

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 23, 2025

NEW MONEY ISSUE

S&P GLOBAL RATINGS: SP-1+
(see "Ratings" herein)

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



TOWN OF MIDDLEFIELD, CONNECTICUT
\$12,275,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated: October 15, 2025

Due: October 14, 2026

<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP¹</u>
\$12,275,000	%	%	596323***

The \$12,275,000 General Obligation Bond Anticipation Notes (the "Notes") will be general obligations of the Town of Middlefield, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of, and interest on, the Notes when due. (See "Security and Remedies" herein).

The Notes are NOT subject to optional redemption prior to maturity as described herein.

The Notes will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Principal of, and interest on, the Notes will be payable by the Town or its agent to DTC or its nominee as registered owners of the Notes. Purchases of the Notes will be made in book-entry form in denominations of \$5,000 or any integral multiples thereof. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. So long as Cede & Co. is the Noteowner, as nominee of DTC, reference herein to the Noteowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes. (See "Book-Entry-Only Transfer System" herein).

If requested by the successful purchaser as described under "Option For No Book Entry" herein, the Notes will be issued in the form of a single fully-registered physical certificate in the par amount of the Notes.

Unless the successful bidder on the Notes is designated as the certifying bank, registrar, transfer agent and paying agent for the Notes as provided in "Option For No Book Entry" herein, the Notes will be certified by U.S. Bank Trust Company, National Association, in Hartford, Connecticut, which will also act as transfer agent, paying agent and registrar for the Notes.

U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut will certify the Notes, and act as Registrar, Transfer Agent, and Paying Agent.

Telephone bids and electronic bids via *PARITY*® for the Notes will be received until 11:00 A.M. (Eastern Time) on Tuesday, September 30, 2025 at Town of Middlefield, Town Hall, 393 Jackson Hill Road, Middlefield, Connecticut 06455 as described in the Notice of Sale for the Notes (see Appendix D to this Official Statement).

The Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Updike, Kelly & Spellacy, P.C., Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes in book-entry-only form will be made to DTC in New York, New York on or about October 15, 2025.

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

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

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

No dealer, broker, salesman or other person has been authorized by the Town of Middlefield, Connecticut (the "Town"), to give any information or to make any representations not contained in this Official Statement in connection with the offering of the Notes, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Notes and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement, nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement or any earlier date as of which any information contained herein is given.

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

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

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

This Official Statement is in a form deemed “final” by the Town for purposes of U.S. Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(1), but it is subject to revision or amendment in accordance with such rule.

The Town will enter into a Continuing Disclosure Agreement with respect to the Notes (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), notice of the occurrence of certain listed events within ten (10) business days of the occurrence of such events with respect to the Notes. The Continuing Disclosure Agreement is to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.

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

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MUNICIPAL ADVISOR
MUNISTAT SERVICES, INC.
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NOTE ISSUE SUMMARY

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

Date of Sale:	Tuesday, September 30, 2025, 11:00 A.M. (Eastern Time).
Location of Sale:	Town of Middlefield, Town Hall, 393 Jackson Hill Road, Middlefield, Connecticut 06455
Issuer:	Town of Middlefield, Connecticut (the "Town").
Issue:	\$12,275,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	Date of Delivery, October 15, 2025.
Interest Due:	At maturity on October 14, 2026.
Principal Due:	At maturity on October 14, 2026.
Purpose and Authority:	The proceeds of the Notes will be used to finance renovations and an addition to the Middlefield Volunteer Fire Station as authorized by the Board of Selectmen, the Board of Finance and the voters of the Town, as described in "Authorization and Use of Proceeds" herein.
Redemption:	The Notes are NOT subject to optional redemption prior to maturity as more fully described herein.
Security:	The Notes will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of, and interest on, the Notes when due.
Credit Rating:	The Notes have been rated "SP-1+" by S&P Global Ratings ("S&P"). In connection with rating the Notes, S&P has applied an issuer credit rating of "AA" to the Town. See "Ratings" herein.
Bond Insurance:	The Town does not expect to direct purchase a credit enhancement facility.
Basis of Award:	Net Interest Cost ("NIC"), as of dated date.
Tax Exemption:	Refer to Appendix B - "Form of Opinion of Bond Counsel and Tax Matters" herein.
Bank Qualification:	The Notes shall NOT be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the U.S. Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of certain listed events within ten (10) business days of the occurrence of such events pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	Unless the successful purchaser of the Notes is designated as the certifying bank, registrar, transfer agent and paying agent for the Notes as provided in "Option For No Book Entry" herein, U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Updike, Kelly & Spellacy, P.C. of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company (unless the successful purchaser has requested no book entry as described herein, then it is expected that delivery of the Notes will be made to the purchaser) on or about October 15, 2025 against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be directed to Al Rusilowicz, Finance Director, Town of Middlefield, Town Hall, 393 Jackson Hill Road, Middlefield, Connecticut 06455. Telephone: 860-349-7112.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. William N. Lindsay, Managing Director, Telephone: (203) 421-2880.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the front cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Middlefield, Connecticut (the “Town”) in connection with the issuance and sale of \$12,275,000 General Obligation Bond Anticipation Notes (the “Notes”) of the Town.

The Notes are being offered for sale at public bidding. A Notice of Sale dated September 23, 2025 has been furnished to prospective bidders. Reference is made to the Notice of Sale (see Appendix D to this Official Statement) for the terms and conditions of the bidding on the Notes.

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

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

Munistat Services, Inc. (“Munistat”) is engaged as Municipal Advisor to the Town in connection with the issuance of the Notes. The Municipal Advisor’s fee for services rendered with respect to the sale of the Notes is contingent upon the issuance and delivery of the Notes. Munistat, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal and state income tax status of the Notes or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

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

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

DESCRIPTION OF THE NOTES

The Notes will be dated October 15, 2025 and will mature on October 14, 2026. Interest on the Notes will be payable at maturity. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. The Notes are **NOT** subject to redemption prior to maturity. Unless requested by the successful purchaser as described under “Option for No Book Entry” herein, a book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. (See “Book-Entry-Only Transfer System” herein.) The legal opinion on the Notes will be rendered by Updike, Kelly & Spellacy, P.C. of Hartford, Connecticut. **The Notes are NOT subject to optional redemption prior to maturity.**

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

AUTHORIZATION AND USE OF PROCEEDS

The Notes are issued pursuant to the General Statutes of Connecticut, as amended, and borrowing resolutions approved by the Board of Selectmen and the Board of Finance and by the voters of the Town at referendum held on June 10, 2025.

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

<u>Project</u>	<u>Total Bond Authorization</u>	<u>Grants Receivable</u>	<u>The Notes</u>	<u>Authorized But Unissued</u>
Public Safety Facility.....	\$ 14,500,000	\$ 2,224,350	\$12,275,000	\$ 650

RATINGS

The Notes have been rated “SP-1+” by S&P Global Rating (“S&P”). In connection with the rating on the Notes, S&P has assigned an issuer credit rating of “AA” to the Town.

Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. The rating reflects only the view of the rating agency and an explanation of the significance of such rating may be obtained from S&P Global Ratings, 55 Water Street, 45th Floor, New York, New York 10041. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Town’s bonds and notes, including the Notes.

OPTION FOR NO BOOK ENTRY

As described in the official Notice of Sale dated September 23, 2025, a bidder for the Notes may request that the Notes be issued in the form of a single fully-registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Town as the certifying agent, registrar, paying agent and transfer agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. The Town reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the successful bidder as certifying agent, registrar, paying agent and transfer agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in this manner is not in its best interests. If the Notes are issued in non-book-entry form, they are non-transferable and must be held to maturity by the winning bidder requesting the No Book Entry Option. The successful bidder shall not impose or charge the Town for any costs or expenses related to the services as certifying agent, registrar, paying agent and transfer agent for the Notes if the successful bidder is so designated.

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

BOOK-ENTRY-ONLY TRANSFER SYSTEM

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

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

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates

the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

Principal and interest payments with respect to the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

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

REPLACEMENT NOTES

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

DTC PRACTICES

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

SECURITY AND REMEDIES

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

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

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

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

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds and notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds, notes or other obligations.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Notes shall **NOT** be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.

AVAILABILITY OF CONTINUING DISCLOSURE

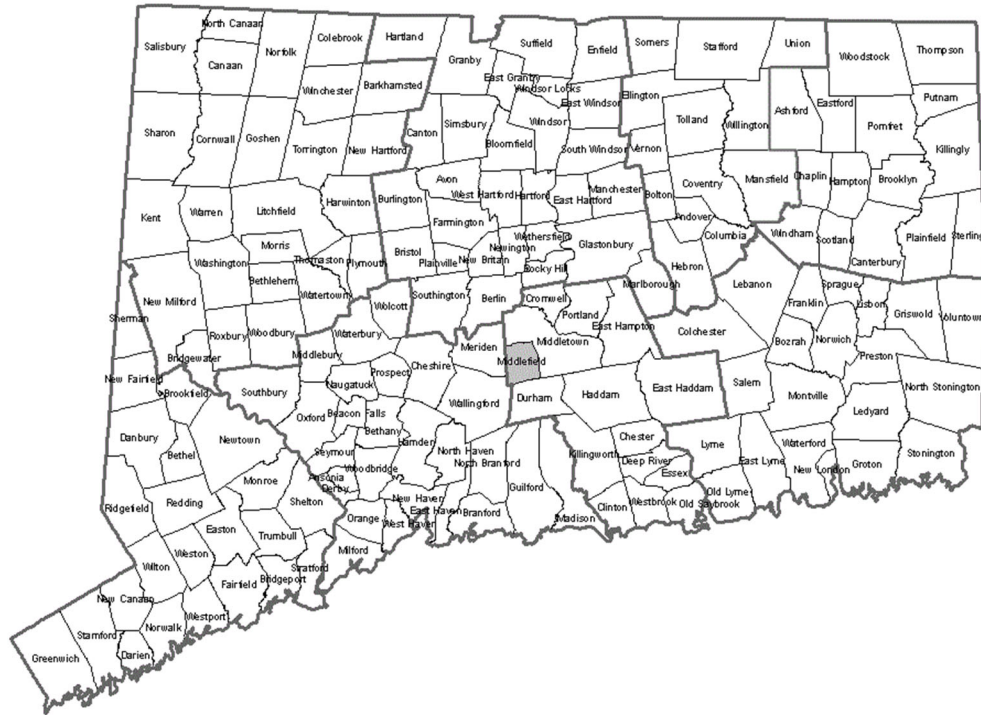
The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide, to the rating agency ongoing disclosure in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

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the U.S. Securities and Exchange Commission, the Town will enter into a Continuing Disclosure Agreement to provide, or cause to be provided, notice of the occurrence of certain listed events within 10 business days of the occurrence of such events with respect to the Notes. The Continuing Disclosure Agreement is to be executed in substantially the form attached in Appendix C to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). During the last five years, the Town has not failed to comply in any material respect with its previous undertakings under such agreements. The Town has not been subject to a continuing disclosure agreement since September 2001, at which time all of its bonded debt had been retired. Certain audited financial information and operating data of the Town has been voluntarily submitted to EMMA after that date.

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II. THE ISSUER



DESCRIPTION OF THE TOWN

The Town of Middlefield seceded from Middletown and was incorporated as a Town in May 1866. The Town has an area of 13.3 square miles. It is located in central Connecticut approximately 18 miles south of Hartford, 19 miles north of New Haven, and borders the cities of Meriden and Middletown and the towns of Wallingford and Durham. The Town is served by State Routes 147, 157, and 66 which connects to Interstate 91 approximately one mile from the northwest corner of the Town.

Middlefield's principal industries include Zygo Corp., Rogers Mfg. Co., and Lyman Orchards. Lyman Orchards, established in 1741, sits on a 1,100-acre farm in Middlefield and is the Town's oldest family-owned business. The orchard grows a variety of apples, peaches, pears, berries and pumpkins. The property also includes two 18-hole golf courses at the Lyman Orchard Golf Club. The Lyman Homestead is included in the National Register of Historic Places and may be rented for social or corporate gatherings. Other activities at the orchard include a sunflower maze, corn maze, horse-drawn wagon and pony rides, and fruit picking. Beseck Lake, and the public golf courses, Lyman Meadow, Lyman Orchard and Indian Springs, are major recreational facilities located in Middlefield.

Middlefield is a rural-residential community that has a balanced residential, commercial, and industrial tax base. The Town's population was estimated as 4,236 by the U.S. Census Bureau's 2019-23 American Community Survey.

There are no separate taxing districts located within the territorial limits of Middlefield. The Town has the power to incur indebtedness by issuing bonds or notes as prescribed by the Connecticut General Statutes and authorized by the Town Charter.

FORM OF GOVERNMENT

The Town operates with a Board of Selectmen, a Board of Finance and a Town Meeting under the provisions of its charter. The Board of Selectmen consists of three elected members serving concurrent two-year terms. The Board of Finance consists of six elected members serving overlapping four-year terms. The Town Meeting exercises the legislative power of the Town and must approve the annual budget, all special appropriations or expenditures exceeding one percent (1%) of the current annual general municipal government budget, and all bond, note and other obligation authorizations, except for (i) refunding bonds, which only require approval by the Board of Selectmen, and (ii) borrowings which exceed twenty percent (20%) of the current annual general municipal government budget, which requires approval by a majority of the voters at referendum. The First Selectman, who is a member of the Board of Selectmen, is the chief executive officer of the Town and is responsible for the administration of all Town matters with the exception of the educational system and other matters provided in the charter. The Finance Director is responsible for the financial operations of the Town.

The Board of Finance is the budget-making authority and is responsible for the Town’s financial and taxation matters, presenting the annual fiscal budget for the Annual Budget Meeting’s approval, and establishing the tax rate.

PRINCIPAL TOWN OFFICIALS

<u>Office</u>	<u>Name</u>	<u>Manner of Selection/Term</u>	<u>Years of Service</u>
First Selectman ¹	Robert Yamartino.....	Elected / 2 years	4
Selectman ²	James Irish.....	Elected / 2 years	4
Selectman.....	Carol Bufithis.....	Elected / 2 years	6
Finance Director.....	Al Rusilowicz.....	Hired	8
Treasurer.....	Mary Ann Zieminski....	Elected / 2 years	1
Town Clerk.....	Tonya Hogan.....	Elected / 2 years	3
Tax Collector.....	Anne Olszewski.....	Elected / 2 years	25
Assessor.....	Pamela Deziel.....	Appointed	3

¹ Prior to becoming First Selectman, Mr. Yamartino had four years of experience serving on the Board of Selectmen, eight years of experience on the Board of Finance, including four years as Chairman, and six years of experience on the regional Board of Education.

² Mr. Irish has 10 years of experience serving on the Board of Finance, including five years as Chairman.

Source: Town Officials.

SUMMARY OF MUNICIPAL SERVICES

Public Works: The Town has a fully staffed Public Works Department that provides general highway maintenance services.

Police Protection: Police protection is provided by two (2) Resident State Troopers who are assisted by the Connecticut State Police Department out of Troop F, Westbrook.

Fire Protection: The Town maintains a fully equipped volunteer fire department. The fire department is organized as a private non-profit corporation and is funded by the Town. The Town owns the buildings, land, and all major pieces of equipment. The department belongs to a mutual aid system with the abutting communities.

Emergency Medical Assistance: The Town is served by Hunter’s Ambulance Service, a private ambulance company, located in the adjoining cities of Middletown and Meriden.

Solid Waste: The Town has entered into an interlocal agreement with the Town of Durham creating the Durham-Middlefield Interlocal Agreement Advisory Board (“DMIAAB”) which is responsible for the operation and management of a transfer station for municipal solid waste, bulky waste, recyclables and a composting area serving both towns on a cost-shared basis, based upon the estimated population of each town. The percentages for the fiscal year ended June 30, 2025 were 37.1% for Middlefield and 62.9% for Durham. Town residents either take their solid and bulky waste directly to the transfer station or privately contract with commercial haulers for said purpose.

The Town, in conjunction with the Town of Durham and DMIAAB, entered into a 5-year Solid Waste Management Services Contract (the “Service Contract”) with Reworld (formerly Covanta). The Service Contract provides for the disposal of DMIAAB’s solid waste. DMIAAB has entered into additional annual agreements for the disposal of recyclable items. Each town may terminate the Service Contract as prescribed in the Interlocal Agreement and may reduce its joint minimum commitment with six months’ prior written notice without penalty or further obligation to the towns. Disposal fees under the Service Contract for fiscal year 2025-26 are \$97.85/ton.

Sewage: Developed properties in the Town are served primarily by private on-site septic systems. The Town completed a \$7.6 million Lake Beseck sewer project in 2001, and approximately 25% of the community is serviced by either the sewerage facility and system of the City of Middletown or of the City of Meriden.

Water: Individual wells are the primary water supplies in Town. The City of Middletown Water Department also services the Brookside Drive Industrial Park on the east side of Middlefield.

Services for the Elderly: Dial-A-Ride transportation is available to all Middlefield residents, including senior citizens. Additionally the Town provides senior/disabled bus services in Town. Both services are provided through the Estuary Transit

District for medical appointments, grocery shopping, senior center activities, etc. The Middlefield Senior Center is a multipurpose agency that provides health services, nutrition, educational and recreational activities, transportation, wellness programs, volunteer opportunities, and other supportive services. The Town of Middlefield, through the local Housing Authority, has accessibility to 30 elderly housing units.

Public Health and Social Services: The Town is afforded all public health services through the South Central Health District, of which it is a member. The Town also has a part-time Senior/Social Services Director.

Parks and Recreation: Recreation programs in Town are sponsored by the Parks and Recreation Department at the school fields, Peckham Field Park, Beseck Lake Town Beach, and Levi E. Coe Library. The Town has an active year-round program for residents of all ages. The Public Works Department provides maintenance of facilities for the Town.

Libraries: The Levi E. Coe Library Association maintains and operates the Town public library. In addition to regular library services, the library provides pre-school programs, a reference service, special summer programs, and special services for elderly residents.

Utilities: Electricity is provided by Eversource Energy (previously Connecticut Light and Power Company).

TOWN EMPLOYEES

<u>Fiscal Year</u>	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
General Government.....	49	61	61	58	55

Source: Town Officials.

MUNICIPAL EMPLOYEES' BARGAINING UNITS

<u>Employees Represented</u>	<u>Union Organization</u>	<u>Number of Employees</u>	<u>Current Contract Expiration</u>
Town Hall Employees.....	Local 818, Council 4, AFSCME, AFL-CIO.....	4	June 30, 2027
Public Works.....	Local 1303-283, Council 4, AFSCME, AFL-CIO.....	4	June 30, 2027
Non-union employees.....	Non-union Employees.....	41	n/a
	Grand Total	49	

Source: Town of Middlefield.

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

EDUCATION SYSTEM

The Town, along with the Town of Durham, is a member of Regional School District No.13 (the "District"). The District provides educational services for grades pre-kindergarten through twelve. The District's board of education is made up of ten elected members (the "Board"), six from Durham and four from Middlefield elected on an "at-large basis" for overlapping three-year terms and administers the school system. The Board has decision-making authority, the power to designate management, the responsibility to influence operations, and primary accountability for fiscal matters, including preparing and presenting the annual District budget as defined in Chapter 164, Section 10-51 of the Connecticut General Statutes.

The District’s operating and debt service expenses are paid from direct State grants for education, transportation, miscellaneous revenues of the District, and by the member towns in proportion to the number of students attending school from each town. Estimated percentages for fiscal year 2025–26 are 65.57% for Durham and 34.43% for Middlefield. Payments are made by the member towns in monthly installments and are budgeted to operate the District on a current cash basis.

Pursuant to the Connecticut General Statutes, if a member town of the District fails to include in its annual Town budget amounts necessary to pay for its proportionate share of the annual District budget, ten or more taxable inhabitants of a town within such regional school district, a majority of the board of selectmen of any such town, the State attorney general, a holder or owner of bonds or notes of such regional school district, the board of education of such regional school district or the State Board of Education may petition the Superior Court to determine the amount of the alleged deficiency. If the court finds such deficiency to exist, it shall order such delinquent member town, through its treasurer, selectmen or assessor, to provide a sum of money equal to such deficiency, together with a sum of money equal to twenty-five percent thereof. The amount of the deficiency shall be paid by the delinquent member town as soon as it is available; the additional sum of twenty-five percent shall be kept in a separate account by such Town and shall be applied toward payment of such member town’s share of the annual budget of the regional school district in the following year. If such order is made after the fixing of the annual tax rate of such delinquent member town, the sums included in such order shall be provided by the town from any available cash surplus, from any contingent fund, from borrowing, through a rate bill under the provisions of Section 12-123 of the Connecticut General Statutes, or from any combination thereof.

Under the provisions of Section 10-63f of the Connecticut General Statutes, the withdrawal of a member town from the District or the dissolution of the District shall not impair the obligation of the withdrawing member town or the District to the holders of District bonds or other outstanding indebtedness issued prior to such withdrawal or dissolution.

DISTRICT SCHOOL FACILITIES

Schools	Grades	Date of Construction (Last Renovated)	Number of Classrooms	Enrollment 10/1/2024	Design Capacity
F. Brewster Elementary.....	Pre-K-1	1955 (2002)	24	242	350
John Lyman Elementary.....	2-3	1966 (1996)	14	206	374
Middlefield Memorial ¹	4-5	1954 (1996)	22	208	400
Frank Ward Strong	6-8	1923 (2002)	31	318	390
Coginchaug Regional High.....	9-12	1970 (2002)	46	352	579
Total			137	1,326	2,093

Source: Regional School District No. 13.

DISTRICT SCHOOL ENROLLMENT AND PROJECTIONS

Actual				
As of October 1	Grades Pre-K-5	Grades 6-8	Grades 9 - 12	Total Enrollment
2020	658	353	484	1,495
2021	642	299	425	1,366
2022	650	305	392	1,347
2023	657	304	361	1,322
2024	656	318	352	1,326
Projections				
As of October 1	Grades Pre-K-5	Grades 6-8	Grades 9 - 12	Total Enrollment
2025	651	319	337	1,307
2026	664	322	337	1,323
2027	677	310	348	1,335
2028	681	316	353	1,350
2029	688	319	351	1,358

Source: Regional School District No. 13.

III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Year	Town of Middlefield	Lower CT River Valley Planning Region¹	Middlesex County	State of Connecticut
1980	3,796	n/a	129,017	3,107,576
1990	3,925	n/a	143,196	3,287,116
2000	4,203	n/a	155,071	3,405,565
2010	4,425	n/a	165,676	3,574,097
2020	4,217	n/a	164,245	3,605,944
2023	4,236	176,215	n/a	3,598,348

¹ Starting with the 2018-2022 American Community Survey data, the area was adjusted to reflect the Lower Connecticut River Valley. Prior to this adjustment, Middlesex County data had been used.

Source: U.S. Census Bureau, Decennial Census 1980-2020; American Community Survey, 2019-2023.

AGE DISTRIBUTION OF THE POPULATION

Age	Town of Middlefield		Lower CT River Valley Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	128	3.0	6,800	3.9	181,240	5.0
5 - 9.....	140	3.3	8,687	4.9	195,390	5.4
10 - 14.....	291	6.9	7,664	4.3	217,297	6.0
15 - 19.....	242	5.7	9,795	5.6	238,145	6.6
20 - 24.....	127	3.0	11,042	6.3	233,423	6.5
25 - 34.....	421	9.9	20,527	11.6	449,771	12.5
35 - 44.....	404	9.5	22,254	12.6	451,461	12.5
45 - 54.....	838	19.8	20,848	11.8	462,543	12.9
55 - 59.....	266	6.3	13,142	7.5	260,758	7.2
60 - 64.....	395	9.3	15,185	8.6	257,548	7.2
65 - 74.....	690	16.3	22,612	12.8	376,023	10.4
75 - 84.....	211	5.0	11,855	6.7	187,378	5.2
85 and over.....	83	2.0	5,804	3.3	87,371	2.4
Total	4,236	100.0	176,215	100.0	3,598,348	100.0
Median age.....	50.5		45.6		41.2	

Source: U.S. Census Bureau, 2019-2023 American Community Survey.

INCOME LEVELS

	Median Family Income		Per Capita Income	
	(2000)	(2023)	(2000)	(2023)
Town of Middlefield.....	\$ 69,267	\$144,500	\$ 25,711	\$ 59,402
Middlesex County.....	71,319	n/a	28,251	n/a
Lower CT River Valley Planing Region.....	n/a	127,307	n/a	56,906
Connecticut.....	65,521	120,011	28,766	54,409
United States.....	49,600	96,922	21,690	43,289

Source: U.S. Census Bureau, 2000; 2019-2023 American Community Survey.

INCOME DISTRIBUTION

	Town of Middlefield		Lower CT River Valley Planning Region		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000.....	-	0.0	1,178	2.5	22,973	2.5
\$10,000 to \$14,999.....	8	0.7	385	0.8	12,547	1.4
\$15,000 to \$24,999.....	24	2.0	1,040	2.2	29,893	3.3
\$25,000 to \$34,999.....	37	3.1	2,266	4.7	35,598	3.9
\$35,000 to \$49,999.....	35	3.0	1,501	3.1	61,793	6.7
\$50,000 to \$74,999.....	143	12.1	5,819	12.1	108,046	11.8
\$75,000 to \$99,999.....	81	6.9	6,098	12.7	108,216	11.8
\$100,000 to \$149,999....	277	23.4	10,394	21.6	185,242	20.2
\$150,000 to \$199,999....	199	16.8	7,127	14.8	128,574	14.0
\$200,000 or more.....	378	32.0	12,269	25.5	224,258	24.5
Total.....	1,182	100.0	48,077	100.0	917,140	100.0

Source: U.S. Census Bureau, 2019-2023 American Community Survey.

EDUCATIONAL ATTAINMENT
Years of School Completed Age 25 and Over

	Town of Middlefield		Lower CT River Valley Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	38	1.1	2,012	1.5	101,530	4.0
9th to 12th grade.....	91	2.8	4,101	3.1	118,019	4.7
High School graduate.....	1,107	33.5	31,618	23.9	647,094	25.5
Some college - no degree.....	452	13.7	20,392	15.4	410,591	16.2
Associates degree.....	206	6.2	11,087	8.4	193,216	7.6
Bachelor's degree.....	715	21.6	34,570	26.1	581,935	23.0
Graduate or professional degree.....	699	21.1	28,447	21.5	480,468	19.0
Total.....	3,308	100.0	132,227	100.0	2,532,853	100.0
Percent High School Graduate or Higher..		96.1%		95.4%		91.3%
Percent Bachelor's Degree or Higher.....		42.7%		47.7%		41.9%

Source: U.S. Census Bureau, 2019-2023 American Community Survey.

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EMPLOYMENT BY INDUSTRY

	Town of Middlefield		Lower CT River Valley Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries.....	-	-	44	0.0	7,261	0.4
Construction.....	219	9.9	6,546	6.9	112,821	6.1
Manufacturing.....	292	13.1	11,507	12.2	195,355	10.6
Wholesale trade.....	81	3.6	1,525	1.6	37,294	2.0
Retail trade.....	148	6.7	7,972	8.4	192,535	10.5
Transportation & warehousing & utilities...	65	2.9	4,528	4.8	84,571	4.6
Information.....	36	1.6	2,206	2.3	36,631	2.0
Finance, insurance, real estate.....	221	9.9	6,853	7.2	162,724	8.9
Professional, scientific & management.....	202	9.1	12,137	12.8	223,982	12.2
Educational, health & social services.....	725	32.6	26,001	27.5	490,839	26.7
Arts, entertainment & recreation.....	84	3.8	7,930	8.4	145,445	7.9
Other professional services.....	109	4.9	3,452	3.6	78,662	4.3
Public administration.....	40	1.8	3,947	4.2	67,335	3.7
Total.....	2,222	100.0	94,648	100.0	1,835,455	100.0

Source: U.S. Census Bureau, 2019-2023 American Community Survey.

MAJOR EMPLOYERS

Name of Employer	Nature of Business	Approximate Number of Employees
Town of Middlefield.....	Municipality.....	49
Zygo Corporation.....	Manufacturing.....	410
Powder Ridge Mountain Resort.....	Recreation/Seasonal.....	230
The Lyman Farm, Inc.....	Recreation/Farming/Seasonal.....	140
United Cleaning & Restoration LLC.....	Property Services.....	80
Rogers Manufacturing Company.....	Manufacturing.....	69
Xenelis Construction Company Inc.....	Construction Services.....	44
Ramar Hall Inc.....	Manufacturing.....	37
TET Manufacturing Company Inc.....	Manufacturing.....	34
Total.....		1,093

Source: Town Officials and Connecticut Department of Labor.

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EMPLOYMENT DATA

Period	Town of Middlefield		Percentage Unemployed		
	Employed	Unemployed	Town of Middlefield (%)	Hartford Labor Market (%)	State of Connecticut (%)
July 2025.....	2,223	85	3.7	4.3	4.2
June 2025.....	2,228	65	2.8	3.5	3.4
May 2025.....	2,228	74	3.2	3.9	3.9
April 2025.....	2,241	63	2.7	3.5	3.4
March 2025.....	2,220	94	4.1	4.1	4.1
February 2025.....	2,194	97	4.2	4.4	4.5
January 2025.....	2,221	90	3.9	4.0	4.0
Annual Average					
2024.....	2,550	75	2.9	3.5	3.5
2023.....	2,511	79	3.1	3.7	3.8
2022.....	2,530	88	3.4	4.1	4.1
2021.....	2,376	123	4.9	6.4	6.4
2020.....	2,370	163	6.4	7.8	8.0
2019.....	2,513	89	3.4	3.6	3.6
2018.....	2,486	78	3.0	3.9	3.9
2017.....	2,464	89	3.5	4.4	4.4
2016.....	2,418	110	4.4	4.9	4.8
2015.....	2,390	113	4.5	5.6	5.6

¹ Not seasonally adjusted.

Source: Department of Labor, State of Connecticut.

AGE DISTRIBUTION OF HOUSING

Year Built	Town of Middlefield		Lower CT River Valley Planning Region		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
Built 2020 or later.....	-	0.0	760	0.9	6,350	0.4
Built 2010 to 2019.....	117	6.1	3,253	3.9	66,546	4.3
Built 2000 to 2009.....	84	4.3	7,975	9.6	108,430	7.1
Built 1990 to 1999.....	200	10.3	8,110	9.8	116,617	7.6
Built 1980 to 1989.....	236	12.2	14,001	16.8	197,533	12.9
Built 1970 to 1979.....	153	7.9	11,119	13.4	210,611	13.7
Built 1960 to 1969.....	147	7.6	10,377	12.5	198,807	12.9
Built 1950 to 1959.....	288	14.9	9,174	11.0	221,879	14.4
Built 1940 to 1949.....	124	6.4	3,988	4.8	95,842	6.2
Built 1939 or earlier..	584	30.2	14,385	17.3	313,434	20.4
Total.....	1,933	100.0	83,142	100.0	1,536,049	100.0

Source: U.S. Census Bureau, 2019-2023 American Community Survey.

OWNER-OCCUPIED HOUSING VALUES

Sales Price Category	Town of Middlefield		Lower CT River Valley Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
	Less than \$50,000.....	7	0.5	879	1.6	22,174
\$50,000 to \$99,999.....	17	1.1	760	1.4	15,116	1.6
\$100,000 to \$149,999.....	19	1.3	1,373	2.5	38,832	4.1
\$150,000 to \$199,999.....	65	4.4	2,230	4.0	77,152	8.2
\$200,000 to \$299,999.....	368	24.8	10,918	19.6	233,824	24.9
\$300,000 to \$499,999.....	692	46.7	23,313	41.8	319,703	34.0
\$500,000 to \$999,999.....	315	21.2	13,486	24.2	173,643	18.5
\$1,000,000 or more.....	-	0.0	2,770	5.0	59,468	6.3
Total	1,483	100.0	55,729	100.0	939,912	100.0
Median Value.....	\$371,400		\$385,300		\$343,200	

Source: U.S. Census Bureau, 2019-2023 American Community Survey.

HOUSING INVENTORY

Type	Units	Percent
1-unit detached	1,728	89.4
1-unit attached	83	4.3
2 to 4 units	114	5.9
5 to 9 units	-	-
10 or more units	-	-
Mobile home, trailer, other	8	0.4
Total Inventory	1,933	100.0

Source: U.S. Census Bureau, 2019-2023 American Community Survey.

BUILDING PERMITS

Fiscal Year Ending 6/30	Town of Middlefield	
	Number	Value
2025 ¹	472	\$ 9,504,816
2024	411	6,204,073
2023	426	9,656,446
2022	404	6,455,498
2021	283	7,269,245
2020	335	4,642,199
2019	324	3,905,181
2018	272	5,672,897
2017	318	7,384,190
2016	360	5,983,438

¹ As of June 30, 2025.

Source: Building Department, Town of Middlefield.

LAND USE SUMMARY

<u>Land Use Class</u>	<u>Acres</u>	<u>Percent of Total Area</u>
Agricultural.....	1,129	14.0%
Open Space/Conservation Land....	1,376	17.1%
Private Game Club.....	58	0.7%
Commercial.....	214	2.7%
Private Institutional.....	156	1.9%
Public Institutional.....	2,163	26.9%
Residential.....	1,820	22.6%
Utility.....	226	2.8%
Vacant.....	316	3.9%
Other.....	597	7.4%
Total	8,055	100.0%

Source: Plan of Conservation and Development, 2017.

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IV. TAX BASE DATA

ASSESSMENTS

The Town had a general property revaluation of its real property, with a physical full inspection, effective October 1, 2021. The next revaluation is scheduled for the assessment year commencing October 1, 2026. Section 12-62 of the Connecticut General Statutes, as amended, requires a revaluation every five years based on generally accepted mass appraisal methods and a revaluation of the Town's real property by physical inspection no later than ten years from the preceding physical inspection. Prior to the completion of each revaluation, the Assessor shall conduct a field review. A 2006 statute permits a municipality, upon approval of its legislative body, to phase in a real property assessment increase resulting from a revaluation over a period of up to five years. Various state statutes provide for or authorize exemptions, abatement and other adjustments to assessments. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total assessed values for all taxable and non-taxable real and personal property and motor vehicles located within the Town on October 1. Each year, the Town's Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70% of the estimated market value at the time of the last general revaluation, while assessments for personal property and motor vehicles are computed at 70% of the current fair market value.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. A physical appraisal is then completed, and the structure is classified and priced from a schedule developed at the time of the last general revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

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

Motor vehicle lists are furnished to the Town by the State of Connecticut Department of Motor Vehicles ("DMV"). Section 12-71b of the Connecticut General Statutes, as amended, provides that for assessment years commencing prior to October 1, 2024, motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1, are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List provided such registration occurs prior to November 1. If such registration occurs on or after November 1 but prior to the following August 1, the tax is prorated, and the pro-ration is based on the period of time from the date of registration until the following October 1. For assessment years commencing on or after October 1, 2024, motor vehicles which are registered with the DMV after the October 1 assessment date but before April 1 in such assessment year are subject to a property tax as if the motor vehicle has been included on the October 1 Grand List, provided such registration occurs prior to November 1. If such registration occurs on or after November 1 but prior to October 1, the tax is prorated, and the pro-ration is based on the number of months of ownership, including the month of registration, to the next succeeding October 1. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. For assessment years commencing on or after October 1, 2024, assessments for motor vehicles are computed at 70% of the vehicle's depreciated manufacturer's suggested retail price ("MSRP") pursuant to Section 12-63(7) of the Connecticut General Statutes. The Board of Selectmen may elect to apply a modified depreciated MSRP pursuant to such statute.

PROPERTY TAX COLLECTION PROCEDURE

Property taxes are levied on all taxable property on the Grand List of October 1 prior to the beginning of the fiscal year. Real estate and personal property taxes are billed on July 1 and are payable in two installments, one half on July 1 and one half on January 1, except that motor vehicle taxes and real and personal property taxes of \$250 or less are payable in one installment on July 1. Motor vehicle supplemental bills are due and payable on January 1. Payments not received within one month after the due date become delinquent, and interest will accrue at the rate of 1.5% per month (18% per annum) from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lien-ed each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Tax accounts are transferred to a suspense account when collection appears unlikely, at which time they cease to be carried as receivables. Tax accounts must be transferred to a suspense account 15 years after the due date in accordance with state statutes.

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

MOTOR VEHICLE PROPERTY TAX RATE

Section 12-71e of the Connecticut General Statutes, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property provided the motor vehicle mill rate is the lower rate. The statute caps the motor vehicle tax rate at 32.46 mills for the assessment year commencing October 1, 2021 (fiscal year ending June 30, 2023) and each assessment year thereafter. Section 4-66l of the Connecticut General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicles mill rate for fiscal year ending June 30, 2026 is 29.80 mills.

COMPARATIVE ASSESSED VALUATIONS

<u>Grand List Dated</u>	<u>Real Property</u>	<u>Motor Vehicle Property</u>	<u>Personal Property</u>	<u>Gross Taxable Grand List</u>	<u>Less Exemptions</u>	<u>Net Taxable Grand List</u>
10/1/24	\$435,388,100	\$45,111,770	\$66,754,950	\$547,254,820	\$25,274,570	\$521,980,250
10/1/23	433,909,200	53,372,670	60,652,808	547,934,678	19,417,140	528,517,538
10/1/22	432,060,100	56,932,060	55,974,010	544,966,170	17,101,408	527,864,762
10/1/21 ¹	431,169,300	53,831,250	53,666,960	538,667,510	17,503,686	521,163,824
10/1/20	355,412,380	41,258,120	51,693,440	448,363,940	16,717,200	431,646,740
10/1/19	353,008,480	38,596,134	57,807,220	449,411,834	15,057,350	434,354,484
10/1/18	352,290,630	36,448,390	47,507,820	436,246,840	15,145,410	421,101,430
10/1/17	351,221,220	36,302,874	39,818,380	427,342,474	15,781,810	411,560,664
10/1/16 ¹	346,421,320	35,261,170	34,386,090	416,068,580	15,349,950	400,718,630

¹ Revaluation Year.

Source: Assessor's Office, Town of Middlefield.

PROPERTY TAX LEVIES AND COLLECTIONS

<u>Grand List Dated</u>	<u>FY Ending 30-Jun</u>	<u>Net Taxable Grand List</u>	<u>Tax Rate (In Mills)</u>	<u>Total Adjusted Tax Levy</u>	<u>% Collected End of Each FY</u>	<u>Uncollected End of Each FY</u>	<u>Uncollected As of 6/30/2025 ¹</u>
10/1/24	2026 ²	\$521,980,250	29.80	\$15,490,140	In process	In process	
10/1/23	2025 ¹	528,517,538	28.06	14,892,692	98.8%	1.2%	\$ 180,061
10/1/22	2024	527,864,762	28.24	14,935,911	98.7%	1.3%	40,545
10/1/21 ³	2023	521,163,824	27.56	14,393,449	99.6%	0.4%	14,705
10/1/20	2022	431,646,740	31.82	13,812,631	99.7%	0.3%	12,158
10/1/19	2021	434,354,484	32.23	14,033,647	98.9%	1.1%	6,851
10/1/18	2020	421,101,430	32.47	13,729,977	98.0%	2.0%	188
10/1/17	2019	411,560,664	34.49	14,356,338	97.9%	2.1%	183
10/1/16 ³	2018	400,718,630	34.96	13,978,474	98.4%	1.6%	321

¹ Unaudited estimate.

² Adopted budget.

³ Revaluation Year.

Source: Assessor's and Tax Collector's Offices, Town of Middlefield.

TEN LARGEST TAXPAYERS

Business-Name	Nature of Business	Total Estimated Assessment	Rank	Percent of Total
Eversource Energy.....	Utility.....	\$ 23,194,560	1	4.44%
Zygo Corp.....	Manufacturing, optical instruments...	12,176,000	2	2.33%
Lyman Farm Inc.....	Farm and Retail Store.....	7,618,770	3	1.46%
Powder Ridge Mountain Park Holding....	Ski Mountain.....	6,067,990	4	1.16%
Cubsmart LP.....	Self storage.....	2,745,160	5	0.53%
Rogers Manufacturing.....	Manufacturing, plastic products.....	1,340,700	6	0.26%
Xenelis Construction Co. Inc.....	Construction.....	1,706,880	7	0.33%
Turning Corner LLC.....	Real estate.....	994,200	8	0.19%
RGR Investments LLC.....	Manufacturing, turnstyles.....	960,800	9	0.18%
6 Way Road LLC.....	Real estate.....	902,100	10	0.17%
Total		<u>\$ 57,707,160</u>		<u>11.06%</u>

¹ Based on a 10/1/24 Net Taxable Grand List of \$521,980,250.

Source: Assessor’s Office, Town of Middlefield.

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2023	\$1,005,441,001	9.66%
2022	916,879,936	22.75%
2021 ¹	746,970,728	-1.92%
2020	761,588,773	15.99%
2019	656,614,906	2.35%
2018	641,544,039	0.69%
2017	637,122,387	11.25%
2016 ¹	572,716,343	-4.15%
2015	597,503,926	2.63%

¹ Revaluation Year.

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

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V. FINANCIAL INFORMATION

FISCAL YEAR

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

BASIS OF ACCOUNTING

Accounting Policies

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Please refer to Appendix A "Audited Financial Statements" herein for compliance and implementation details.

The reporting model includes the following segments:

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

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

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

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

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

BUDGETARY PROCEDURES

In accordance with the Town charter, not later than March 1st of the current fiscal year, the First Selectman shall present to the Board of Selectmen and the Board of Finance an itemized annual budget. The Board of Finance shall receive the First Selectman's budget and make the budget available to the public and shall publish a summary of the budget in a newspaper having a substantial circulation in the Town. The Board of Finance shall schedule two (2) public hearings on the budget with the first hearing not later than March 15th. If there are no changes by the Board of Finance to the First Selectman's budget, the second hearing shall be obviated. Upon acceptance of the budget by the Board of Finance, and within fifteen (15) days of the final public hearing, the Board of Finance shall file the proposed budget with the Town Clerk for submission to the annual budget Town Meeting. Such annual budget Town Meeting shall be held on the second Monday in May at such hour and place as the Board of Selectmen may determine. The budget as presented may be adopted by a simple majority of those present and voting at the Town Meeting. Any item in an appropriation may be increased, reduced, or deleted by a two-thirds vote of those present and voting except however, the general government budget or any line item as presented may not be increased or decreased in total by an amount greater than one percent (1%) of the gross total of the municipal government expenditures as proposed by the Board of Finance.

Municipal Budget Expenditures Cap

Connecticut General Statutes Section 4-66l, as amended ("Section 4-66l"), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year ending 2018, and in each fiscal year thereafter, the State of Connecticut Office of Policy and Management ("OPM") must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more or the rate of inflation, whichever is greater (the "expenditure cap"). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality's adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-66l requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the

expenditure cap, and if so, the amount by which the expenditure cap was exceeded. The Connecticut General Assembly recently adopted legislation which prohibits OPM from penalizing municipalities that exceed the expenditures cap for fiscal year 2026.

Under Section 4-661, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures of \$100 or more or payments on unfunded pension liabilities. For the fiscal year ending June 30, 2024, the Town’s municipal revenue sharing grant from the State of Connecticut was \$108,810. The Town received no municipal revenue sharing grant funds for fiscal year ending June 30, 2025.

ANNUAL AUDIT

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by OPM, and a copy of said audit report must be filed with the OPM. The Town is in full compliance with said provisions. For the fiscal year ended June 30, 2024, the financial statements of the Town were audited by the firm of Seward and Monde, of North Haven, Connecticut.

PENSION PLANS

Municipal Employees’ Retirement System

All full-time employees of the Town participate in the Municipal Employees’ Retirement System (“MERS”). MERS is a cost sharing, multiple-employee public retirement system (“PERS”) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. Chapters 7-425 to 7-451 of the Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut’s financial reporting entity and is included in the State’s financial report as pension trust fund. MERS issues a publicly available financial report which can be obtained at www.ct.gov.

The following represents a historical trend of the Town’s proportional share of the net pension liability of MERS:

	Connecticut Municipal Employees' Retirement System (General Employees)				
	2024	2023	2022	2021	2020
Town's porportion of Net Pension Liability.....	0.198323%	0.205476%	0.202786%	0.164151%	0.210108%
Town's proportionate share of the Net Pension Liability.....	\$ 904,852	\$ 923,828	\$ 479,947	\$ 644,624	\$ 775,469
Town's covered-employee payroll.....	\$ 598,571	\$ 578,810	\$ 549,108	\$ 420,392	\$ 540,128
Town's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll.....	151.17%	159.61%	87.40%	153.03%	143.57%
Plan fiduciary position as percentage of the Total Pension Liability.....	69.54%	68.71%	82.59%	71.18%	72.69%

The following represents a sensitivity of the Town’s proportional net pension liability as of June 30, 2024:

	Fiscal year ending June 30, 2024		
	Current		
	1% Decrease	Discount Rate	1% Increase
	6.00%	7.00%	8.00%
CMERS Plan:			
Net Pension Liability.....	\$ 1,255,738	\$ 904,852	\$ 609,220

The following represents a historical trend of the Town’s annual funding of the contractually required contribution to MERS:

Fiscal Year Ended	Actuarially Determined Employer Contribution (ADEC)	Annual Contribution	% of ARC Contributed
2025 ¹	\$ 111,458	\$ 111,458	100.0
2024	101,585	101,585	100.0
2023	86,791	86,791	100.0
2022	61,611	61,611	100.0
2021	58,190	58,190	100.0

¹ Adopted budget.

Volunteer Fire Length of Service Award Program

The Town sponsors a Length of Service Award Plan (“LOSAP”), a defined contribution service award program, for members of the Middlefield Volunteer Fire Company (“MVFC”). Contribution provisions and benefit provisions of the LOSAP are established by and can be amended by the Board of Finance and the Board of Selectmen.

LOSAP covers individuals who perform fire and prevention services without compensation. A member of the MVFC shall become a participant in the plan once at least one of the following criteria is satisfied: 1) a member has at least ten (10) year of service; 2) a member is totally or permanent disabled while serving; and 3) death occurs while a participant. All plan participants shall be eligible for an annual contribution funded by the Town. Participants may not make contributions to the plan. Annual contributions range between \$600 and \$1,200.

Please refer to the Town of Middlefield’s “Notes to the Financial Statements”, Note 9, in “Appendix A” herein for further information on the Town’s Pension Plans.

OTHER POST-EMPLOYMENT BENEFITS

The Town does not provide Other Post-Employment Benefits to employees.

INVESTMENT PRACTICES

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

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GENERAL FUND OPERATING STATEMENT - FY 2023-24
 Budget and Actual
 (Budgetary Basis)

	Fiscal Year 2023-24		
	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes, interest and liens	\$14,866,263	\$15,112,949	246,686
Intergovernmental revenue	2,246,560	2,360,757	114,197
Chages for services.....	156,100	231,606	75,506
Investment income	220,000	724,861	504,861
Other revenue.....	68,362	156,486	88,124
TOTAL REVENUES	17,557,285	18,586,659	1,029,374
EXPENDITURES			
Current:			
General government	2,560,430	2,425,407	135,023
Public safety	603,975	513,505	90,470
Public works	578,239	519,541	58,698
Health and welfare	70,399	70,397	2
Recreation and leisure	171,687	155,538	16,149
Education	13,488,046	13,488,046	-
Debt service	50,736	50,735	1
TOTAL EXPENDITURES	17,523,512	17,223,169	300,343
Excess (deficiency) of revenues over expenditures.....	33,773	1,363,490	1,329,717
Other financing sources (uses):			
Appropriation of fund balance.....	910,824	-	(910,824)
Operating transfers in.....	49,494	48,331	(1,163)
Operating transfers out.....	(994,091)	(994,091)	-
Total other financing sources (uses)...	(33,773)	(945,760)	(911,987)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.....	\$ -	\$ 417,730	\$ 417,730

Source: Annual Audited Financial Statement

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COMPARATIVE GENERAL FUND OPERATING STATEMENT - FY 2024-25 & 2025-26

Budget and Actual
(Budgetary Basis)

	<u>Fiscal Year 2024-25 (Unaudited estimate)</u>			<u>Fiscal Year</u>
	<u>Final</u>		<u>Variance</u>	<u>2025-26</u>
	<u>Budget</u>	<u>Estimate</u>	<u>Favorable</u>	<u>Adopted</u>
			<u>(Unfavorable)</u>	<u>Budget</u>
REVENUES				
Property taxes, interest and liens	\$14,878,045	\$15,010,220	132,175	\$ 15,490,140
Intergovernmental revenue	2,393,293	2,399,239	5,946	2,391,158
Chages for services.....	165,389	184,203	18,814	186,500
Investment income	400,000	549,413	149,413	400,000
Other revenue.....	63,799	123,731	59,932	64,675
TOTAL REVENUES	<u>17,900,526</u>	<u>18,266,806</u>	<u>366,280</u>	<u>18,532,473</u>
EXPENDITURES				
Current:				
General government	2,751,630	2,693,126	58,504	2,814,208
Public safety	584,957	532,577	52,380	571,089
Public works	589,635	648,800	(59,165)	603,547
Health and welfare	77,669	74,414	3,255	82,491
Recreation and leisure	196,366	176,320	20,046	185,971
Education	13,498,799	13,498,797	2	14,143,447
Debt service	50,736	50,736	-	50,736
TOTAL EXPENDITURES	<u>17,749,792</u>	<u>17,674,770</u>	<u>75,022</u>	<u>18,451,489</u>
Excess (deficiency) of revenues over expenditures.....	<u>150,734</u>	<u>592,036</u>	<u>441,302</u>	<u>80,984</u>
Other financing sources (uses):				
Appropriation of fund balance.....	1,058,272	-	(1,058,272)	1,057,750
Operating transfers in.....	67,636	51,613	(16,023)	58,425
Operating transfers out.....	<u>(1,276,642)</u>	<u>(1,276,642)</u>	<u>-</u>	<u>(1,197,159)</u>
Total other financing sources (uses)...	<u>(150,734)</u>	<u>(1,225,029)</u>	<u>(1,074,295)</u>	<u>(80,984)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.....	<u>\$ -</u>	<u>\$ (632,993)</u>	<u>\$ (632,993)</u>	<u>\$ -</u>

Source: Unaudited Estimate Fiscal Year 2024-25; Adopted Budget Fiscal Year 2025-26.

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

Fiscal Year Ended:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
ASSETS					
Cash and cash equivalents.....	\$ 6,508,241	\$ 8,544,344	\$ 8,780,949	\$ 8,451,115	\$ 10,456,463
Receivables, net.....	623,074	450,085	751,308	670,945	606,327
Due from other funds.....	-	-	97,326	80,076	56,941
Prepaid items.....	56,856	86,802	55,428	805,509	77,286
TOTAL ASSETS.....	<u>\$ 7,188,171</u>	<u>\$ 9,081,231</u>	<u>\$ 9,685,011</u>	<u>\$ 10,007,645</u>	<u>\$ 11,197,017</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable.....	\$ 82,113	\$ 554,256	\$ 568,815	\$ 535,895	\$ 528,270
Accrued liabilities.....	-	-	-	-	-
Due to other funds.....	3,162,940	4,091,925	4,369,000	4,857,693	3,566,958
Unearned revenue.....	39,490	-	-	-	-
TOTAL LIABILITIES.....	<u>3,284,543</u>	<u>4,646,181</u>	<u>4,937,815</u>	<u>5,393,588</u>	<u>4,095,228</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes.....	425,101	358,973	337,974	377,857	326,194
Unavailable revenue - loans receivable...	-	-	-	-	-
Unavailable revenue - leases.....	-	-	254,963	199,830	2,321,495
Deferred inflows of resources.....	<u>425,101</u>	<u>358,973</u>	<u>592,937</u>	<u>577,687</u>	<u>2,647,689</u>
FUND BALANCES					
Nonspendable.....	56,856	86,802	55,428	805,509	77,286
Restricted.....	-	-	-	-	-
Committed.....	250,000	500,000	800,000	850,000	1,068,486
Assigned.....	-	-	-	-	-
Unassigned.....	3,171,671	3,489,275	3,298,831	2,380,861	3,308,328
TOTAL FUND BALANCES.....	<u>3,478,527</u>	<u>4,076,077</u>	<u>4,154,259</u>	<u>4,036,370</u>	<u>4,454,100</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE.....	<u>\$ 7,188,171</u>	<u>\$ 9,081,231</u>	<u>\$ 9,685,011</u>	<u>\$ 10,007,645</u>	<u>\$ 11,197,017</u>

Source: Annual Audited Financial Statements.

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

Fiscal Year Ended:	2020	2021	2022	2023	2024
REVENUES					
Property taxes.....	\$ 13,897,678	\$ 14,193,330	\$ 13,930,576	\$ 14,439,721	\$ 15,112,949
Intergovernmental revenue.....	2,198,164	2,205,543	2,202,494	2,286,061	2,360,757
Charges for services.....	166,519	252,696	203,933	188,704	231,606
Income on investments.....	61,497	15,176	12,036	232,308	724,861
Miscellaneous.....	150,525	107,018	114,248	131,095	156,486
TOTAL REVENUES.....	16,474,383	16,773,763	16,463,287	17,277,889	18,586,659
EXPENDITURES					
Current:					
General government.....	2,090,911	2,117,953	2,272,067	2,331,909	2,425,407
Public safety.....	541,442	538,429	565,675	535,475	513,505
Public works.....	456,884	475,531	510,542	512,565	519,541
Health welfare.....	70,536	67,057	72,442	63,918	70,397
Recreation and leisure.....	124,117	89,857	132,094	154,324	155,538
Education.....	11,612,501	11,674,784	11,797,537	12,934,536	13,488,046
Debt service.....	486,128	413,368	126,867	50,736	50,735
TOTAL EXPENDITURES.....	15,382,519	15,376,979	15,477,224	16,583,463	17,223,169
<i>Excess (deficiency) of revenues over expenditures.....</i>	<i>1,091,864</i>	<i>1,396,784</i>	<i>986,063</i>	<i>694,426</i>	<i>1,363,490</i>
<i>Other financing sources (uses):</i>					
Lease.....					
Operating transfers in.....	246,400	84,486	34,751	48,449	48,331
Operating transfers out.....	(993,383)	(883,720)	(942,632)	(860,764)	(994,091)
<i>Total other financing sources (uses)..</i>	<i>(746,983)</i>	<i>(799,234)</i>	<i>(907,881)</i>	<i>(812,315)</i>	<i>(945,760)</i>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....</i>	<i>344,881</i>	<i>597,550</i>	<i>78,182</i>	<i>(117,889)</i>	<i>417,730</i>
<i>Fund Balance - July 1.....</i>	<i>3,133,646</i>	<i>3,478,527</i>	<i>4,076,077</i>	<i>4,154,259</i>	<i>4,036,370</i>
<i>Fund Balance - June 30.....</i>	<i>\$ 3,478,527</i>	<i>\$ 4,076,077</i>	<i>\$ 4,154,259</i>	<i>\$ 4,036,370</i>	<i>\$ 4,454,100</i>

Source: Annual Audited Financial Statements.

ANALYSIS OF GENERAL FUND EQUITY
(GAAP BASIS)

FISCAL YEAR ENDED:	2020	2021	2022	2023	2024
Nonspendable.....	\$ 56,856	\$ 86,802	\$ 55,428	\$ 805,509	\$ 77,286
Committed.....	250,000	500,000	800,000	850,000	1,068,486
Unassigned.....	3,171,671	3,489,275	3,298,831	2,380,861	3,308,328
Total Fund Balance.....	\$ 3,478,527	\$ 4,076,077	\$ 4,154,259	\$ 4,036,370	\$ 4,454,100
Unassigned Fund Balance As % of					
Total Expenditures.....	21.24%	25.07%	25.30%	23.14%	24.45%

Source: Annual Audited Financial Statements.

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues & Transfers in	Property Tax Revenues	Property Tax Revenues as a % of General Fund Revenues
2026 ¹	\$ 19,648,648	\$ 15,490,140	78.8 %
2025 ²	18,318,419	15,010,220	81.9
2024	18,634,990	15,112,949	81.1
2023	17,326,338	14,439,721	83.3
2022	16,498,038	13,930,576	84.4

¹ Adopted budget.

² Unaudited estimate.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues & Transfers in	Intergovernmental Revenue	Aid as a % of General Fund Revenues
2026 ¹	\$ 19,648,648	\$ 2,391,158	12.2 %
2025 ²	18,318,419	2,399,239	13.1
2024	18,634,990	2,360,757	12.7
2023	17,326,338	2,286,061	13.2
2022	16,498,038	2,202,494	13.4

¹ Adopted budget.

² Unaudited estimate.

EXPENDITURES

Fiscal Year	Education	Public Safety	General Government	Public Works	Debt Service
2026 ¹	72.0%	2.9%	14.3%	3.1%	0.3%
2025 ²	71.2%	2.8%	14.2%	3.4%	0.3%
2024	78.3%	3.0%	14.1%	3.4%	0.3%
2023	74.1%	3.1%	13.4%	2.9%	0.3%
2022	71.8%	3.4%	13.8%	3.1%	0.8%

¹ Adopted budget.

² Unaudited estimate.

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VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of October 15, 2025
(Pro Forma)

Long-term Bonded Debt

The Town currently has no long-term bonded debt.

Other long-term Debt (Leases):

Equipment Note Payable (principal only):

	<u>Principal</u>	<u>Interest</u>
2026	\$48,177	\$2,558
2027	49,439	1,296
Total	<u>\$97,616</u>	<u>\$3,854</u>

OVERLAPPING/UNDERLYING DEBT

	Amount of Authorized But Unissued Debt	Amount of Outstanding Debt	Net Debt Outstanding	Applicable % of Net Debt Charged to Town	Town Net Overlapping Debt
RSD #13.....	\$ 39,000,000	\$ 6,200,000	\$ 6,200,000	34.43%	\$2,134,660

DEBT STATEMENT

As of October 15, 2025
(Pro Forma)

Bonded Indebtedness	
General Obligation Bonds.....	\$ -
Equipment Notes payable.....	97,616
Total Bonded Indebtedness	<u>97,616</u>
Short-Term Indebtedness	
<i>The Notes (This Issue)</i>	12,275,000
Total Short-Term Indebtedness	<u>12,275,000</u>
Total Direct Indebtedness	<u>12,372,616</u>
Exclusions:	-
Net Direct Indebtedness	12,372,616
Overlapping Indebtedness	2,134,660
Net Direct Plus Underlying Indebtedness	<u>\$ 14,507,276</u>

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

CURRENT DEBT RATIOS

As of October 15, 2025
(Pro Forma)

Total Direct Indebtedness	\$12,372,616
Net Direct Indebtedness	\$12,372,616
Net Direct Plus Underlying Indebtedness	\$14,507,276
Population ¹	4,236
Net Taxable Grand List (10/1/24)	\$521,980,250
Estimated Full Value	\$745,686,071
Equalized Net Taxable Grand List (2023) ²	\$1,005,441,001
Per Capita Income ¹	\$59,402
<u>Total Direct Debt:</u>	
Per Capita	\$2,920.83
To Net Taxable Grand List	2.37%
To Estimated Full Value	1.66%
To Equalized Net Taxable Grand List	1.23%
Per Capita to Per Capita Income	4.92%
<u>Net Direct Debt:</u>	
Per Capita	\$2,920.83
To Net Taxable Grand List	2.37%
To Estimated Full Value	1.66%
To Equalized Net Taxable Grand List	1.23%
Per Capita to Per Capita Income	4.92%
<u>Net Direct Plus Underlying Indebtedness:</u>	
Per Capita	\$3,424.76
To Net Taxable Grand List	2.78%
To Estimated Full Value	1.95%
To Equalized Net Taxable Grand List	1.44%
Per Capita to Per Capita Income	5.77%

¹ U.S. Census Bureau, 2019-2023 American Community Survey.

² Office of Policy and Management, State of Connecticut.

LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

The Town has the power to incur indebtedness by issuing its bonds, notes or other borrowings as authorized by the Connecticut General Statutes subject to statutory debt limitations and the requirements of the Town Charter including Section 1012 thereof. The issuance of bonds, notes and other obligations shall be authorized by resolutions of the Board of Finance and the Board of Selectmen, and thereafter by the Town Meeting except as provided below. For borrowings which exceed twenty (20%) percent of the current annual general fund budget, in lieu of approval at a Town Meeting, the resolution with respect to such borrowing must be approved by a majority of voters at referendum held in accordance with Section 7-9c of the Connecticut General Statutes. Notwithstanding the foregoing, refunding bonds may be issued pursuant to a resolution of the Board of Selectmen (CGS Sec. 7-370c).

Except for refunding bonds that achieve net present value savings or refunding bonds issued prior to July 1, 2027 that are approved by a two-thirds vote of the Town's Board of Selectmen, general obligation (serial or term) bonds are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50%, or aggregate annual principal and interest payments must be substantially equal. The term of an issue may not exceed thirty years.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body

schedules principal reductions no later than the end of the third year and for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school construction projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

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

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

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

LIMITATION OF INDEBTEDNESS

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

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

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

The Connecticut General Statutes also provides for exclusion from the debt limit calculation debt: (i) issued in anticipation of taxes; (ii) issued for the supply of water, the supply of gas, the supply of electricity, electric demand response, conservation and load management, distributed generation, renewable energy projects, the construction of subways for cables, wires and pipes, the construction of underground conduits for cables, wires and pipes, the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for water pollution control projects; and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of the principal of, and interest on such bonds, notes or other evidence of indebtedness.

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STATEMENT OF STATUTORY DEBT LIMITATION

As of October 15, 2025

(Pro Forma)

Total fiscal year 2024 tax collections (including interest and lien fees).....	\$ 14,987,431
State Reimbursement for Revenue Loss on Tax Relief for the Elderly.....	-
Base for Establishing Debt Limit.....	<u>\$ 14,987,431</u>

<u>Debt Limitation</u>	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>	<u>Total Debt</u>
(2.25 times base).....	\$ 33,721,720					
(4.50 times base).....		\$ 67,443,440				
(3.75 times base).....			\$ 56,202,866			
(3.25 times base).....				\$ 48,709,151		
(3.00 times base).....					\$ 44,962,293	
(7.00 times base).....						\$ 104,912,017
Indebtedness (Including <i>This Issue</i>)						
Bonds Payable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>The Notes (This Issue)</i> ...	12,275,000	-	-	-	-	12,275,000
Authorized but Unissued Debt.....	650	-	-	-	-	650
Gross Direct Debt.....	<u>12,275,650</u>	-	-	-	-	<u>12,275,650</u>
Underlying Debt.....	-	<u>2,134,660</u>	-	-	-	<u>2,134,660</u>
Net Direct and Underlying Debt.....	<u>12,275,650</u>	<u>2,134,660</u>	-	-	-	<u>14,410,310</u>
Excess of Limit Over Outstanding and Authorized Debt.....	<u>\$ 21,446,070</u>	<u>\$ 65,308,780</u>	<u>\$ 56,202,866</u>	<u>\$ 48,709,151</u>	<u>\$ 44,962,293</u>	<u>\$ 90,501,707</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$104,912,017.

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

AUTHORIZED BUT UNISSUED DEBT

As of October 15, 2025

(Pro Forma)

<u>Project</u>	<u>Amount of Total Authorization</u>	<u>Prior Bonds/ Paydowns</u>	<u>Grants Receivable</u>	<u>The Notes (This Issue)</u>	<u>Authorized But Unissued Debt</u>
Public Safety Facility.....	<u>\$ 14,500,000</u>	<u>\$ -</u>	<u>\$ 2,224,350</u>	<u>\$ 12,275,000</u>	<u>\$ 650</u>

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CAPITAL IMPROVEMENT PLAN

	<u>2025/2026</u>	<u>2026/2027</u>	<u>2027/2028</u>	<u>2028/2029</u>	<u>2029/2030</u>	<u>Total</u>
Summary of Programs						
General Government.....	\$ 149,303	\$ 160,763	\$ 160,319	\$ 133,021	\$ 122,518	\$ 725,924
Public Safety.....	511,919	666,668	646,051	608,879	606,190	3,039,707
Public Works.....	570,120	501,733	501,733	457,343	466,364	2,497,293
Recreation and Leisure.....	8,208	18,422	17,232	16,977	16,977	77,816
Total.....	<u>\$ 1,239,550</u>	<u>\$ 1,347,586</u>	<u>\$ 1,325,335</u>	<u>\$ 1,216,220</u>	<u>\$ 1,212,049</u>	<u>\$ 6,340,740</u>
Source of Funding						
General Fund Support.....	\$ 1,191,809	\$ 1,299,845	\$ 1,277,594	\$ 1,168,479	\$ 1,164,308	6,102,035
LOCIP and State Town Aid.....	47,741	47,741	47,741	47,741	47,741	238,705
Total.....	<u>\$ 1,239,550</u>	<u>\$ 1,347,586</u>	<u>\$ 1,325,335</u>	<u>\$ 1,216,220</u>	<u>\$ 1,212,049</u>	<u>\$ 6,340,740</u>

HISTORICAL DEBT STATEMENT

	<u>2025¹</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Population ²	4,236	4,236	4,236	4,240	4,276
Net taxable grand list.....	\$ 528,517,538	\$ 527,864,762	\$ 521,163,824	\$ 431,646,740	\$ 434,354,484
Estimated full value.....	\$ 755,025,054	\$ 754,092,517	\$ 744,519,749	\$ 616,638,200	\$ 620,506,406
Equalized net taxable grand list ³	\$1,005,441,001	\$ 916,879,936	\$ 746,970,728	\$ 761,588,773	\$ 656,614,906
Per capita income ²	\$ 59,402	\$ 59,402	\$ 59,402	\$ 56,648	\$ 46,751
Long-Term Debt					
Bonds.....	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment Lease.....	98,616	144,563	190,311	234,890	350,505
Short-Term Debt					
Bond Anticipation Notes...	-	-	-	-	-
Total Direct Debt.....	<u>\$ 98,616</u>	<u>\$ 144,563</u>	<u>\$ 190,311</u>	<u>\$ 234,890</u>	<u>\$ 350,505</u>
Total Net Direct Debt.....	<u>\$ 98,616</u>	<u>\$ 144,563</u>	<u>\$ 190,311</u>	<u>\$ 234,890</u>	<u>\$ 350,505</u>

¹ Unaudited estimate.

² U.S. Census Bureau, 2019-2023 American Community Survey.

³ Office of Policy and Management, State of Connecticut.

HISTORICAL DEBT RATIOS

	<u>2025¹</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total Direct Debt:					
Per Capita.....	\$ 23.28	\$ 34.13	\$ 44.93	\$ 55.40	\$ 81.97
To Net Taxable Grand List.....	0.02%	0.03%	0.04%	0.05%	0.08%
To Estimated Full Value.....	0.01%	0.02%	0.03%	0.04%	0.06%
To Equalized Net Grand List.....	0.01%	0.02%	0.03%	0.03%	0.05%
Debt per Capita to per Capita Income..	0.04%	0.06%	0.08%	0.10%	0.18%
Net Direct Debt:					
Per Capita.....	\$ 23.28	\$ 34.13	\$ 44.93	\$ 55.40	\$ 81.97
To Net Taxable Grand List.....	0.02%	0.03%	0.04%	0.05%	0.08%
To Estimated Full Value.....	0.01%	0.02%	0.03%	0.04%	0.06%
To Equalized Net Grand List.....	0.01%	0.02%	0.03%	0.03%	0.05%
Debt per Capita to per Capita Income..	0.04%	0.06%	0.08%	0.10%	0.18%

¹ Unaudited estimate.

RATIO OF DEBT SERVICE TO TOTAL EXPENDITURES AND TRANSFERS OUT

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures and Transfers out	Ratio of General Fund Debt Service to Total General Fund Expenditures and Transfers Out %
2026 ¹	\$ 50,736	\$ 19,648,648	0.3%
2025 ²	50,736	19,026,434	0.3%
2024	50,735	18,217,260	0.3%
2023	50,736	17,444,227	0.3%
2022	126,867	16,419,856	0.8%
2021	413,368	16,260,699	2.5%

¹ *Adopted budget.*

² *Unaudited estimate.*

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VII. ADDITIONAL INFORMATION

THE COVID-19 OUTBREAK AND FUTURE PANDEMICS

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

The outbreak of COVID-19 and the response of governments to the pandemic materially affected travel, commerce and economic activity and financial markets globally. In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”) that provided various forms of financial assistance and other relief to state and local governments. The Town received \$1.3 million from the Rescue Plan. The Town developed and implemented a plan for the use of such funds that focused on capital projects and other initiatives that complied with the program eligibility criteria. All funds have been appropriated and expended and all projects were completed.

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

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

Pandemics, epidemics and other public health emergencies, including COVID-19 or a variant thereof, may adversely impact the Town and its revenues, expenses, operations and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the finances and operations of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Town revenues, expenses, operations and financial condition.

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

CYBERSECURITY

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including, but not limited to, hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate or reduce the risks posed to its operations and/or potential damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could negatively impact business operations and/or damage the Town’s digital networks and systems. The costs of remedying any such damage could be substantial. The Town has established an Incident Response Plan as well as held a round table with its IT consultant to assist in preparations if the Town were ever to experience a cyber incident. The Town staff participates in ongoing cybersecurity training and receives weekly tutorial emails regarding recognizing potential cyber threats. The Town is continuously working with its IT consultants to review and upgrade its equipment to ensure that the Town’s IT infrastructure is protected from cyber incidents. As of June 30, 2025, the Town has suffered no cyber breaches.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. The Town faces other weather-related threats, including damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate events and their potential impact on the Town’s operations and finances. However, because the Town holds reserves and annually budgets for weather-related contingencies, it believes that it is adequately protected against the risks of severe weather. Additionally, the Town works closely with the local power company to remove trees that have been identified as a hazard to the utility infrastructure. The Town is

continuously reviewing its capital plan for upgrades/replacements to the road infrastructure, facilities and vehicles. This review also includes plans to mitigate the impact of weather-related hazards. The Town has already made upgrades to its dam to mitigate any potential failures and has also made upgrades to the dam gate. The Town is currently reviewing the condition of its roads and culverts. A plan has been devised and grant funding is available to the Town to upgrade some roads and culverts that have been impacted by recent storms. To finance the balance of these projects, the Town is considering the issuance of debt and the use of its general fund surplus. In the opinion of Town officials, new development and redevelopment in the Town has not resulted in unreasonable risks to natural resources.

LITIGATION

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

MUNICIPAL ADVISOR

The Town has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Notes. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Municipal Advisor's fee for services rendered with respect to the sale of the Notes is contingent upon the issuance and delivery of the Notes, and receipt by the Town of payment therefor. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regards to the investment of note proceeds.

TRANSCRIPT AND CLOSING DOCUMENTS

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

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

The Town has prepared a Preliminary Official Statement for the Notes which is dated September 23, 2025. The Town deems such Preliminary Official Statement final as of its date for purposes of SEC Rule 15c-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning bidder of the Notes a reasonable number of copies of the final Official Statement at the Town's expense within seven business days of the bid opening. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the Town in authorizing the Notes will be kept on file at the offices of U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut and will be available for examination upon reasonable request if U.S. Bank is designated the certifying agent, the registrar, the transfer agent and the paying agent for the Notes.

CONCLUDING STATEMENT

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

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

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

TOWN OF MIDDLEFIELD, CONNECTICUT

Robert Yamartino, *First Selectman*

Mary Ann Zieminski, *Treasurer*

Al Rusilowicz, *Finance Director*

September __, 2025

APPENDIX A - BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Appendix A - Basic Financial Statements - is taken from the Financial Statements of the Town of Middlefield for the Fiscal Year ended June 30, 2024 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Finance Director, Town of Middlefield, Middlefield, Connecticut.

SEWARD AND MONDE

CERTIFIED PUBLIC ACCOUNTANTS
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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	11,068,026	10,077,869
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	1,072,180	1,128,777
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	48,002	81,352
	<u>2,369,497</u>	<u>281,182</u>
Net Position		
Net investment in capital assets	10,923,463	9,887,558
Unrestricted	8,799,658	8,757,224
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 revenues:			
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	1,013,930	1,039,612
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	904,852	923,828
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

	Governmental Activities
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	4,825,418
Total assets	23,710,603
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges related to pensions	339,517
Total deferred outflows of resources	339,517
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	1,072,180
Total liabilities	1,957,502
DEFERRED INFLOWS OF RESOURCES	
Deferred credits related to leases	2,321,495
Deferred credits related to pensions	48,002
Total deferred inflows of resources	2,369,497
NET POSITION	
Net investment in capital assets	10,923,463
Unrestricted	8,799,658
Total net position	\$ 19,723,121

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	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
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	<u>\$ 19,250,989</u>	<u>\$ 711,470</u>	<u>\$ 3,367,764</u>	<u>\$ -</u>	<u>\$ 4,079,234</u>	<u>(15,171,755)</u>
General revenues:						
						15,058,417
						431,288
						731,889
						28,500
						<u>16,250,094</u>
						1,078,339
						<u>18,644,782</u>
						<u>\$ 19,723,121</u>

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 Beseck	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>\$ 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>

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
<p>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:</p>	
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	<u>18,586,659</u>	<u>214,714</u>	<u>255,202</u>	<u>35,304</u>	<u>986,803</u>	<u>341,652</u>	<u>20,420,334</u>
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	<u>17,223,169</u>	<u>1,512,393</u>	<u>274,689</u>	<u>1,125</u>	<u>986,803</u>	<u>312,221</u>	<u>20,310,400</u>
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	<u>(994,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,331)</u>	<u>(1,042,422)</u>
Total other financing sources (uses)	<u>(945,760)</u>	<u>988,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,981)</u>	<u>-</u>
Net change in fund balance	417,730	(308,938)	(19,487)	34,179	-	(13,550)	109,934
Fund balance - July 1, 2023	<u>4,036,370</u>	<u>3,767,796</u>	<u>206,827</u>	<u>119,334</u>	<u>-</u>	<u>305,790</u>	<u>8,436,117</u>
Fund balance - June 30, 2024	<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>

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	<u>(303,861)</u>
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	<u>(17,921)</u>

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.	<u>(6,324)</u>
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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	\$ 1,080
Total assets	<u>\$ 1,080</u>
 NET POSITION	
Restricted for: Organizations	<u>1,080</u>
Total net position	<u>\$ 1,080</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	\$ 450	
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.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
. . . 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>
	Statement of Net Position
Demand, savings and money market accounts	\$ 4,773,382
Petty cash	170
Connecticut Short-term Investment Fund (STIF)	6,381,579
Total cash and cash equivalents	\$ 11,155,131

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	49,807	2,996
	\$ 158,843	\$ 35,760

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:

	Due From Other Funds	Due to Other Funds
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	1,080	-
	<u>\$ 3,889,152</u>	<u>\$ 3,889,152</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:

	Transfers In	Transfers Out
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	5,350	2,500
	\$ 1,042,422	\$ 1,042,422

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>-</u>	<u>-</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	48,177	2,558
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>\$ 8,546,051</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

TOWN OF MIDDLEFIELD, CONNECTICUT
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 inactive, 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 expenses, including inflation	7.00%

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.

TOWN OF MIDDLEFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
. . . 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	1,959,060	1,959,060	1,958,785	(275)
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	1,000	1,000	11,676	10,676
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	<u>68,362</u>	<u>68,362</u>	<u>156,486</u>	<u>88,124</u>
Transfers from other funds:				
Park and recreation fund - summer camp	44,744	44,744	45,831	1,087
Old Indian Trail 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	<u>49,494</u>	<u>49,494</u>	<u>48,331</u>	<u>(1,163)</u>
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	<u>220,000</u>	<u>220,000</u>	<u>724,861</u>	<u>504,861</u>
Other financing sources:				
General Fund balance	850,000	910,824	910,824	-
Total other financing sources	<u>850,000</u>	<u>910,824</u>	<u>910,824</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 18,456,779</u>	<u>\$ 18,517,603</u>	<u>\$ 19,545,814</u>	<u>\$ 1,028,211</u>

**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**

	Original Budget	Final Appropriated Budget	Actual	Variance with Final Budget
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	11,000	15,076	15,076	-
Total Selectman's office	317,147	330,026	330,026	-
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	2,000	597	597	-
Total professional services	163,849	196,248	196,248	-
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	33,356	33,556	33,556	-
Total municipal insurances	117,440	117,440	115,133	2,307
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	7,500	7,500	5,895	1,605
Total general and central services	182,650	182,650	149,933	32,717

... 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 ...**

	Original Budget	Final Appropriated Budget	Actual	Variance with Final Budget
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	20,676	20,676	20,075	601
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	24,435	24,435	15,808	8,627
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	25,110	27,728	27,728	-
Total public safety	617,611	603,975	513,505	90,470
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	578,239	578,239	519,541	58,698

... 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	13,488,045	13,488,046	13,488,046	-
Total Education	13,488,045	13,488,046	13,488,046	-
Debt Service:				
TDBank lease - fire department	50,736	50,736	50,735	1
Total debt service	50,736	50,736	50,735	1
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	\$ 18,456,779	\$ 18,517,603	18,217,260	\$ 300,343
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**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
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	<u>101,585</u>	<u>86,791</u>	<u>61,611</u>	<u>58,190</u>	<u>65,749</u>	<u>53,402</u>	<u>54,653</u>	<u>67,594</u>	<u>80,123</u>	<u>77,986</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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

APPENDIX B – FORM OF OPINION OF BOND COUNSEL AND TAX MATTERS

October 15, 2025

Town of Middlefield
Town Hall
393 Jackson Hill Road
Middlefield, Connecticut 06455

RE: Town of Middlefield, Connecticut
\$12,275,000 General Obligation Bond Anticipation Notes, dated October 15, 2025

Greetings:

We have acted as bond counsel to the Town of Middlefield, Connecticut (the “Town”) in connection with the issuance by the Town of its \$12,275,000 General Obligation Bond Anticipation Notes, dated October 15, 2025 (the “Notes”).

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

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

1. When certified as provided thereon by a duly authorized official of U.S. Bank Trust Company, National Association, the Notes will be the valid and binding general obligations of the Town.
2. The Notes will be payable as to both principal and interest, unless paid from other sources, from *ad valorem* taxes which may be levied on all taxable property in the territory of the Town without limitation regarding rate or amount, except as to certain classified property. Pursuant to the Connecticut General Statutes, classified property includes certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts.
3. Interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

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

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

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

We express no opinion regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement dated September 23, 2025, the final Official Statement dated September 30, 2025, or any other offering material relating to the Notes.

Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligations to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Very truly yours,

UPDIKE, KELLY & SPELLACY, P.C.

TAX MATTERS

Federal Tax Matters

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

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

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

State Taxes

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

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

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

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

Original Issue Discount

With respect to any of the Notes where the initial public offering price of such Notes is less than the amount payable on those Notes at maturity (the “OID Notes”), the difference between the initial public offering price to the public (excluding bond houses and brokers) at which a substantial amount of the OID Notes is sold and the amount payable on such OID Notes at maturity will constitute original issue discount (“OID”). The offering prices relating to the yields set forth on the cover page of the Official Statement for the OID Notes are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Notes are sold. Under existing law, OID on the Notes accrued and properly allocable to

the owners thereof under the Code is not includable in gross income of the owners of the Notes for federal income tax purposes if interest on the Notes is not included in gross income for federal income tax purposes. Accrued original issue discount on an OID Note is also excludable from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excludable from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

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

Prospective purchasers of OID Notes should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Notes purchasing such Notes after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Notes.

Original Issue Premium

With respect to any of the Notes where the initial public offering price of such Notes is greater than the amount payable on those Notes at maturity (the "OIP Notes"), the excess of the price paid by the first owner of an OIP Note over the principal amount payable at maturity, of such OIP Note constitutes original issue premium. Original issue premium on any note is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's adjusted basis and a constant semiannual compounding method. The portion of such premium amortizing over the period the OIP Note is held by the owner does not reduce taxable income for purposes of either the federal income tax or the Connecticut income tax on individuals, trusts and estates and does not reduce amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax, but it does reduce the owner's adjusted basis in the OIP Note for purposes of determining gain or loss on its disposition. Prospective purchasers of OIP Notes should consult their own tax advisors regarding the amortization of premium and the effect upon basis.

Proposed Legislation and Other Matters

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Notes, gain from the sale or other disposition of the Notes, the market value of the Notes, or the marketability of the Notes, or otherwise prevent the owners of the Notes from realizing the full current benefit of the exclusion from gross income of the interest thereon. For example, federal legislative proposals have been made recently and in recent years that would, among other things, limit the exclusion from gross income of interest on obligations such as the Notes for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Notes or the market price for, or marketability of, the Notes. No assurance can be given with respect to the impact of future legislation on the Notes. Prospective purchasers of the Notes should consult their own tax and financial advisors regarding such matters.

General

The opinions of Bond Counsel are rendered as of their date, and Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may come to their attention or any changes in law that may occur after the date of their opinion. Bond Counsel's opinions are based on existing law, which is subject to change. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Notes may affect the tax status of interest on the Notes. No assurance can be given that future federal legislation enacted or proposed after the date of issuance of the Notes will not have an adverse effect on the tax-exempt status or market price of the Notes or will not change the effect of other federal tax law consequences discussed above of owning and disposing of the Notes. No assurance can be given that future legislation, or amendments to the State of Connecticut income tax law, if enacted into law, will not contain provisions which could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Notes or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates. The opinions of Bond Counsel are further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Notes, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (“Agreement”) is executed and delivered as of the 15th day of October, 2025, by the Town of Middlefield, Connecticut (the “Town”), acting by its undersigned officers, duly authorized, in connection with the issuance of \$12,275,000 General Obligation Bond Anticipation Notes, dated October 15, 2025 (the “Notes”) for the benefit of the beneficial owners from time to time of the Notes.

Section 1. Definitions.

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

“Final Official Statement” means the official statement of the Town, dated October __, 2025, prepared in connection with the Notes.

“Listed Events” means any of the events listed in Section 2 of this Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” means the MSRB, through the operation of the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 59061 and maintained by the MSRB for purposes of the Rule, or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“Rule” means rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Reporting of Listed Events.

The Town agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following Listed Events with respect to the Notes, in a timely manner not later than ten (10) business days after the occurrence of any such Listed Event:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;

- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;

Note to clause (l): For the purposes of the event identified in clause (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town;

- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (o) the incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect securities holders, if material; and
- (p) a default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

Note to clauses (o) and (p): For the purposes of the events identified in clauses (o) and (p) above, the term “financial obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii) but shall not include municipal securities as to which a final official statement has been provided to MSRB consistent with the Rule.

Section 3. Use of Agents.

Notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purpose from time to time.

Section 4. Termination.

The obligations of the Town under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Notes, or (ii) such time as the Town ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

Section 5. Enforcement.

The Town acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding five (5) business days) from the time the First Selectman, or a successor, receives written notice from any beneficial owner of the Notes of such failure. For purposes of this section, notice to the Town should be made to the First Selectman, Town Hall, 393 Jackson Hill Road, Middlefield, Connecticut 06455.

In the event the Town does not cure such failure within the time specified above, the beneficial owner of any of the Notes shall be entitled only to the remedy of specific performance. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

Section 6. Miscellaneous.

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Notes. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provisions of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) this Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owners of the Notes or an approving vote by the holders of not less than 66 2/3% of the aggregate principal amount of the Notes then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with the Repository in electronic format.

TOWN OF MIDDLEFIELD, CONNECTICUT

By: _____
ROBERT YAMARTINO
First Selectman

By: _____
MARY ANN ZIEMINSKI
Treasurer

By: _____
AL RUSILOWICZ
Finance Director

APPENDIX D – NOTICE OF SALE

NOTICE OF SALE

TOWN OF MIDDLEFIELD, CONNECTICUT

\$12,275,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

PROPOSALS will be received by the TOWN OF MIDDLEFIELD, CONNECTICUT (the “Town”), by ELECTRONIC BID via PARITY® at the Town of Middlefield, Town Hall, 393 Jackson Hill Road, Middlefield, Connecticut 06455, until 11:00 A.M. (Eastern Time) on TUESDAY,

SEPTEMBER 30, 2025

for the purchase, when issued, of all, or any part of, the Town’s \$12,275,000 General Obligation Bond Anticipation Notes, dated October 15, 2025 and due October 14, 2026 (the “Notes”).

The Notes are due and payable as to both principal and interest at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum. Interest shall be computed on the basis of a 30-day month and a 360-day year. The Notes are **not** subject to redemption prior to maturity.

Nature of Obligation. The Notes will constitute general obligations of the Town, and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes levied against all taxable property subject to taxation by the Town. All property taxation is without limit as to rate or amount, except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income and of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended.

Bank Qualification. The Notes shall **NOT** be designated by the Town as qualified tax exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Delivery Date and Payment. The Notes will be delivered against payment in immediately available federal funds through the facilities of The Depository Trust Company, New York, New York on October 15, 2025, unless the option for non-book-entry is exercised, in which case payment shall be made in immediately available federal funds to the Town in accordance with the Town’s instructions.

Book-Entry. Except as provided below, the Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued, except as set forth below under “Option for Non-Book-Entry”, to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000, or any integral multiples thereof, with transfers of ownership affected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. Upon receipt from the Town, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co, is the noteholder.

Option For Non-Book-Entry. A bidder for the Notes may request that the Notes be issued in the form of a single fully registered physical certificate in the par amount of the Notes, rather than in book-entry form through the facilities of DTC, provided the bid is for all of the Notes at the same interest rate. A bidder for the Notes requesting that the Notes be issued in non-book-entry form may request that it be designated by the Town as the Certifying Bank, Registrar, Transfer Agent and Paying Agent for the Notes if it is a bank or trust company authorized to act in such capacity pursuant to the Connecticut General Statutes. Any bidder seeking to have the Notes issued in non-book-entry form, or to be designated as Certifying Bank,

Registrar, Transfer Agent and Paying Agent for such Notes, shall indicate this preference to the Town at the time of the submission of the bid. The Town reserves the right to decline any request to issue the Notes in non-book-entry form, or to designate the winning bidder as Certifying Bank, Registrar, Transfer Agent and Paying Agent for the Notes, if it should determine, in its sole discretion, that issuing the Notes in such manner or with such designation is not in its best interests. If the Notes are issued in non-book-entry form, the winning bidder, and any subsequent registered owner of the Notes, shall not impose on or charge the Town any costs or expenses of any re-registration or transfer of Notes from time to time, including any costs of counsel or of converting the Notes to book-entry only form, or for any costs or expenses of services as Certifying Bank, Registrar, Transfer Agent and Paying Agent for the Notes if the winning bidder is so designated. The terms and covenants of the Notes issued in non-book-entry form shall be the same as if the Notes were issued in book-entry form, except as required to reflect that the Notes are non-book-entry and the designation of the purchaser as Certifying Bank, Registrar, Transfer Agent and Paying Agent.

Bid Terms and Basis of Award. Except as otherwise provided herein, bidders may submit proposals for all or any part of the Notes, but any proposal for a part must be for a minimum of \$100,000 of principal amount or integral multiples of \$5,000 in excess thereof. A separate proposal is required for each part of the Notes for which a separate stated interest rate is bid. Bidders are to name one rate of interest in a multiple of one hundredths (1/100ths) of one per cent for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the responsible bidder or bidders offering to purchase the Notes at the lowest net interest cost to the Town, which will be determined for each interest rate stated in the proposal based on the total interest to be payable at such rate and deducting therefrom any premium. If there is more than one responsible bidder making said offer at the same lowest net interest cost, the Notes will be sold to the responsible bidder with a proposal for the highest principal amount of Notes specified. No bid for less than par and accrued interest, if any, will be considered. The Town reserves the right to award to any bidder all or any part of the Notes bid in its proposal. If a bidder is awarded only a part of the Notes, any premium offered in such proposal will be proportionately reduced so that the resulting net interest rate with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to four places. The right is reserved to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Notes must be submitted through the facilities of *PARITY*® by 11:00 A.M. (Eastern Time) on Tuesday, September 30, 2025. Any prospective bidder must be a subscriber of Ipreo's BiDCOMP competitive bidding system. Further information about *PARITY*®, including any fee charged, may be obtained from *PARITY*®, c/o Ipreo LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 – email notice: parity@ihsmarkit.com). The Town neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe. All bids shall be deemed to incorporate the provisions of this Notice.

Once an electronic bid made through the facilities of *PARITY*® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Town. By submitting a bid for the Notes via *PARITY*®, the bidder represents and warrants to the Town that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice. **The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of *PARITY*®, or the inaccuracies of any information, including bid information or worksheets supplied by *PARITY*®, the use of *PARITY*® facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

Disclaimer. Each of *PARITY*® prospective electronic bidders shall be solely responsible to make necessary arrangements to access *PARITY*® for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Town nor *PARITY*® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town or *PARITY*® shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*®. The Town is using *PARITY*® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Notes. The Town is not bound by any advice and determination of *PARITY*® to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription

to, arrangements with and submission of bids via **PARITY®** are the sole responsibility of the bidders; and the Town is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Notes, the prospective bidder should telephone **PARITY®** at (212) 849-5021. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the sealed proposals bidding procedure and the electronic proposals bidding procedure, the time maintained on **PARITY®** shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent. Unless the winning bidder on the Notes is designated as the Certifying Bank, Registrar, Transfer Agent and Paying Agent for the Notes as provided in “Option For Non-Book-Entry” above, the Notes will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Bond Counsel Opinion. The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form attached as Appendix B to the Official Statement. The opinion will appear on each Note certificate and will state that the Notes are valid and binding obligations of the Town. Absent special circumstances preventing compliance, Bond Counsel will require as a precondition to release of its opinion printed on the Notes that the purchaser of such Notes deliver to it a completed “issue price” certificate regarding public offering prices with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”.

Establishment of Issue Price. In order to provide the Town with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Town at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Michael P. Botelho Esq., Updike, Kelly & Spellacy, P.C., 225 Asylum Street, 20th Floor, Hartford, CT 06103, Telephone: (860) 548-2637, E-mail: mbotelho@uks.com and (2) the Municipal Advisor at William Lindsay, Managing Director, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, Telephone: (203) 421-2880, E-mail: bill.lindsay@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Town and the Municipal Advisor may act on behalf of the Town.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Town that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Town that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Town.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

Competitive Sale Rule. The Town intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “Competitive Sale Rule”) because:

- (1) the Town shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Town anticipates receiving bids from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Town anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost (“NIC”), as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Town, or the Municipal Advisor on behalf of the Town, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed “ISSUE PRICE CERTIFICATE” in the form attached hereto as Attachment A.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Town, or the Municipal Advisor on behalf of the Town, shall at the time of award advise the winning bidder. The Town may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 3:30 p.m. (Eastern Time) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (A)(I) of the first price at which ten percent (10%) of each Maturity of Notes has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Notes that satisfy the Actual Sales Rule as of the Sale Date, and (B) those Maturities of the Notes that the winning bidder is purchasing for its own account and not with a view to distribution or resale of such Maturity to the Public. After such receipt, the Town, or Bond Counsel on behalf of the Town, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes, (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices, and (iii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity

have been sold to the Public, and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third party distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public, and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Town (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Notes to the Public).

Official Statement. For more information regarding the Notes or the Town, reference is made to the Preliminary Official Statement dated September 23, 2025 (the “Official Statement”) describing the Notes and the financial condition of the Town. The Official Statement is available in electronic format at www.i-dealprospectus.com, and such electronic access is being provided as a matter of convenience only. Copies of the Official Statement may be obtained from the Municipal Advisor. The Town deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Town will make available to the purchaser a reasonable number of copies of the final Official Statement at the Town’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Town’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure. As required by the Rule, the Town will undertake, pursuant to a Continuing Disclosure Agreement, to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of the occurrence of such events. The Continuing Disclosure Agreement will be substantially in the form attached as Appendix C to the Official Statement. The winning bidder’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed copy of the Continuing Disclosure Agreement.

Delivery, Payment and Closing Requirements. The Notes will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about October 15, 2025, unless the winning bidder on the Notes is designated as the Certifying Bank, Registrar, Transfer Agent and Paying Agent for the Notes as provided in “Option For Non-Book-Entry” above. At or prior to the delivery of the Notes, the winning bidder shall be furnished, without cost, with (a) the approving opinion of Updike, Kelly & Spellacy, P.C. of Hartford, Connecticut (see “Bond Counsel Opinion” above); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Town to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this note issue; (d) a certificate of Town Officials relating to the accuracy and completeness of the Official Statement, (e) an executed copy of the Continuing Disclosure Agreement; and (f) a receipt of payment for the Notes.

The Town will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Town’s costs of issuance except to the extent specifically stated in this Notice of Sale. The purchaser will be responsible for the clearance or exemption with respect to the status of the Notes for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Town shall have no responsibility for such clearance, exemption or preparation.

CUSIP Numbers. Unless the winning bidder requests the non-book-entry option, the Notes will be delivered to DTC or its agent on or about October 1, 2025. The deposit of the Notes with DTC under book-entry system requires the assignment of CUSIP numbers prior to delivery. The Town’s Municipal Advisor will apply for CUSIP numbers for the Notes prior to delivery. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid by the Town provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

TOWN OF MIDDLEFIELD, CONNECTICUT

ROBERT YAMARTINO
First Selectman

MARY ANN ZIEMINSKI
Treasurer

AL RUSILOWICZ
Finance Director

September 23, 2025

ATTACHMENT A

ISSUE PRICE CERTIFICATE

Town of Middlefield, Connecticut
\$12,275,000 General Obligation Bond Anticipation Notes
Dated and Issued October 15, 2025

The undersigned, on behalf of [Underwriter] (“[Short Name of Underwriter]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Notes”).

1. **Due Authorization.** The undersigned is a duly authorized representative of [Short Name of Underwriter], the purchaser of the Notes.

2. **Purchase Price.** The Town of Middlefield, Connecticut (the “Issuer”) sold to [Short Name of Underwriter], for delivery on or about October 15, 2025 (the “Issue Date”), the Notes at a price of par (\$[Par]), plus an aggregate net premium of \$ _____ and less an underwriter’s discount of \$ _____, resulting in an aggregate net purchase price of \$ _____.

3. **Reasonably Expected Initial Offering Price.**

(a) As of September 30, 2025 (the “Sale Date”), the reasonably expected initial offering price(s) of the Notes to the Public by [Short Name of Underwriter] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Notes used by [Short Name of Underwriter] in formulating its bid to purchase the Notes. Attached as **Schedule B** is a true and correct copy of the bid provided by [Short Name of Underwriter] to purchase the Notes.

(b) [Short Name of Underwriter] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [Short Name of Underwriter] constituted a firm offer to purchase the Notes.

4. **Defined Terms.**

(a) “Maturity” means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of the selling group or a party to a third party distribution agreement participating in the initial sale of the Notes to the Public).

5. **Representations and Information.** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [Short Name of Underwriter]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Notes under the Code and with respect to compliance with the federal income tax rules affecting the Notes. Updike, Kelly & Spellacy, P.C., bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Notes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Notes. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of October 15, 2025.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
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Schedule B to Issue Price Certificate

[Copy of Bid]