees | 1,000 | 1,321 | 1,321 | - |
| Water filter service | 4,093 | 4,801 | 4,801 | - |
| Conferences and dues | 300 | 300 | 160 | 140 |
| Office expenses | 4,500 | 6,389 | 6,389 | - |
| Travel reimbursement | 2,000 | 2,000 | - | 2,000 |
| Total land use/health department | 150,939 | 150,939 | 145,630 | 5,309 |
| Assessor's Office: | | | | |
| Assessor | 90,545 | 90,545 | 90,545 | - |
| System software license | 20,286 | 19,631 | 19,631 | - |
| Assessor assistant | 2,800 | 4,573 | 4,573 | - |
| Conferences and dues | 1,660 | 1,888 | 1,888 | - |
| GIS system software | 7,200 | 7,379 | 7,379 | - |
| Office expenses | 2,885 | 4,510 | 4,509 | 1 |
| Total Assessor's office | 125,376 | 128,526 | 128,525 | 1 |
| Boards and Commissions: | | | | |
| Board of Selectmen | 4,000 | 4,000 | 3,403 | 597 |
| Board of Finance | 2,000 | 2,000 | 488 | 1,512 |
| Board of Assessment Appeals | 750 | 750 | 750 | - |
| Planning and Zoning Commission | 15,900 | 15,900 | 1,857 | 14,043 |
| Economic Development Commission | 10,000 | 10,000 | - | 10,000 |
| Inland Wetlands Agency | 10,800 | 10,800 | 4,874 | 5,926 |
| Zoning Board of Appeals | 3,000 | 3,000 | 1,503 | 1,497 |
| Fire Dept. Building Committee | 2,500 | 2,500 | 2,229 | 271 |
| Conservation Commission | 500 | 500 | 300 | 200 |
| Park and Recreation Commission | 480 | 480 | - | 480 |
| Charter Revision Commission | 2,500 | 2,500 | 712 | 1,788 |
| Lake Beseck Ad-Hoc Committee | 12,245 | 12,245 | 11,023 | 1,222 |
| Total boards and commissions | 64,675 | 64,675 | 27,139 | 37,536 |
| Reserve for Contingencies: | | | | |
| Operational | 56,120 | - | - | - |
| Staff coverages | 5,000 | - | - | - |
| Total reserve for contingencies | 61,120 | - | - | - |

... Continued ...

TOWN OF MIDDLEFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

... Continued ...

| | Original Budget | Final Appropriated Budget | Actual | Variance with Final Budget |
|--|--------------------|---------------------------------|------------------|-------------------------------|
| Outside Agencies: | | | | |
| DMIAAB operations | \$ 183,447 | \$ 183,447 | \$ 183,447 | \$ - |
| Regional hazardous waste | 10,584 | 10,584 | 7,190 | 3,394 |
| Levi E. Coe Library | 336,534 | 336,534 | 336,534 | - |
| Youth and Family Services | 30,500 | 30,500 | 30,500 | - |
| 911 - Valley Shore | 63,081 | 63,081 | 63,081 | - |
| Middlefield Cemetery Association | 4,526 | 4,526 | 4,526 | - |
| Probate Court | 5,200 | 5,200 | 5,200 | - |
| Plainville/Southington Health District | 28,043 | 28,043 | 28,043 | - |
| Total outside agencies | 661,915 | 661,915 | 658,521 | 3,394 |
| Sewer System Services: | | | | |
| Brookside Drive system | 6,100 | 6,100 | 5,914 | 186 |
| WPCA - Route 66 system | 750 | 750 | 154 | 596 |
| WPCA - Lake Beseck system | 2,200 | 2,200 | 463 | 1,737 |
| Total sewer system services | 9,050 | 9,050 | 6,531 | 2,519 |
| Total general government | 2,547,190 | 2,560,430 | 2,425,407 | 135,023 |
| Public Safety: | | | | |
| Police Department: | | | | |
| Payroll | 319,768 | 303,514 | 244,675 | 58,839 |
| Overtime and private duty | 27,000 | 27,000 | 5,515 | 21,485 |
| Equipment | 1,300 | 2,239 | 2,239 | - |
| Secretary | 9,269 | 9,269 | 9,269 | - |
| Sundry expenses | 1,850 | 911 | 836 | 75 |
| Total police department | 359,187 | 342,933 | 262,534 | 80,399 |
| Fire Department: | | | | |
| Fire house operations | 38,000 | 43,931 | 43,782 | 149 |
| Truck operations and maintenance | 35,000 | 34,195 | 34,195 | - |
| Communications | 4,000 | 5,989 | 5,989 | - |
| Equipment and supplies | 25,000 | 22,406 | 22,205 | 201 |
| Physicals and wellness | 10,000 | 4,882 | 4,882 | - |
| Training and preparedness | 12,000 | 15,389 | 14,962 | 427 |
| Life insurance | 9,600 | 8,170 | 8,170 | - |
| Appreciation Night | 6,000 | 5,989 | 5,923 | 66 |
| Supplemental benefits | 28,750 | 29,250 | 29,250 | - |
| Part time labor | 19,853 | 18,002 | 18,002 | - |
| Total fire department | 188,203 | 188,203 | 187,360 | 843 |

... Continued ...

TOWN OF MIDDLEFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
... Continued ...

| | <u>Original Budget</u> | <u>Final Appropriated Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|------------------------------------|----------------------------|--|-----------------------|---------------------------------------|
| Fire Marshal: | | | | |
| Fire Marshal salary | \$ 14,075 | \$ 14,075 | \$ 14,075 | \$ - |
| Deputy callout expenses | 2,000 | 1,701 | 1,130 | 571 |
| Vehicle expense | 1 | 1 | - | 1 |
| Conferences and dues | 2,600 | 2,649 | 2,648 | 1 |
| Sundry expenses | 500 | 500 | 472 | 28 |
| Records | 1,500 | 1,750 | 1,750 | - |
| Total fire marshal | <u>20,676</u> | <u>20,676</u> | <u>20,075</u> | <u>601</u> |
| Emergency Management: | | | | |
| Director's stipend | 9,585 | 9,585 | 9,585 | - |
| Assistant Director's stipend | 100 | 100 | - | 100 |
| Shelter equipment | 6,000 | 6,000 | - | 6,000 |
| Communications equipment | 1,000 | 1,000 | 987 | 13 |
| Emergency notification system | 3,750 | 3,750 | 3,611 | 139 |
| Sundry expenses | 4,000 | 4,000 | 1,625 | 2,375 |
| Total emergency management | <u>24,435</u> | <u>24,435</u> | <u>15,808</u> | <u>8,627</u> |
| Animal Control: | | | | |
| Animal Control Officer | 20,010 | 20,010 | 20,010 | - |
| Shelter and animal expenses | 1,400 | 4,068 | 4,068 | - |
| State of Connecticut fees | 2,100 | 2,229 | 2,229 | - |
| Sundry expenses | 1,600 | 1,421 | 1,421 | - |
| Total animal control | <u>25,110</u> | <u>27,728</u> | <u>27,728</u> | <u>-</u> |
| Total public safety | <u>617,611</u> | <u>603,975</u> | <u>513,505</u> | <u>90,470</u> |
| Public Works: | | | | |
| Tree Warden education and training | - | 110 | 110 | - |
| Payroll | 335,894 | 288,957 | 277,444 | 11,513 |
| Snow removal expenses | 56,552 | 56,552 | 23,062 | 33,490 |
| Equipment maintenance | 42,500 | 70,769 | 70,769 | - |
| Overtime expenses | 35,807 | 35,807 | 24,488 | 11,319 |
| Road maintenance | 81,500 | 97,280 | 97,280 | - |
| Garage expenses | 16,500 | 16,500 | 15,489 | 1,011 |
| Uniform expense | - | 2,598 | 2,598 | - |
| Sundry expenses | 7,150 | 7,150 | 5,785 | 1,365 |
| Communications | - | 113 | 113 | - |
| Tree Warden stipend | 2,336 | 2,403 | 2,403 | - |
| Total public works | <u>578,239</u> | <u>578,239</u> | <u>519,541</u> | <u>58,698</u> |

... Continued ...

TOWN OF MIDDLEFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
... Continued ...

| | Original Budget | Final Appropriated Budget | Actual | Variance with Final Budget |
|--|-----------------------------|---------------------------------|--------------------------|-------------------------------|
| Health and Welfare: | | | | |
| Senior/Social Services: | | | | |
| Municipal agent | \$ 40,248 | \$ 40,573 | \$ 40,573 | \$ - |
| Senior Center activities | 8,000 | 8,994 | 8,994 | - |
| Senior Center meals | 1 | 1 | - | 1 |
| Dial-A-Ride program | 17,705 | 17,705 | 17,704 | 1 |
| Office assistants | 800 | - | - | - |
| Social services agencies | 3,000 | 3,000 | 3,000 | - |
| Conferences and dues | 50 | 25 | 25 | - |
| Office expenses | 200 | 101 | 101 | - |
| Total senior/social services | 70,004 | 70,399 | 70,397 | 2 |
| Parks and Recreation: | | | | |
| Director's salary | 39,561 | 39,561 | 39,561 | - |
| Peckham Park expenses | 60,076 | 60,076 | 49,717 | 10,359 |
| Lake Beseck Park expenses | 24,986 | 24,251 | 20,061 | 4,190 |
| Summer camp payroll | 41,564 | 42,299 | 42,299 | - |
| Summer entertainment | 1,000 | 1,000 | - | 1,000 |
| Office expenses | 4,500 | 4,500 | 3,900 | 600 |
| Total parks and recreation | 171,687 | 171,687 | 155,538 | 16,149 |
| Education: | | | | |
| Regional School District No. 13 | <u>13,488,045</u> | <u>13,488,046</u> | <u>13,488,046</u> | <u>-</u> |
| Total Education | <u>13,488,045</u> | <u>13,488,046</u> | <u>13,488,046</u> | <u>-</u> |
| Debt Service: | | | | |
| TDBank lease - fire department | <u>50,736</u> | <u>50,736</u> | <u>50,735</u> | <u>1</u> |
| Total debt service | <u>50,736</u> | <u>50,736</u> | <u>50,735</u> | <u>1</u> |
| Transfers to Other Funds: | | | | |
| Capital/nonrecurring fund | 927,917 | 988,741 | 988,741 | - |
| Old Indian Trail fund | 5,350 | 5,350 | 5,350 | - |
| Total transfers to other funds | 933,267 | 994,091 | 994,091 | - |
| Total expenditures and transfers | <u>\$ 18,456,779</u> | <u>\$ 18,517,603</u> | <u>18,217,260</u> | <u>\$ 300,343</u> |
| Encumbrances expended in the current fiscal year | | | - | |
| GAAP basis expenditures and transfers out | | | <u>\$ 18,217,260</u> | |

TOWN OF MIDDLEFIELD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
(General Employees with Social Security)
LAST TEN FISCAL YEARS

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Town's proportion of the net pension liability | 0.198323 % | 0.205476 % | 0.202786 % | 0.164151 % | 0.210108 % | 0.177762 % | 0.215661 % | 0.215661 % | 0.248455 % | 0.248455 % |
| Town's proportionate share of the net pension liability | \$ 904,852 | \$ 923,828 | \$ 479,947 | \$ 644,624 | \$ 775,469 | \$ 679,866 | \$ 356,490 | \$ 423,294 | \$ 340,162 | \$ 241,151 |
| Town's covered payroll | \$ 598,571 | \$ 578,810 | \$ 549,108 | \$ 420,392 | \$ 540,128 | \$ 500,367 | \$ 513,375 | \$ 513,375 | \$ 551,335 | \$ 551,335 |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | 151.17 % | 159.61 % | 87.40 % | 153.34 % | 143.57 % | 135.87 % | 69.44 % | 82.45 % | 61.70 % | 43.74 % |
| Plan fiduciary net position as a percentage of the total pension liability | 69.54 % | 68.71 % | 82.59 % | 71.18 % | 72.69 % | 73.60 % | 91.68 % | 88.29 % | 92.72 % | 90.48 % |

TOWN OF MIDDLEFIELD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
(General Employees with Social Security)
LAST TEN FISCAL YEARS

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Contractually required contribution | \$ 101,585 | \$ 86,791 | \$ 61,611 | \$ 58,190 | \$ 65,749 | \$ 53,402 | \$ 54,653 | \$ 67,594 | \$ 80,123 | \$ 77,986 |
| Contributions in relation to the contractually required contribution | 101,585 | 86,791 | 61,611 | 58,190 | 65,749 | 53,402 | 54,653 | 67,594 | 80,123 | 77,986 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Town's covered payroll | \$ 598,571 | \$ 578,810 | \$ 549,108 | \$ 420,392 | \$ 540,128 | \$ 500,367 | \$ 513,375 | \$ 513,375 | \$ 551,335 | \$ 551,335 |
| Contributions as a percentage of covered payroll | 16.97 % | 14.99 % | 11.22 % | 13.84 % | 12.17 % | 10.67 % | 10.65 % | 13.17 % | 14.53 % | 14.14 % |

Notes to Schedule

Valuation Date June 30, 2023

Measurement Date June 30, 2023

The actuarially determined contributions are calculated as of June 30, each biennium for the fiscal years ending two or three years after the valuation date.

Methods and assumptions used to determine the most recent contributions:

| | |
|---------------------------------------|--|
| Actuarial cost method | Entry age normal |
| Amortization method | Level dollar, closed |
| Single equivalent amortization period | Blended 24.3 – 24.4 years depending on Tier |
| Asset valuation method | Market value of the measurement date |
| Inflation | 2.50% |
| Salary increases | 3.50%-9.50%, including inflation |
| Investment rate of return | 7.00%, net of investment related expense |
| Mortality | Pub-2010 Mortality Tables set-forward one year (except active employees) and projected generationally with scale MP-2021 |

TOWN OF MIDDLEFIELD
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
June 30, 2024

| GRAND LIST YEAR | BALANCE UNCOLLECTED CURRENT LEVY | | | TRANSFERS | | | BALANCE TO BE COLLECTED | | | COLLECTIONS | | | UNCOLLECTED TAXES | |
|--------------------|---|------------------|------------------|------------------|----------------------|----------------------|-------------------------------|-----------------|----------------------|-------------------|------------|--|----------------------|--|
| | 7/1/2023 | ADDITIONS | DELETIONS | | TO SUSPENSE | | | TAXES | INTEREST | LIEN FEES | TOTAL | | 6/30/2024 | |
| 2022 | \$ 14,963,270 | \$ 10,937 | \$ 38,296 | \$ - | \$ 44,730 | \$ 14,935,911 | \$ 14,739,366 | \$ 47,287 | \$ 2,108 | \$ 14,788,761 | \$ 196,545 | | | |
| 2021 | 189,120 | 91 | 3,258 | | | 141,223 | 90,182 | 19,205 | 674 | 110,061 | 51,041 | | | |
| 2020 | 66,238 | 9 | 41 | | | 66,206 | 28,231 | 11,744 | 168 | 40,143 | 37,975 | | | |
| 2019 | 21,706 | - | - | | | 21,706 | 14,856 | 8,714 | 96 | 23,666 | 6,850 | | | |
| 2018 | 13,552 | - | - | | | 13,552 | 13,365 | 9,930 | 48 | 23,343 | 187 | | | |
| 2017 | 1,354 | - | - | | | 1,354 | 1,170 | 263 | 24 | 1,457 | 184 | | | |
| 2016 | 321 | - | - | | | 321 | - | - | - | - | 321 | | | |
| 2015 | 750 | - | - | | | 750 | - | - | - | - | 750 | | | |
| 2014 | 295 | - | - | | | 295 | - | - | - | - | 295 | | | |
| 2013 | 332 | - | - | | | 332 | - | - | - | - | 332 | | | |
| 2012 | 235 | - | - | | | 235 | - | - | - | - | 235 | | | |
| 2011 | 84 | - | - | | | 84 | - | - | - | - | 84 | | | |
| 2010 | 10,066 | - | - | | | 10,066 | - | - | - | - | 10,066 | | | |
| 2009 | 9,683 | - | - | | | 9,683 | - | - | - | - | 9,683 | | | |
| | \$ 313,736 | \$ 11,037 | \$ 41,595 | \$ 44,730 | \$ 15,201,718 | \$ 14,887,170 | \$ 97,143 | \$ 3,118 | \$ 14,987,431 | \$ 314,548 | | | | |

TOWN OF MIDDLEFIELD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

| | Special Revenue Funds | | | | | | | | Total | | | |
|--|------------------------------|-------------------|---------------------------------------|-------------------------------------|-------------------------|----------------------------|------------------|-----------------------|-----------------------------------|--------------------------------------|------------------------------------|---|
| | Route 66 Sewer Project | Town Aid Road | Parks and Recreation Commission | Old Indian Trail Water System | Miscellaneous Grants | Special Purpose Fund | Donation Fund | Town Clerk Fund | Total Special Revenue Funds | Wastewater Infrastructure Fund | Total Capital Projects Funds | Total Non-major Governmental Funds |
| Assets | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 127,716 | \$ - | \$ 10,551 | \$ - | \$ - | \$ - | \$ - | \$ 9,216 | \$ 147,483 | \$ - | \$ - | \$ 147,483 |
| Other receivable | 5,837 | - | - | 11,856 | 128,205 | - | - | - | 145,898 | - | - | 145,898 |
| Due from other funds | - | 116,961 | 87,508 | 7,712 | - | - | 1,037 | - | 213,218 | - | - | 213,218 |
| Total assets | \$ 133,553 | \$ 116,961 | \$ 98,059 | \$ 19,568 | \$ 128,205 | \$ - | \$ 1,037 | \$ 9,216 | \$ 506,599 | \$ - | \$ - | \$ 506,599 |
| Liabilities | | | | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 5,527 | \$ - | \$ 41 | \$ - | \$ - | \$ 1,657 | \$ - | \$ - | \$ 7,225 | \$ - | \$ - | \$ 7,225 |
| Unearned revenue | - | - | 20,339 | - | 16,500 | - | - | - | 36,839 | - | - | 36,839 |
| Due to other funds | 21,886 | - | - | - | 111,998 | 22,727 | - | - | 156,611 | 7,847 | 7,847 | 164,458 |
| Total liabilities | 27,413 | - | 20,380 | - | 128,498 | 24,384 | - | - | 200,675 | 7,847 | 7,847 | 208,522 |
| Deferred Inflows of Resources | | | | | | | | | | | | |
| Unavailable revenue - assessments receivable | 5,837 | - | - | - | - | - | - | - | 5,837 | - | - | 5,837 |
| Total deferred inflows of resources | 5,837 | - | - | - | - | - | - | - | 5,837 | - | - | 5,837 |
| Fund Balances (Deficits) | | | | | | | | | | | | |
| Restricted | - | 116,961 | - | 19,568 | - | - | 1,037 | 9,216 | 146,782 | - | - | 146,782 |
| Committed | 100,303 | - | 77,679 | - | - | - | - | - | 177,982 | - | - | 177,982 |
| Unassigned | - | - | - | - | (293) | (24,384) | - | - | (24,677) | (7,847) | (7,847) | (32,524) |
| Total fund balances (deficits) | 100,303 | 116,961 | 77,679 | 19,568 | (293) | (24,384) | 1,037 | 9,216 | 300,087 | (7,847) | (7,847) | 292,240 |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | \$ 133,553 | \$ 116,961 | \$ 98,059 | \$ 19,568 | \$ 128,205 | \$ - | \$ 1,037 | \$ 9,216 | \$ 506,599 | \$ - | \$ - | \$ 506,599 |

TOWN OF MIDDLEFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

| | Route 66 Sewer Project | Town Aid Road | Parks and Recreation Commission | Old Indian Trail Water System | Special Revenue Funds | | | Town Clerk Fund | Total Special Revenue Funds | Capital Projects Funds | | Total Non-major Governmental Funds |
|---|------------------------------|-------------------|---------------------------------------|-------------------------------------|-------------------------|----------------------------|------------------|-----------------------|-----------------------------------|--------------------------------------|------------------------------------|---|
| | | | | | Miscellaneous Grants | Special Purpose Fund | Donation Fund | | | Wastewater Infrastructure Fund | Total Capital Projects Funds | |
| Revenues | | | | | | | | | | | | |
| Intergovernmental Licenses, fees and charges for goods and services | \$ - | \$ 196,112 | \$ - | \$ 5,350 | \$ 6,000 | \$ - | \$ - | \$ - | \$ 207,462 | \$ - | \$ - | \$ 207,462 |
| Investment income | 39,364 | - | 92,629 | - | - | - | - | 381 | 132,374 | - | - | 132,374 |
| Miscellaneous | 1,623 | - | - | - | - | - | - | - | 1,623 | - | - | 1,623 |
| Total revenues | 41,180 | 196,112 | 92,629 | 5,350 | 6,000 | - | - | 381 | 341,652 | - | - | 341,652 |
| Expenditures | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General government | - | - | - | - | 6,000 | - | - | - | 6,000 | - | - | 6,000 |
| Public works | 25,513 | 235,844 | - | 6,685 | - | - | - | - | 268,042 | 82 | 82 | 268,124 |
| Parks and recreation | - | - | 38,097 | - | - | - | - | - | 38,097 | - | - | 38,097 |
| Total current expenditures | 25,513 | 235,844 | 38,097 | 6,685 | 6,000 | - | - | - | 312,139 | 82 | 82 | 312,221 |
| Excess (deficiency) of revenues over expenditures | 15,667 | (39,732) | 54,532 | (1,335) | - | - | - | 381 | 29,513 | (82) | (82) | 29,431 |
| Other Financing Sources (Uses): | | | | | | | | | | | | |
| Operating transfers in | - | - | - | 5,350 | - | - | - | - | 5,350 | - | - | 5,350 |
| Operating transfers out | - | - | (45,831) | (2,500) | - | - | - | - | (48,331) | - | - | (48,331) |
| Total other financing sources (uses) | - | - | (45,831) | 2,850 | - | - | - | - | (42,981) | - | - | (42,981) |
| Net change in fund balances | 15,667 | (39,732) | 8,701 | 1,515 | - | - | - | 381 | (13,468) | (82) | (82) | (13,550) |
| Fund balances (deficits), July 1, 2023 | 84,636 | 156,693 | 68,978 | 18,053 | (293) | (24,384) | 1,037 | 8,835 | 313,555 | (7,765) | (7,765) | 305,790 |
| Fund balances (deficits), June 30, 2024 | \$ 100,303 | \$ 116,961 | \$ 77,679 | \$ 19,568 | (\$ 293) | (\$ 24,384) | \$ 1,037 | \$ 9,216 | \$ 300,087 | (\$ 7,847) | (\$ 7,847) | \$ 292,240 |

TOWN OF MIDDLEFIELD, CONNECTICUT
RESERVE FUND FOR CAPITAL AND NONRECURRING EXPENDITURES
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2024

| | Appropriations | | | Expenditures | | | Unexpended (Over expended) Balance |
|-------------------------------------|-------------------------|-----------------|--------------------------|-------------------------|-----------------|--------------------------|--|
| | Balance July 1, 2023 | Current Year | Balance June 30, 2024 | Balance July 1, 2023 | Current Year | Balance June 30, 2024 | |
| Town Hall improvements | \$ 289,106 | \$ 30,306 | \$ 319,412 | \$ 158,999 | \$ 66 | \$ 159,065 | \$ 160,347 |
| Community Center improvements | 696,124 | 62,117 | 758,241 | 293,877 | 71,336 | 365,213 | 393,028 |
| Community Center underground tank | 76,093 | - | 76,093 | - | - | - | 76,093 |
| Vehicle replacements | 21,479 | 3,511 | 24,990 | - | - | - | 24,990 |
| Telephone system upgrade | 9,328 | 1,043 | 10,371 | 5,923 | - | 5,923 | 4,448 |
| Computer replacement and upgrades | 194,238 | 5,000 | 199,238 | 187,397 | 3,962 | 191,359 | 7,879 |
| Server replacement | 48,730 | 7,711 | 56,441 | 40,437 | - | 40,437 | 16,004 |
| Town website | 15,000 | - | 15,000 | 15,000 | 8,008 | 23,008 | (8,008) |
| Facilities asset management plan | 17,000 | - | 17,000 | - | - | - | 17,000 |
| Fire Department building committee | 130,000 | 35,000 | 165,000 | 100,652 | - | 100,652 | 64,348 |
| Accrued benefits | 201,360 | 17,325 | 218,685 | 186,989 | 8,057 | 195,046 | 23,639 |
| Town Clerk - ordinance codification | 1,000 | - | 1,000 | - | - | - | 1,000 |
| Building code books | 758 | - | 758 | - | - | - | 758 |
| Design review guidelines | 12,000 | - | 12,000 | - | - | - | 12,000 |
| Revaluation | 520,722 | 25,000 | 545,722 | 488,722 | - | 488,722 | 57,000 |
| Storm contingency | 71,006 | - | 71,006 | 49,293 | - | 49,293 | 21,713 |
| Tree removal | 342,580 | 30,000 | 372,580 | 307,355 | 36,900 | 344,255 | 28,325 |
| Garage improvements | 119,907 | 7,849 | 127,756 | 109,512 | 17,170 | 126,682 | 1,074 |
| Road improvements | 812,212 | 34,147 | 846,359 | 556,138 | 58,439 | 614,577 | 231,782 |
| Road refurbishment-pavement study | - | 90,000 | 90,000 | - | - | - | 90,000 |
| Lake Beseck remediation | 223,131 | (15,214) | 207,917 | 174,690 | 37,900 | 212,590 | (4,673) |
| LED street light assessment | 244,369 | - | 244,369 | 244,108 | - | 244,108 | 261 |
| LED street light replacement | 26,326 | 9,754 | 36,080 | 1,168 | - | 1,168 | 34,912 |
| Town property remediation | 13,500 | - | 13,500 | 8,500 | - | 8,500 | 5,000 |
| Town storage building | 8,500 | 8,500 | 17,000 | - | 10,745 | 10,745 | 6,255 |
| Dump truck replacement | 1,109,079 | 102,374 | 1,211,453 | 831,113 | 237,141 | 1,068,254 | 143,199 |
| Small dump truck replacement | 455,823 | 36,819 | 492,642 | 413,301 | 8,040 | 421,341 | 71,301 |
| Emergency repairs | 15,672 | 11,819 | 27,491 | 15,672 | 11,819 | 27,491 | - |
| Pickup replacement | 55,898 | 8,290 | 64,188 | 55,898 | - | 55,898 | 8,290 |
| Paver replacement | 23,388 | 4,690 | 28,078 | - | - | - | 28,078 |
| Roller and trailer replacement | 41,825 | 5,744 | 47,569 | - | - | - | 47,569 |
| Guard rail tractor replacement | 279,930 | 13,768 | 293,698 | 240,096 | - | 240,096 | 53,602 |
| Sweeper replacement | 191,913 | 80,649 | 272,562 | 26,216 | 246,347 | 272,563 | (1) |
| STEAP grant matching funds-Culvert | - | - | - | - | 4,070 | 4,070 | (4,070) |

... Continued ...

TOWN OF MIDDLEFIELD, CONNECTICUT
RESERVE FUND FOR CAPITAL AND NONRECURRING EXPENDITURES
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2024

...Continued...

| | Appropriations | | | Expenditures | | | Unexpended (Over expended) Balance |
|--|-------------------------|---------------------|--------------------------|-------------------------|---------------------|--------------------------|--|
| | Balance July 1, 2023 | Current Year | Balance June 30, 2024 | Balance July 1, 2023 | Current Year | Balance June 30, 2024 | |
| Front-end loader replacement | \$ 252,875 | \$ 15,884 | \$ 268,759 | \$ 246,151 | \$ - | \$ 246,151 | \$ 22,608 |
| Zero turn mower | 14,200 | 1,500 | 15,700 | 10,757 | - | 10,757 | 4,943 |
| Backhoe replacement | 99,327 | - | 99,327 | 69,348 | - | 69,348 | 29,979 |
| Tractor/brush hog replacement | 4,538 | 5,069 | 9,607 | - | - | - | 9,607 |
| Mini excavator | 4,441 | 7,331 | 11,772 | - | - | - | 11,772 |
| Fuel tanks | 6,184 | 1,825 | 8,009 | - | - | - | 8,009 |
| Park improvements | 271,563 | 26,287 | 297,850 | 176,545 | 1,800 | 178,345 | 119,505 |
| Playscape replacement | 76,837 | 8,388 | 85,225 | - | - | - | 85,225 |
| Animal shelter | 6,000 | - | 6,000 | - | 6,041 | 6,041 | (41) |
| Enforcement equipment | 4,323 | - | 4,323 | 3,323 | - | 3,323 | 1,000 |
| Water supply development | 162,500 | 5,000 | 167,500 | 153,876 | - | 153,876 | 13,624 |
| Fire hose replacement | 66,000 | 4,000 | 70,000 | 53,200 | 15,614 | 68,814 | 1,186 |
| State EMS plan | 7,500 | - | 7,500 | - | - | - | 7,500 |
| Breathing apparatus | 141,211 | - | 141,211 | 115,553 | - | 115,553 | 25,658 |
| Thermal imaging camera | 57,607 | - | 57,607 | 31,027 | 10,954 | 41,981 | 15,626 |
| Communications equipment | 121,475 | - | 121,475 | 111,374 | 8,073 | 119,447 | 2,028 |
| Computer upgrades | 32,914 | 3,744 | 36,658 | 25,004 | 4,407 | 29,411 | 7,247 |
| Rescue truck replacement | 850,008 | 88,528 | 938,536 | 254,563 | - | 254,563 | 683,973 |
| Medical truck replacement | 177,829 | 12,021 | 189,850 | 124,253 | - | 124,253 | 65,597 |
| All terrain vehicle | 40,977 | 2,577 | 43,554 | 29,474 | - | 29,474 | 14,080 |
| Fire Chief's vehicle | 35,061 | 4,935 | 39,996 | 10,000 | - | 10,000 | 29,996 |
| Tanker replacement | 433,629 | 27,000 | 460,629 | 385,852 | - | 385,852 | 74,777 |
| Life saving equipment | 90,000 | 4,000 | 94,000 | 71,379 | 1,869 | 73,248 | 20,752 |
| Building maintenance/improvements | 140,000 | - | 140,000 | 102,576 | 9,099 | 111,675 | 28,325 |
| Building renovations | 220 | 1 | 221 | 220 | - | 220 | 1 |
| Pumper replacement '02 | 1,514,413 | 10,000 | 1,524,413 | 1,132,409 | 388,291 | 1,520,700 | 3,713 |
| Pumper replacement '13 | 312,950 | 61,473 | 374,423 | - | - | - | 374,423 |
| Emergency repairs and purchases | 15,067 | 2,033 | 17,100 | 7,100 | - | 7,100 | 10,000 |
| 50 KW generator | 38,775 | 8,406 | 47,181 | - | - | - | 47,181 |
| Siren - Lyman/Rockfall | 48,845 | 9,359 | 58,204 | - | - | - | 58,204 |
| Boat replacement | 8,597 | 660 | 9,257 | 6,930 | - | 6,930 | 2,327 |
| Brush truck replacement | 50,000 | 251,745 | 301,745 | - | 299,745 | 299,745 | 2,000 |
| Memorial School shelter | 5,000 | - | 5,000 | - | - | - | 5,000 |
| Industrial park projects | 333,243 | - | 333,243 | 322,244 | - | 322,244 | 10,999 |
| Plan of conservation and development | 15,442 | 1,786 | 17,228 | 10,084 | - | 10,084 | 7,144 |
| Planning & zoning regulation revisions | - | 17,000 | 17,000 | - | - | - | 17,000 |
| Land bank reserve | 6,000 | - | 6,000 | - | 4,000 | 4,000 | 2,000 |
| Open space property improvements | 13,695 | 1,000 | 14,695 | 7,663 | - | 7,663 | 7,032 |
| Open space acquisitions | 2,500 | - | 2,500 | - | 2,500 | 2,500 | - |
| Levi E. Coe improvements | 50,406 | 5,701 | 56,107 | 40,392 | - | 40,392 | 15,715 |
| DMIAAB capital reserve | 12,728 | - | 12,728 | 12,728 | - | 12,728 | - |
| | \$ 11,792,877 | \$ 1,203,455 | \$ 12,996,332 | \$ 8,025,081 | \$ 1,512,393 | \$ 9,537,474 | \$ 3,458,858 |

TOWN OF MIDDLEFIELD, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2024

| | |
|--|----------------------|
| Total tax collections (including interest, penalties and late payment of taxes) for immediate preceding fiscal year | \$ 14,491,792 |
| State reimbursement for revenue loss on tax relief for elderly under CGS Sections 12-129d and 7-528 for immediate preceding fiscal year | - |
| Annual receipts from taxation (total of above) (the "Base") | <u>\$ 14,491,792</u> |

The Connecticut General Statutes provide that the total authorized debt of the Town shall not exceed seven times the annual receipts from taxation, or \$101,442,544, nor shall the total authorized particular purpose debt exceed the individual debt limitations reflected in the table below:

| | General Purpose | Schools | Water Pollution Control | Urban Renewal | Pension Deficit |
|---|----------------------|----------------------|-------------------------------|----------------------|----------------------|
| Debt Limitation: | | | | | |
| 2 1/4 times base | \$ 32,606,532 | \$ - | \$ - | \$ - | \$ - |
| 4 1/2 times base | - | 65,213,064 | - | - | - |
| 3 3/4 times base | - | - | 54,344,220 | - | - |
| 3 1/4 times base | - | - | - | 47,098,324 | - |
| 3 times base | - | - | - | - | 43,475,376 |
| Total debt limitation | 32,606,532 | 65,213,064 | 54,344,220 | 47,098,324 | 43,475,376 |
| Indebtedness: | | | | | |
| Notes payable | - | - | - | - | - |
| Regional School District #13 bonds | - | 2,432,080 | - | - | - |
| Total indebtedness | - | 2,432,080 | - | - | - |
| Debt limitation in excess of outstanding and authorized debt | \$ 32,606,532 | \$ 62,780,984 | \$ 54,344,220 | \$ 47,098,324 | \$ 43,475,376 |

Note:

The Town of Middlefield is a member of Regional School District #13 which provides education facilities for grades kindergarten through twelve for the Towns of Middlefield and Durham. As of June 30, 2024, based on the most current and available information, the indebtedness of the District was \$6,880,000. The Town of Middlefield's share will be approximately 35.35% of the debt, or \$2,432,080. These are the general obligations of Regional School District #13 and its member towns.