

TOWN OF MIDDLEBURY, CONNECTICUT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Middlebury, 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 Middlebury, Connecticut, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Middlebury, 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 Middlebury, Connecticut, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Middlebury, 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 Middlebury, Connecticut's ability to continue as a going concern for 12 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 Middlebury, 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 Middlebury, 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, budgetary comparison information, and the pension and OPEB schedules, as listed in the table of contents, 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 Middlebury, Connecticut's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements and other 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 other 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 November 1, 2022, on our consideration of the Town of Middlebury, 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 Middlebury, 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 Town of Middlebury, Connecticut's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
November 1, 2022

**TOWN OF MIDDLEBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

This discussion and analysis of the Town of Middlebury, 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, 2022. Please read this MD&A in conjunction with the Town's financial statements presented in Exhibits I through IX.

Financial Highlights

- The Town's change in net position for governmental activities increased by \$2,085,996, which was mainly a result of increases in property taxes higher than budgeted in the current year.
- Exhibit IV of Governmental Funds shows the Town ended the year with a surplus in the General Fund of \$1,057,069.
- The total cost of all of the Town's programs was \$39,829,213.
- At the end of the fiscal year, the total General Fund balance was \$6,224,061, an increase of \$1,057,069 from last year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes to it. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

**TOWN OF MIDDLEBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

In the Statement of Net Position and the Statement of Activities, the Town reports its activities as follows:

- *Governmental Activities* - The Town's basic services are reported here, including education, general government, public safety, public works, health and welfare and recreation and leisure. Property taxes, charges for services, and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. The Town establishes funds to help control and manage financial activities for particular purposes or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State Department of Education). The Town's funds are divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds (Exhibits III and IV)

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 an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be 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. Governmental 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 included in the fund financial statements.

Proprietary Funds (Exhibits V through VII)

The Town's short and long-term financial information about the activities the government operates like business, such as the Town's Medical internal service fund, are reported in the proprietary funds. These funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds (Exhibits VIII and IX)

The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**TOWN OF MIDDLEBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's net position from a year ago increased from \$25,015,691 to \$27,101,687. The analysis below focuses on the net position and changes in net position of the Town's governmental activities.

**TABLE 1
NET POSITION**

	Governmental Activities	
	2022	2021
Current Assets	\$ 19,524,656	\$ 19,312,753
Capital Assets, Net of Accumulated Depreciation	42,301,071	43,002,278
Total Assets	<u>61,825,727</u>	<u>62,315,031</u>
Deferred Outflow of Resources	<u>3,143,105</u>	<u>2,155,488</u>
Long-Term Liabilities Outstanding	30,679,100	30,097,685
Other Liabilities	1,129,575	2,341,273
Total Liabilities	<u>31,808,675</u>	<u>32,438,958</u>
Deferred Inflows of Resources	<u>6,058,470</u>	<u>7,015,870</u>
Net Position:		
Net Investment in Capital Assets	25,174,110	25,769,396
Restricted	718,025	808,600
Unrestricted	1,209,552	(1,562,305)
Total Net Position	<u>\$ 27,101,687</u>	<u>\$ 25,015,691</u>

Net position of the Town's governmental activities increased by \$2,085,996. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from (\$1,562,305) at June 30, 2021, to \$1,209,552 at the end of this year.

**TOWN OF MIDDLEBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,422,131	\$ 3,286,486
Operating Grants and Contributions	2,988,001	1,233,686
Capital Grants and Contributions	295,812	382,699
General Revenues:		
Property Taxes	34,946,234	34,296,486
Grants and Contributions Not Restricted to Specific Purposes	38,358	32,260
Unrestricted Investment Earnings	31,423	28,591
Other General Revenues	193,250	101,758
Total Revenues	<u>41,915,209</u>	<u>39,361,966</u>
Program Expenses:		
General Government	6,077,983	4,764,931
Public Safety	2,909,249	2,667,419
Public Works	4,341,771	4,147,511
Health and Welfare	187,235	138,184
Parks and Recreation	425,968	435,761
Library	493,110	527,528
Education	25,002,438	24,902,260
Interest on Long-Term Debt	391,459	377,886
Total Program Expenses	<u>39,829,213</u>	<u>37,961,480</u>
Increase (Decrease) in Net Position	<u>\$ 2,085,996</u>	<u>\$ 1,400,486</u>

The Town's total revenues were \$41,915,209. The total cost of all programs and services was \$39,829,213. Our analysis below considers the operations of governmental activities.

Governmental Activities

The majority of the town's revenues are derived from Property Taxes, which equates to approximately 83.4% of the Town's revenues. 8.2% are for charges for services, 7.1% from operating grants and contributions, 0.7% from capital grants and contributions, and 0.6% from other/miscellaneous revenue. The mill rate for fiscal year 2021-2022 was 34.83

For Governmental Activities, 62.8% of the Town's expenditures relate to education, 10.9% relate to public works and Capital Plan, 7.3% relate to Public Safety and 15.3% to general government.

Table 3 presents the cost of each of the Town's largest programs – general government, public safety, public works, health and welfare, recreation and leisure, and education – as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**TOWN OF MIDDLEBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
General Government	\$ 6,077,983	\$ 4,764,931	\$ 1,754,172	\$ 1,995,747
Public Safety	2,909,249	2,667,419	2,257,533	2,146,373
Public Works	4,341,771	4,147,511	3,874,047	3,616,558
Health and Welfare	187,235	138,184	130,924	34,836
Parks and Recreation	425,968	435,761	266,534	337,443
Education	25,002,438	24,902,260	23,975,442	24,047,672
All Others	884,569	905,414	864,617	879,980
Total	<u>\$ 39,829,213</u>	<u>\$ 37,961,480</u>	<u>\$ 33,123,269</u>	<u>\$ 33,058,609</u>

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$12,291,327, which is an increase from last year's restated balance of \$521,023. The increase in combined fund balance is largely attributed to the surplus in the General Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenue was favorable to budget by \$935,193. Specifically, Current year levy \$285,875, supplemental auto \$145,697, prior year collections of \$108,970, interest and lien fees \$66,500, and Town Clerk \$239,205, contributed to the net favorable variance.

Expenditures for general government were under budget by \$416,548 due to lower anticipated costs for general government and public safety.

**TOWN OF MIDDLEBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the Town had \$42,301,071 invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, and roads – Table 4. This amount represents a net decrease (including additions and deductions) of \$701,207 over last year.

**TABLE 4
CAPITAL ASSETS (Net of Depreciation)**

	Governmental Activities	
	2022	2021
Land	\$ 7,369,267	\$ 7,369,267
Construction in Progress	3,344,973	3,053,551
Buildings and Improvements	8,740,788	9,159,667
Equipment	3,649,849	3,601,745
Infrastructure	19,196,194	19,818,048
Total	<u>\$ 42,301,071</u>	<u>\$ 43,002,278</u>

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

**TABLE 5
OUTSTANDING DEBT, AT YEAR-END**

	Governmental Activities	
	2022	2021
General Obligation Bonds	\$ 17,605,000	\$ 18,425,000
Total	<u>\$ 17,605,000</u>	<u>\$ 18,425,000</u>

At June 30, 2022, the Town had \$17,605,000 in bonds and notes outstanding and \$18,425,000 last year due to the continuation of paying down the debt on the Capital Projects and Sewer Pump Station upgrades project.

**TOWN OF MIDDLEBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

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

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During May 2022, following the Governors Executive Order 71, the Town adopted a General Fund budget for the fiscal year ending June 30, 2023. Elected and appointed officials considered many factors when adopting the fiscal year 2022-2023 General Fund budget.

- Primarily a residential community, the Town has continued to rely on residential property taxes in recent years. Total Grand List for the budget year is \$1,169,609,754, which is a 18.4% increase. This is the result of revaluations, alongside new home construction and additional motor vehicles.
- The FY 2022-2023 Town budget was adopted May 4, 2022 at a Town Budget Referendum.
- The Town's approved budget for fiscal year 2022-2023 is \$38,489,555. This is a 4.25% growth from last year, with an increase in total spending of \$1,567,375. This increase is attributable to Regional 15 school district payments for enrolled Middlebury students, resulting in \$1,211,828 of the additional spending for the year.
- The mill rate decreased from 34.83 mils to 31.26 mils. This is the result of an increase in the Grand List and a budget surplus of \$1,057,069 at fiscal year end June 30, 2022.
- The Town has adopted the most recent State of Connecticut revenue projection estimates in formulating the fiscal year 2022-2023 annual budget. The numbers have remained relatively flat but could see an increase from The State of Connecticut due to additional COVID-19 assistance.
- The Town remains heavily reliant upon property taxes as the primary source of revenue.

REQUESTS FOR INFORMATION

This financial report is designed to provide our 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 questions about this report, or need additional financial information, contact the Finance Department, Town of Middlebury, 1212 Whittemore Road, Middlebury, CT 06762-2425.

BASIC FINANCIAL STATEMENTS

TOWN OF MIDDLEBURY, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 14,542,595
Investments	91,067
Receivables, Net	3,735,882
Prepaid Expenses	1,066,928
Advance to Plan Administrator	88,184
Capital Assets Not Being Depreciated	10,714,240
Capital Assets Being Depreciated, Net	31,586,831
Total Assets	<u>61,825,727</u>
DEFERRED OUTFLOW ON RESOURCES	
Related to Pension	2,048,019
Related to OPEB	1,029,254
Deferred Charge on Refunding	65,832
Total Deferred Outflows of Resources	<u>3,143,105</u>
LIABILITIES	
Accounts and Other Payables	1,110,296
Unearned Revenue	19,279
Noncurrent Liabilities:	
Due Within One Year	1,769,679
Due in More Than One Year	28,909,421
Total Liabilities	<u>31,808,675</u>
DEFERRED INFLOWS ON RESOURCES	
Related to Pension	6,339
Related to OPEB	1,725,497
Related to Leases	1,356,164
Advance Tax Collections	2,901,631
Advance Fee Collections	68,839
Total Deferred Inflows of Resources	<u>6,058,470</u>
NET POSITION	
Net Investment in Capital Assets	25,174,110
Restricted for:	
Grants	718,025
Unrestricted	1,209,552
Total Net Position	<u>\$ 27,101,687</u>

See accompanying Notes to Financial Statements.

**TOWN OF MIDDLEBURY, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Government	\$ 6,077,983	\$ 2,613,791	\$ 1,710,020	\$ -	\$ (1,754,172)
Public Safety	2,909,249	573,718	77,998	-	(2,257,533)
Public Works	4,341,771	61,888	110,024	295,812	(3,874,047)
Parks and Recreation	425,968	159,434	-	-	(266,534)
Health and Welfare	187,235	12,112	44,199	-	(130,924)
Library	493,110	1,188	18,764	-	(473,158)
Education	25,002,438	-	1,026,996	-	(23,975,442)
Interest on Long-Term Debt	391,459	-	-	-	(391,459)
Total Governmental Activities	<u>\$ 39,829,213</u>	<u>\$ 3,422,131</u>	<u>\$ 2,988,001</u>	<u>\$ 295,812</u>	(33,123,269)
GENERAL REVENUES					
					34,946,234
					38,358
					31,423
					193,250
					<u>35,209,265</u>
CHANGE IN NET POSITION					
					2,085,996
					<u>25,015,691</u>
NET POSITION - END OF YEAR					
					<u>\$ 27,101,687</u>

See accompanying Notes to Financial Statements.

**TOWN OF MIDDLEBURY, CONNECTICUT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Capital Projects	Sewer Assessment and Fee Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 7,227,728	\$ 4,295,059	\$ 2,019,501	\$ 1,000,307	\$ 14,542,595
Investments	-	91,067	-	-	91,067
Receivables, Net	661,948	-	412,698	739,622	1,814,268
Lease Receivable	1,356,164	-	-	-	1,356,164
Due From Other Governments	-	565,450	-	-	565,450
Due From Other Funds	1,655,264	398,178	248,000	6,099	2,307,541
Prepaid Expenditures	1,066,928	-	-	-	1,066,928
	<u>11,968,032</u>	<u>5,349,754</u>	<u>2,680,199</u>	<u>1,746,028</u>	<u>21,744,013</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts and Other Payables	\$ 640,861	\$ 196,012	\$ 15,015	\$ 54,777	\$ 906,665
Due to Other Funds	170,709	1,378,850	25,994	731,988	2,307,541
Unearned Revenue	1,385	17,894	-	-	19,279
Total Liabilities	<u>812,955</u>	<u>1,592,756</u>	<u>41,009</u>	<u>786,765</u>	<u>3,233,485</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Sewer Assessments	-	-	401,286	-	401,286
Unavailable Revenue - Property Taxes	604,382	-	-	-	604,382
Unavailable Revenue - Loans Receivable	-	-	-	718,025	718,025
Unavailable Revenue - Grants	-	168,874	-	-	168,874
Lease Related	1,356,164	-	-	-	1,356,164
Advance Fee Collections	68,839	-	-	-	68,839
Advance Tax Collections	2,901,631	-	-	-	2,901,631
Total Deferred Inflows of Resources	<u>4,931,016</u>	<u>168,874</u>	<u>401,286</u>	<u>718,025</u>	<u>6,219,201</u>
FUND BALANCES					
Nonspendable	1,066,928	-	-	-	1,066,928
Restricted	-	-	-	92,636	92,636
Committed	-	3,588,124	2,237,904	800,121	6,626,149
Assigned	112,287	-	-	-	112,287
Unassigned	5,044,846	-	-	(651,519)	4,393,327
Total Fund Balances	<u>6,224,061</u>	<u>3,588,124</u>	<u>2,237,904</u>	<u>241,238</u>	<u>12,291,327</u>
Total Liabilities and Fund Balances	<u>\$ 11,968,032</u>	<u>\$ 5,349,754</u>	<u>\$ 2,680,199</u>	<u>\$ 1,746,028</u>	<u>\$ 21,744,013</u>

See accompanying Notes to Financial Statements.

**TOWN OF MIDDLEBURY, CONNECTICUT
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 12,291,327

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets	93,743,716
Less: Accumulated Depreciation	(51,442,645)
Net Capital Assets	42,301,071

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

Property Tax Receivables Greater than 60 Days	428,500
Interest Receivable on Property Taxes	175,882
Assessments and User Fee Receivable	401,286
Small Cities Loan Receivable	718,025
Grants	168,874
Deferred Outflows of Resources Related to Pensions	2,048,019
Deferred Outflows of Resources Related to OPEB	1,029,254
Deferred Charge on Refunding	65,832

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.

35,191

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

Bonds and Notes Payable	(17,605,000)
Bonds and Note Premiums	(829,225)
Interest Payable on Bonds and Notes	(150,638)
Compensated Absences	(280,179)
Net Pension Liability	(5,310,938)
Total OPEB Liability	(6,653,758)
Deferred Inflows of Resources Related to Pensions	(6,339)
Deferred Inflows of Resources Related to OPEB	(1,725,497)

Net Position of Governmental Activities (Exhibit I) \$ 27,101,687

TOWN OF MIDDLEBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Capital Projects	Sewer Assessment and Fee Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 34,850,318	\$ -	\$ -	\$ -	\$ 34,850,318
Intergovernmental	1,372,895	1,525,347	5,971	128,013	3,032,226
Charges for Services	1,264,393	72,409	1,570,454	514,875	3,422,131
Income on Investments	21,297	4,411	5,295	420	31,423
Miscellaneous	-	241,207	-	73,114	314,321
Total Revenues	<u>37,508,903</u>	<u>1,843,374</u>	<u>1,581,720</u>	<u>716,422</u>	<u>41,650,419</u>
EXPENDITURES					
Current:					
General Government	3,909,781	1,734,853	-	32,274	5,676,908
Public Safety	2,463,101	-	-	340,648	2,803,749
Public Works	2,881,585	-	-	120,212	3,001,797
Health and Welfare	133,415	-	-	43,399	176,814
Parks and Recreation	350,543	-	-	2,794	353,337
Education	25,002,438	-	-	-	25,002,438
Library	367,945	-	-	13,466	381,411
Sewer Operations	-	-	1,227,724	-	1,227,724
Debt Service	922,780	-	398,537	-	1,321,317
Capital Outlay	157,813	1,026,088	-	-	1,183,901
Total Expenditures	<u>36,189,401</u>	<u>2,760,941</u>	<u>1,626,261</u>	<u>552,793</u>	<u>41,129,396</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,319,502	(917,567)	(44,541)	163,629	521,023
OTHER FINANCING SOURCES (USES)					
Transfers In	348,470	460,903	-	150,000	959,373
Transfers Out	(610,903)	(137,000)	(94,039)	(117,431)	(959,373)
Total Other Financing Sources (Uses)	<u>(262,433)</u>	<u>323,903</u>	<u>(94,039)</u>	<u>32,569</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,057,069	(593,664)	(138,580)	196,198	521,023
Fund Balances - Beginning of Year	<u>5,166,992</u>	<u>4,181,788</u>	<u>2,376,484</u>	<u>45,040</u>	<u>11,770,304</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,224,061</u>	<u>\$ 3,588,124</u>	<u>\$ 2,237,904</u>	<u>\$ 241,238</u>	<u>\$ 12,291,327</u>

See accompanying Notes to Financial Statements.

**TOWN OF MIDDLEBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 521,023

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital Outlay	1,153,700
Depreciation Expense	(1,795,653)

In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of the assets sold.

(59,254)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property Tax Receivable - Accrual Basis Change	42,883
Property Tax Interest and Lien Revenue - Accrual Basis Change	55,629
Sewer Assessment and Sewer Receivable - Accrual Basis Change	(20,698)
Small Cities Loan Receivable - Accrual Basis Change	(2,596)
Grants Receivable - Accrual Basis Change	168,873
Change in Deferred Outflows of Resources Related to Pensions	1,586,304
Change in Deferred Outflows of Resources Related to OPEB	(592,702)

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 has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond and Note Principal Payments	820,000
Amortization of Bond Premiums	105,114
Amortization of Deferred Charge on Refunding	(5,985)

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 the governmental funds:

Compensated Absences	38,549
Accrued Interest	10,731
Change in Net Pension Liability	(4,455,725)
Change in Total OPEB Liability	2,910,647
Change in Deferred Inflows of Resources Related to Pensions	3,079,236
Change in Deferred Inflows of Resources Related to OPEB	(1,236,849)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

(237,231)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)

\$ 2,085,996

See accompanying Notes to Financial Statements.

**TOWN OF MIDDLEBURY, CONNECTICUT
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2022**

	Governmental Activities <hr style="border: 0.5px solid black;"/> Internal Service Fund <hr style="border: 0.5px solid black;"/>
ASSETS	
Advance to Plan Administrator	\$ 88,184
LIABILITIES	
Claims Payable	<hr style="border: 0.5px solid black;"/> 52,993
NET POSITION	
Unrestricted	<hr style="border: 0.5px solid black;"/> \$ 35,191 <hr style="border: 0.5px solid black;"/>

See accompanying Notes to Financial Statements.

TOWN OF MIDDLEBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities <hr style="border: 0.5px solid black;"/> Internal Service Fund <hr style="border: 0.5px solid black;"/>
OPERATING REVENUES	
Contributions	\$ 490,601
OPERATING EXPENSES	
Employee benefits	635,355
Other expenses	92,477
Total operating expenses	<hr style="border: 0.5px solid black;"/> 727,832
OPERATING INCOME (LOSS)	(237,231)
Net Position - Beginning of Year	<hr style="border: 0.5px solid black;"/> 272,422
NET POSITION - END OF YEAR	<hr style="border: 0.5px solid black;"/> \$ 35,191

See accompanying Notes to Financial Statements.

**TOWN OF MIDDLEBURY, CONNECTICUT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	Governmental Activities <hr/> Internal Service Fund <hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers and Users	\$ 490,601
Payment to Suppliers	(92,477)
Payments for Insurance Claims	(398,124)
Net Cash Provided (Used) by Operating Activities	<hr/> -
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-
Cash and Cash Equivalents - Beginning of Year	<hr/> -
CASH AND CASH EQUIVALENTS - END OF YEAR	<hr/> \$ - <hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (237,231)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Advance to Plan Administrators	210,738
Increase (Decrease) in Claims Payable	26,493
Net Cash Provided (Used) by Operating Activities	<hr/> \$ - <hr/>

See accompanying Notes to Financial Statements.

TOWN OF MIDDLEBURY, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2022

	<u>Pension Trust Fund</u>
ASSETS	
Investments	\$ 18,139,497
Accounts Receivable	<u>7,350</u>
Total Assets	<u>18,146,847</u>
NET POSITION	
Held in Trust for Pension Benefits	<u><u>\$ 18,146,847</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF MIDDLEBURY, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022**

	<u>Pension Trust Fund</u>
ADDITIONS:	
Contributions:	
Employer	\$ 562,015
Plan Members	69,479
Total Contributions	<u>631,494</u>
Investment Income:	
Net Change in Fair Value of Investments	(3,964,926)
Interest and Dividends	648,855
Total Investment Income (Loss)	<u>(3,316,071)</u>
Less Investment Expenses:	
Investment Management Fees	77,480
Net Investment Income (Loss)	<u>(3,393,551)</u>
Total Additions	(2,762,057)
DEDUCTIONS:	
Benefits	<u>1,428,970</u>
CHANGE IN NET POSITION	(4,191,027)
Net Position - Beginning of Year	<u>22,337,874</u>
NET POSITION - END OF YEAR	<u><u>\$ 18,146,847</u></u>

See accompanying Notes to Financial Statements.

TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Middlebury, Connecticut (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. The more significant policies of the Town are described below.

A. Reporting Entity

The Town was incorporated in 1807. Its current charter was adopted in 1987 and amended as of 2000. The Town operates under a Town Meeting form of government, with a Board of Selectmen consisting of three elected members, and a Board of Finance made up of six elected members and three alternates appointed by the Board of Selectmen. The Town provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

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

Fiduciary Component Units

The Town has established a single-employer Public Retirement Systems (PERS) to provide retirement benefits to employees and their beneficiaries. The Town appoints a majority of the Pension Board and is required to make contributions to the pension plan and can impose its will.

The financial statements of the fiduciary component unit is reported as Pension Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

B. Government-Wide and Fund 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. For the most part, the effect of interfund activity has been removed from these statements.

TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, including fiduciary component units, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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. All other revenue items are considered to be measurable and available only when cash is received.

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The Town reports the following major governmental funds:

General Fund

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.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources for the acquisition, expansion, betterments and construction of major capital facilities. The major source of revenue is from bond proceeds and General Fund transfers.

Sewer Assessment and Fee Fund

The Sewer Assessment and Fee Fund accounts for all of the financial resources required for extending sewers within the Town. The major source of revenue for the fund is sewer assessment charges and sewer use charges.

Additionally, the Town reports the following fund types:

Internal Service Fund

The Internal Service Fund accounts for the self-insured activities related to employee medical insurance.

Pension Trust Fund

The Pension Trust Fund accounts for the fiduciary activities of the Town of Middlebury Pension System, which accumulates resources for pension benefit payments to qualified Town employees.

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 costs and program revenues reported for the various functions concerned.

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 revenues rather than as program revenues. Likewise, general revenues include property taxes.

TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges for benefits. Operating expenses for the internal service funds include the cost of benefits and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Cash, Cash Equivalents, and Investments

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.

State Statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and the following January 1. Liens on real property are filed on May 1 following the due date. Interest on delinquent taxes accrues at the rate of 1.5% per month.

TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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.

G. Leases

The Entity 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.

Lease receivables represent the Entity'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.

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 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.

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 Entity 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 Entity has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value rather than fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets 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 assets is not included as part of the capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 to 50 Years
Building Improvements	20 Years
Distribution and Collection Systems	50 Years
Infrastructure	50 Years
Machinery, Equipment, and Vehicles	5 to 20 Years

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources related to pension and OPEB result from differences between expected and actual experience, change in assumptions and other inputs. These amounts are deferred and included in pension and OPEB 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 employees and inactive employees).

TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net 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 or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources for advance property tax collections in the government-wide statement of net position and in the governmental funds. A deferred inflow of resources from advance property tax collections represent taxes inherently associated with a future period. The Town reports a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions and other inputs. These amounts are deferred and included in pension and OPEB 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 benefits through the pension and OPEB plan (active employees and inactive employees). In the governmental funds, in addition to advance property tax collections and fee collections, the Town reports a deferred inflow of resources for unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, sewer assessments and loans receivable. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

J. Compensated Absences

Employees are paid by a prescribed formula for absences due to vacation or sickness. The obligation for vacation pay vests when earned. Under various agreements, employees may accumulate unused sick leave to be paid upon retirement. Sick leave and vacation leave expenditures are recognized in the fund financial statements in the current year to the extent they are paid during the year or expected to be paid with available resources. The liability for accrued vacation and sick leave earned is reported in the government-wide statements. Although the liability is liquidated by the General Fund, the only portion of the liability that would be reported by the General Fund at year-end would be the amount of unused reimbursable leave payable to employees following their resignation or retirement.

K. Long-Term Obligations

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

TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Long-Term Obligations (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.

L. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's 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 pension 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.

M. Total OPEB Liability

The total OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service. The total OPEB 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.

N. Fund Equity

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 reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position – Net position is restricted because it is externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

Nonspendable Fund Balance – This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance – This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Board of Finance).

Assigned Fund Balance – This represents amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts.

Unassigned Fund Balance – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

O. Accounting Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues and expenditures during the fiscal year.

P. Adoption of New Accounting Standards:

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the budget for the General Fund. On or before January 15 of each year, the Board of Finance submits to a Town Meeting, at which taxpayer comments are obtained, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

- Prior to July 1, the budget is legally adopted by vote of the Annual Town Meeting.
- The Town Charter provides the manner which is to be utilized by Town Meeting in acting upon the budget. The budget as adopted by Town meeting provides for departmental appropriations. Transfers and additional appropriations can be made subject to restrictions provided by the Charter, following the approval of the Board of Finance and/or Town Meeting.
- Budgets are adopted on the modified accrual basis of accounting.
- The legal budget is a departmental level budget.

All General Fund appropriations lapse at year-end. Appropriations for Capital Projects Funds and several Special Revenue Funds are continued until completion of the project, even when projects extend for more than one fiscal year. If three years lapse without any expenditure or any encumbrance of said funds, the appropriation will lapse.

Subject to certain restrictions, additional appropriations may be approved by the Board of Finance. There were no additional appropriations to the General Fund operating budget during the fiscal year 2022.

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

The Town does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for various special revenue funds are utilized to account for specific grant programs in accordance with requirements of the grantor agencies. Such budgets carry over until completion of the grants.

Legal authorization for expenditures of the capital project funds are provided by Town ordinance and/or intergovernmental grant agreements or Connecticut General Statutes. Capital appropriations do not lapse until completion of the applicable projects.

Fund Deficits

The Water Revolving Fund has an unassigned fund balance deficit of \$651,519. The deficit will be funded through future revenue from water assessments and transfers from other funds.

Overexpended Appropriations

The Town overexpended the final budget for the public works department by \$35,774.

TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by the Statutes, or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the 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 a market-average rate of return throughout budgetary and economic cycles. Investors accrue 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.

A. Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town has a formal deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut. 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.

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Deposit Custodial Credit Risk (Continued)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$15,202,106 of the Town's bank balance of \$16,014,415 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 13,620,820
Uninsured and Collateralized Held by the Pledging Bank's Trust Department, Not in the Town's Name	1,581,286
Total Amount Subject to Custodial Credit Risk	\$ 15,202,106

B. Cash Equivalents

At June 30, 2022, the Town's cash equivalents amounted to \$35,226. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year. STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

	Standard and Poor's
State Short-Term Investment Fund (STIF)	AAAm
UBS	*

* Not Rated

C. Investments

As of June 30, 2022, the Town had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Mutual Funds	\$ 18,139,497
Common Stock	91,067
Total Investments	\$ 18,230,564

Interest Rate Risk

The Town does not limit its maximum final stated maturities to 15 years. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Credit Risk – Investments

As indicated above, State Statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as State Statutes.

Concentration of Credit Risk

The Town has a policy limiting an investment in any one issuer that is in excess of 5% of the Town’s total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town has a policy for custodial credit risk. At June 30, 2022, the Town did not have any uninsured and unregistered securities held by the counter party or by its trust department or agent that were not in the Town’s name.

Fair Value Measurements

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town had no financial assets measured at Level 2 or Level 3 at June 30, 2022.

	June 30, 2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Mutual Funds	\$ 18,139,497	\$ 18,139,497	\$ -	\$ -
Common Stock	91,067	91,067	-	-
Total Investments by Fair Value Level	<u>\$ 18,230,564</u>	<u>\$ 18,230,564</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 RECEIVABLES

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

	General	Capital Projects	Sewer Assessment and Fee Fund	Nonmajor and Other Funds	Total
Receivables:					
Interest	\$ 513,411	\$ -	\$ -	\$ -	\$ 513,411
Taxes	727,615	-	-	-	727,615
Accounts	13,923	-	-	21,597	35,520
Loans - Small Cities	-	-	-	718,025	718,025
Sewer Benefit	-	-	412,698	-	412,698
Leases	1,356,164	-	-	-	1,356,164
Intergovernmental	-	565,450	-	-	565,450
Gross Receivables	<u>2,611,113</u>	<u>565,450</u>	<u>412,698</u>	<u>739,622</u>	<u>4,328,883</u>
Less: Allowance for Uncollectibles	<u>593,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,001</u>
Total Receivables, Net	<u>\$ 2,018,112</u>	<u>\$ 565,450</u>	<u>\$ 412,698</u>	<u>\$ 739,622</u>	<u>\$ 3,735,882</u>

NOTE 5 LEASES

The Town, acting as lessor, leases a cell phone tower under a long-term, noncancelable lease agreement. The lease expires November 30, 2023 and provide for an automatic extension for five successive additional terms of five years.

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

Year Ending June, 30	Governmental Activities	
	Principal	Interest
2023	\$ 34,183	\$ 40,217
2024	35,222	39,178
2025	36,294	38,106
2026	37,397	37,003
2027	38,535	35,865
2028-2032	210,985	161,015
2033-2037	245,084	126,916
2038-2042	284,694	87,306
2043-2047	330,705	41,295
2048-2052	103,065	2,334
Total Minimum Lease Payments	<u>\$ 1,356,164</u>	<u>\$ 609,235</u>

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 7,369,267	\$ -	\$ -	\$ 7,369,267
Construction in Progress	3,053,551	291,422	-	3,344,973
Total Capital Assets Not Being Depreciated	10,422,818	291,422	-	10,714,240
Capital Assets Being Depreciated:				
Buildings	20,373,952	6,341	-	20,380,293
Improvements	1,385,190	-	-	1,385,190
Machinery and Equipment	3,311,744	318,922	64,058	3,566,608
Furniture and Computer Equipment	2,523,309	18,072	-	2,541,381
Transportation Equipment	6,377,561	166,244	-	6,543,805
Infrastructure	48,259,500	352,699	-	48,612,199
Total Capital Assets Being Depreciated	82,231,256	862,278	64,058	83,029,476
Less Accumulated Depreciation for:				
Buildings	11,585,458	344,636	-	11,930,094
Improvements	1,014,017	80,584	-	1,094,601
Machinery and Equipment	2,605,213	124,597	4,804	2,725,006
Furniture and Computer Equipment	671,451	38,675	-	710,126
Transportation Equipment	5,334,205	232,608	-	5,566,813
Infrastructure	28,441,452	974,553	-	29,416,005
Total Accumulated Depreciation	49,651,796	1,795,653	4,804	51,442,645
Total Capital Assets Being Depreciated, Net	32,579,460	(933,375)	59,254	31,586,831
Governmental Activities Capital Assets, Net	\$ 43,002,278	\$ (641,953)	\$ 59,254	\$ 42,301,071

Depreciation expense was charged to functions/programs as follows:

General Government	\$ 75,417
Public Safety	152,631
Public Works	1,364,696
Health and Welfare	17,957
Parks and Recreation	70,030
Library	114,922
Total Depreciation Expense - Governmental Activities	<u>\$ 1,795,653</u>

Construction Commitments

The government has two active construction projects for the WPCA building. As of June 30, 2022, the total outstanding balance on the contracts was \$119,410.

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2022, the interfund receivables and payables are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects	\$ 1,378,850
General Fund	Nonmajor Governmental Funds	250,420
General Fund	Sewer Assessment and Fee Fund	25,994
Capital Projects	General Fund	164,610
Capital Projects	Nonmajor Governmental Funds	233,568
Sewer Assessment and Fee Fund	Nonmajor Governmental Funds	248,000
Nonmajor Governmental Funds	General Fund	6,099
Total		<u>\$ 2,307,541</u>

The balances reflect recurring reimbursement-type transactions expected to be repaid in the current period.

Interfund transfers:

	Transfers In			
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Transfers In
Transfers Out:				
General Fund	\$ -	\$ 460,903	\$ 150,000	\$ 610,903
Capital Project Fund	137,000	-	-	137,000
Sewer Assessment and Fee Fund	94,039	-	-	94,039
Nonmajor Governmental Funds	117,431	-	-	117,431
Total Transfers Out	<u>\$ 348,470</u>	<u>\$ 460,903</u>	<u>\$ 150,000</u>	<u>\$ 959,373</u>

All transfers are for regularly recurring operational transfers.

NOTE 8 LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 18,425,000	\$ -	\$ 820,000	\$ 17,605,000	\$ 1,295,000
Bond Premiums	934,339	-	105,114	829,225	-
Total Bonds Payable	<u>19,359,339</u>	<u>-</u>	<u>925,114</u>	<u>18,434,225</u>	<u>1,295,000</u>
Compensated Absences	318,728	17,949	56,498	280,179	26,894
Net Pension Liability	855,213	4,455,725	-	5,310,938	-
Total OPEB Liability	<u>9,564,405</u>	<u>-</u>	<u>2,910,647</u>	<u>6,653,758</u>	<u>447,785</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 30,097,685</u>	<u>\$ 4,473,674</u>	<u>\$ 3,892,259</u>	<u>\$ 30,679,100</u>	<u>\$ 1,769,679</u>

*Bond anticipation note was refinanced with long term debt in the current fiscal year.

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities (Continued)

General obligation bonds currently outstanding are as follows:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2022
Governmental Activities:					
General Obligation	2013	2023	1-2.0%	\$ 3,255,000	\$ 230,000
General Obligation	2018	2040	3-4.0%	6,950,000	6,250,000
General Obligation	2020	2041	1-3.0%	8,905,000	8,905,000
General Obligation	2020	2033	2-4.0%	2,730,000	2,220,000
Total Governmental Activities					<u>\$ 17,605,000</u>

Annual maturities of bonds and notes are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,295,000	\$ 466,413	\$ 1,761,413
2024	985,000	423,913	1,408,913
2025	990,000	389,213	1,379,213
2026	1,000,000	354,313	1,354,313
2027	1,005,000	320,763	1,325,763
2028-2032	5,135,000	1,138,169	6,273,169
2033-2037	4,300,000	576,159	4,876,159
2038-2042	2,895,000	121,473	3,016,473
Total	<u>\$ 17,605,000</u>	<u>\$ 3,790,416</u>	<u>\$ 21,395,416</u>

Bond Authorizations

At June 30, 2022, there were no authorized and unissued bonds.

Overlapping Debt

The Town is a member of Regional School District #15, which provides education facilities for grades kindergarten through 12 for the Towns of Middlebury and Southbury. As of June 30, 2022, the District has bonds outstanding of \$1,595,000. The Town of Middlebury's share will be approximately 33% or \$526,350. These are general obligations of Regional School District #15 and its member towns.

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Overlapping Debt (Continued)

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

Category	Debt Limitation	Indebtedness*	Balance
General Purpose	\$ 77,235	\$ 12,030	\$ 65,205
Schools	154,470	533	153,937
Sewers	128,725	5,575	123,150
Urban Renewal	111,562	-	111,562
Pension Deficit	102,980	-	102,980

* Portion of Regional School District #15 indebtedness as described above. Also includes bonds authorized unissued when debt has been issued.

In no case shall total indebtedness exceed seven times annual receipts from taxation \$240,287,166.

NOTE 9 FUND BALANCE

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

	General Fund	Major Special Revenue Funds		Nonmajor Governmental Funds	Total
		Capital Projects	Sewer Assessment and Fee Fund		
Fund Balances:					
Nonspendable:					
Prepaid Expenditures	\$ 1,066,928	\$ -	\$ -	\$ -	\$ 1,066,928
Restricted for:					
Unspent Grant Balances	-	-	-	710	710
Health and Welfare	-	-	-	91,926	91,926
Committed to:					
Assessments	-	-	2,237,904	-	2,237,904
General Government	-	-	-	184,699	184,699
Public Safety	-	-	-	80,904	80,904
Public Works	-	3,588,124	-	337,912	3,926,036
Parks and Recreation	-	-	-	21,302	21,302
Health and Welfare	-	-	-	126,290	126,290
Library	-	-	-	49,014	49,014
Assigned to:					
General Government	112,287	-	-	-	112,287
Unassigned	5,044,846	-	-	(651,519)	4,393,327
Total Fund Balances	<u>\$ 6,224,061</u>	<u>\$ 3,588,124</u>	<u>\$ 2,237,904</u>	<u>\$ 241,238</u>	<u>\$ 12,291,327</u>

Encumbrances outstanding at year-end of \$11,174 are reported as assigned fund balance.

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Pension Trust Fund

A. Plan Description

The Town of Middlebury is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide retirement, disability and death benefits for its employees. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. There is no separate report for the pension plan available. The Town has the authority to establish and amend the plan.

Management of the plan rests with the Retirement Board, which consists of three members appointed by the Board of Selectmen. One member is selected as an employee representative, one as a Board of Finance representative and one as a representative of the taxpayers at large.

The PERS covers full-time employees and any part-time employees who work in excess of 20 hours per week. A participant, excluding the exceptions listed below, is eligible for normal retirement at the age of 60 or completion of 10 years of service, but not later than age 65. Normal retirement for police department employees shall be age 47 and completion of 20 years of service, whichever comes later. Normal retirement for teamsters is the earliest of (a) "Rule of 80" combined years of age and service (minimum age 55), (b) age 60 with 10 years of service, or (c) age 65. The monthly benefit is 2% of the average monthly salary multiplied by the employee's credited service not in excess of 30 years. Police department employees retiring after 20 years of service shall receive credit for 2.5% of the average pay per year of service for the first 20 years of service and 2% for each year of service over 20 years, but no more than 30 years. The plan contains additional provisions for early retirement at a reduced level of benefits and disability retirement benefits. Vesting occurs once an employee completes 10 years of service, except for police union personnel where vesting occurs at 5 years of service. As of July 1, 2011, the plan is closed to new participants.

The membership of the plan consisted of the following at July 1, 2021, the date of the latest actuarial valuation:

Retirees and Beneficiaries Currently Receiving Benefits	53
Terminated Plan Members Entitled to Benefits but Not Yet Receiving Them	6
Current Plan Members	<u>22</u>
Total	<u><u>81</u></u>

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

B. Summary of Significant Accounting Policies

Basis of Accounting: Financial statements are prepared using the accrual basis of accounting for the defined benefit pension plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments: Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

C. Funding Policy

The Town is required to contribute the amounts necessary to fund the PERS and cover all administrative charges. Currently, teamster and clerical employees contribute 4.1% of pay, police department employees contribute 4.6% of pay, and all other employees contribute 2.9% of pay. All amounts are determined by annual actuarial valuations and are included as part of the annual budgeted expenditures.

D. Investments

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2022:

Asset Class	Target Allocation
Domestic Equity	50.00%
International Developed Markets Equity	10.00
Core Fixed Income	25.00
High-Yield Fixed Income	11.00
Commodities	2.00
Cash	2.00
Total	100.00%

Rate of Return: For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -15.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

E. Net Pension Liability of the Town

The Town's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability of the Town at June 30, 2022 were as follows:

Pension Liability	\$ 23,457,785
Plan Fiduciary Net Position	18,146,847
Net Pension Liability	<u>\$ 5,310,938</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.36%
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Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortization of unfunded liability with 2.25% per year increase, closed
Remaining Amortization Period	13 years remaining as of June 30, 2022
Asset Valuation Method	Expected asset value
Actuarial Assumptions:	
Investment Rate of Return	6.75%
Projected Salary Increases	3.50%
Inflation	2.25%

Mortality rates were based on the RP-2014 (adjusted back to 2006) Employee and Healthy Annuitant Tables projected generationally with Scale MP-2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	6.40%
International Developed Markets Equity	6.80
Core Fixed Income	0.40
High-Yield Fixed Income	2.60
Commodities	3.60
Cash	0.00

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

E. Net Pension Liability of the Town (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

F. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2021	\$ 23,193,087	\$ 22,337,874	\$ 855,213
Changes for the Year:			
Service Cost	165,211	-	165,211
Interest on Total Pension Liability	1,528,457	-	1,528,457
Benefit Payments	(1,428,970)	(1,428,970)	-
Employer Contributions	-	562,015	(562,015)
Member Contributions	-	69,479	(69,479)
Net Investment Income (Loss)	-	(3,393,551)	3,393,551
Net Changes	264,698	(4,191,027)	4,455,725
Balances as of June 30, 2022	<u>\$ 23,457,785</u>	<u>\$ 18,146,847</u>	<u>\$ 5,310,938</u>

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 7,627,425	\$ 5,310,938	\$ 3,339,625

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

H. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Town recognized pension expense of \$352,200. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences Between Expected and Actual Experience	\$ 6,339	\$ -
Changes of Assumptions and Other Inputs	-	4,571
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,043,448
Total	\$ 6,339	\$ 2,048,019

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

Year Ending June 30,	Amount
2023	\$ 411,638
2024	360,694
2025	294,459
2026	974,889
Total	\$ 2,041,680

Town of Middlebury Defined Contribution Retirement Plan

The Town of Middlebury Defined Contribution Retirement Plan was adopted on August 25, 2011 by the Board of Selectmen and Town Meeting. The plan can be amended by the Board of Selectmen through similar action.

All full-time Town employees are eligible for the plan if they work more than 20 hours a week and are not already participating in the Town's PERS mentioned above or otherwise excluded per other bargaining agreements. In order to become a participant in the plan, the employee must irrevocably agree to contribute 6% of their compensation to the plan, for which the Town will make a matching contribution of 100% of the mandatory contribution. Benefits are vested at 20% for the first year of service and increases incrementally by 20% until fully vested after five years of service. Normal retirement age occurs when the employee reaches their 65th birthday and early retirement is eligible at age 59 1/2 if the employee has attained five years of service with the Town. There are currently 18 participants in the plan as of June 30, 2022. Contributions of \$127,361 have been made during the fiscal year ended June 30, 2022.

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The Town, in accordance with the various collective bargaining agreements, is required to provide health benefits to certain eligible retirees and/or their spouses. The Other Postemployment Benefit (OPEB) program covers most Town employees. Police officers are eligible for medical coverage upon retiring at age 60 with 10 years of service or after age 47 with 20 years of service. Other employees are eligible for medical coverage upon retiring at age 60 with 10 years of service. The contribution requirement of plan members and the Town are established and may be amended by the Town. The Town does not issue a separate stand-alone financial statement for this program. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

At July 1, 2020, plan membership consisted of the following:

	Postretirement Medical Program
Retired Members	33
Active Plan Members	31
Total Participants	64

B. Funding Policy

The Town funding and payment of postemployment benefits are accounted for in the General Fund. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits. The Town does not currently have a funding strategy to provide for normal cost and the amortization of the accrued liability. The Town currently contributes enough money to the plan to satisfy the current obligations on a pay-as-you-go basis. Appointed/elected employees pay 100% of the premium if retired prior to age 65 and none of the premium if retired after age 65. Police employees pay 5% to 11% of the premium based on the date hired and retired. All other plan members pay 100% of the premium.

C. Total OPEB Liability of the Town

The Town's Total OPEB liability of \$6,653,758 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal, level percent of salary
Salary Increases	3.5%
Health Care Cost Trend Rates	Non-Medicare Plans – 7.0%, reduced by 0.25% per year, 4.5% ultimate rate Medicare Plans – 6.0%, reduced by 0.25% per year, 4.5% ultimate rate Dental – 3.0%

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

C. Total OPEB Liability of the Town (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the RP-2014 (adjusted back to 2006) Employee and Healthy Annuitant Mortality Tables projected generationally with Scale MP-2020.

The plan has not had an actuarial experience study performed.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. Since the plan is unfunded, the discount rate was based on the 20-year tax exempt GO municipal bond index rates.

Changes in the Total OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
Balances as of July 1, 2021	\$ 9,564,405
Changes for the Year:	
Service Cost	171,095
Interest	205,914
Change of Benefit Terms	(1,225,559)
Changes in Assumptions	(1,655,020)
Benefit Payments	(407,077)
Net Changes	(2,910,647)
Balances as of June 30, 2022	\$ 6,653,758

D. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.54%)	Current Discount (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 7,584,089	\$ 6,653,758	\$ 5,899,877

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

E. Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 5,823,685	\$ 6,653,758	\$ 7,672,871

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Town recognized OPEB expense of (\$674,019). At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 716,707
Changes of Assumptions and Other Inputs	1,725,497	312,547
Total	\$ 1,725,497	\$ 1,029,254

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

Year Ending June 30,	Amount
2023	\$ 109,532
2024	(190,827)
2025	(196,921)
2026	(232,827)
2027	(185,200)
Total	\$ (696,243)

**TOWN OF MIDDLEBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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; and natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage for each of the past three years.

The Town participates in a Cooperative Agreement with the Town of Southbury and the Regional School District #15 Board of Education, to facilitate the group purchase of health benefits for active employees and non-Medicare eligible retirees. Under the program, the Town is obligated for claim payments. A schedule of changes in the claims liability for the year ended June 30, 2022 is presented below:

	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2021-2022	\$ 26,500	\$ 661,848	\$ 635,355	\$ 52,993
2020-2021	28,467	436,333	438,300	26,500

NOTE 13 RELATED PARTY

The Chairperson of the Water Pollution Control Authority is providing legal services to the Town of Middlebury as a sole practitioner and through the Middlebury Law Firm. Total payments amounted to \$14,069 as a sole practitioner and \$78,000 to the Middlebury Law Firm. The outstanding amount owed as of June 30, 2022 was \$2,205.

NOTE 14 CONTINGENT LIABILITIES

The Town is currently a defendant in a number of lawsuits including tax appeals. It is the opinion of Town officials and legal counsel that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town that would materially adversely affect its financial position.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF MIDDLEBURY, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES –
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Property Taxes:				
Current Year Levy	\$ 33,693,276	\$ 33,693,276	\$ 33,979,151	\$ 285,875
Prior Years' Collection	200,000	200,000	308,970	108,970
Supplemental Auto	275,000	275,000	420,697	145,697
Interest and Lien Fees	75,000	75,000	141,500	66,500
Assessor Personal Property Audits	10,000	10,000	-	(10,000)
Total Property Taxes	<u>34,253,276</u>	<u>34,253,276</u>	<u>34,850,318</u>	<u>597,042</u>
Intergovernmental Revenues:				
State of Connecticut:				
Payments in Lieu of Taxes on				
State-Owned Property	25,793	25,793	31,107	5,314
Disability Exemption	-	-	838	838
Town Aid Road	223,762	223,762	225,326	1,564
LOCIP	55,640	55,640	56,215	575
Veterans Exemption	6,188	6,188	3,863	(2,325)
Region 15 School Security	60,000	60,000	83,782	23,782
Equalized Cost Sharing Grant	848,732	848,732	1,026,996	178,264
Telecommunications	20,000	20,000	17,454	(2,546)
Total Intergovernmental Revenues	<u>1,240,115</u>	<u>1,240,115</u>	<u>1,445,581</u>	<u>205,466</u>

**TOWN OF MIDDLEBURY, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES –
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Local Revenues:				
Licenses, Fees, Permits and Charges for Services:				
Room Rental	\$ 4,000	\$ 4,000	\$ 9,180	\$ 5,180
Tax Collector	100	100	1,524	1,424
Assessor	250	250	266	16
Town Clerk	161,750	161,750	400,955	239,205
Building Department	200,050	200,050	292,102	92,052
Donation/Tower Rental	216,000	216,000	230,285	14,285
Water Commission	3,600	3,600	300	(3,300)
Police Department	124,300	124,300	10,199	(114,101)
Fire Department	200	200	-	(200)
Waste Removal	28,000	28,000	59,526	31,526
Park and Recreation	156,000	156,000	161,984	5,984
Elderly Services	18,000	18,000	12,112	(5,888)
Library	2,500	2,500	1,188	(1,312)
Regional School District #15 Reimbursement	-	-	12,086	12,086
Total Local Revenues	<u>914,750</u>	<u>914,750</u>	<u>1,191,707</u>	<u>276,957</u>
Investment Income	<u>20,000</u>	<u>20,000</u>	<u>21,297</u>	<u>1,297</u>
Transfers from Other Funds:				
Unassigned Fund Balance	250,000	250,000	-	(250,000)
Capital Nonrecurring Fund		-	117,431	117,431
Reserve Fund	150,000	150,000	137,000	(13,000)
Sewer Assessment and Fee Fund	94,039	94,039	94,039	-
Total Transfers from Other Funds	<u>494,039</u>	<u>494,039</u>	<u>348,470</u>	<u>(145,569)</u>
Total	<u>\$ 36,922,180</u>	<u>\$ 36,922,180</u>	<u>\$ 37,857,373</u>	<u>\$ 935,193</u>

**TOWN OF MIDDLEBURY, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES –
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General Government:				
Board of Selectmen	\$ 156,811	\$ 156,811	\$ 149,725	\$ 7,086
Department of Finance	276,372	276,372	231,988	44,384
Town Treasurer	5,315	5,315	5,315	-
Department of Assessment	164,620	164,620	149,757	14,863
Tax Collector	90,807	90,807	82,694	8,113
Town Clerk	140,469	140,469	135,880	4,589
Registrar of Voters	43,784	43,784	29,565	14,219
Board of Finance	41,300	41,300	41,196	104
Board of Assessment Appeals	1,725	1,725	1,368	357
Legal	138,000	138,000	106,625	31,375
Probate Court	3,000	3,000	2,854	146
Town Hall	66,017	66,017	65,422	595
Building Department	145,417	145,417	148,858	(3,441)
Payment to Other Jurisdictions	54,438	54,438	52,005	2,433
Planning and Zoning	32,465	32,465	27,178	5,287
Zoning Board of Appeals	3,605	3,605	1,225	2,380
Conservation Commission	14,541	14,541	13,566	975
Economic Development Commission	2,000	2,000	1,805	195
Historical Society	4,200	4,200	4,994	(794)
Beautification Commission	1,500	1,500	-	1,500
Contingency	95,000	95,000	-	95,000
Computer Equipment/Technology	110,000	110,000	146,309	(36,309)
Employee Benefits	2,120,634	2,120,634	2,125,303	(4,669)
Insurance	525,443	525,443	501,561	23,882
Refunds of Excess Tax Payments	12,000	12,000	4,914	7,086
Total General Government	4,249,463	4,249,463	4,030,107	219,356
Public Safety:				
Water Commission	101,880	101,880	97,372	4,508
Fire Department	303,559	303,559	297,586	5,973
Fire Marshal	13,087	13,087	11,462	1,625
Civil Preparedness	14,202	14,202	14,202	-
Police Department	1,844,733	1,844,733	1,784,459	60,274
Communications Center	257,892	257,892	243,741	14,151
Consulting	17,000	17,000	17,000	-
Dog Pound	5,303	5,303	4,406	897
Total Public Safety	2,557,656	2,557,656	2,470,228	87,428

**TOWN OF MIDDLEBURY, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES –
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022
(NON-GAAP BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Public Works:				
Building and Grounds	\$ 643,055	\$ 643,055	\$ 687,485	\$ (44,430)
Shepardson Community Center	32,149	32,149	32,842	(693)
Public Works	1,763,825	1,763,825	1,763,870	(45)
Waste Removal	396,233	396,233	386,839	9,394
Total Public Works	<u>2,835,262</u>	<u>2,835,262</u>	<u>2,871,036</u>	<u>(35,774)</u>
Health and Welfare:				
Social Services	50,710	50,710	48,503	2,207
Elderly Services	109,633	109,633	90,912	18,721
Total Health and Welfare	<u>160,343</u>	<u>160,343</u>	<u>139,415</u>	<u>20,928</u>
Parks and Recreation:				
Parks and Recreation - Self-Sustaining	105,000	105,000	80,468	24,532
Parks and Recreation Department	285,998	285,998	266,318	19,680
Parks and Recreation Revenue Fund		-	-	-
Total Parks and Recreation	<u>390,998</u>	<u>390,998</u>	<u>346,786</u>	<u>44,212</u>
Education:				
Payment to Regional School District #15	25,002,444	25,002,444	25,002,438	6
Total Education	<u>25,002,444</u>	<u>25,002,444</u>	<u>25,002,438</u>	<u>6</u>
Libraries:				
Library	444,234	444,234	366,552	77,682
Total Libraries	<u>444,234</u>	<u>444,234</u>	<u>366,552</u>	<u>77,682</u>
Debt Service:				
Principal and Interest	922,780	922,780	922,780	-
Total Debt Service	<u>922,780</u>	<u>922,780</u>	<u>922,780</u>	<u>-</u>
Capital Expenditures:				
Capital Expenditures	359,000	359,000	356,290	2,710
Total Capital Expenditures	<u>359,000</u>	<u>359,000</u>	<u>356,290</u>	<u>2,710</u>
Total Expenditures	36,922,180	36,922,180	36,505,632	416,548
Transfers to Other Funds:				
Capital Projects	-	-	272,000	(272,000)
Total Transfers to Other Funds	<u>-</u>	<u>-</u>	<u>272,000</u>	<u>(272,000)</u>
Total	<u>\$ 36,922,180</u>	<u>\$ 36,922,180</u>	36,777,632	<u>\$ 144,548</u>
Budgetary expenditures are different than GAAP expenditures because:				
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes			(11,174)	
Accrued payroll is recorded for GAAP but not budgeted			<u>33,846</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds - Exhibit IV			<u>\$ 36,800,304</u>	

TOWN OF MIDDLEBURY, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:								
Service Cost	\$ 165,211	\$ 260,291	\$ 254,563	\$ 328,496	\$ 320,484	\$ 332,462	\$ 344,507	\$ 324,036
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(1,274,245)	-	(385,762)	-	(267,962)	12,026	-
Changes of Assumptions	-	918,859	-	335,295	-	292,420	831,399	-
Benefit Payments, Including Refunds of Member Contributions	(1,428,970)	(1,508,225)	(1,090,385)	(1,073,390)	(1,029,761)	(891,612)	(885,056)	(834,197)
Net Change in Total Pension Liability	264,698	(13,431)	718,028	764,532	794,048	908,633	1,662,884	777,676
Total Pension Liability - Beginning	23,193,087	23,206,518	22,488,490	21,723,958	20,929,910	20,021,277	18,358,393	17,580,717
Total Pension Liability - Ending	23,457,785	23,193,087	23,206,518	22,488,490	21,723,958	20,929,910	20,021,277	18,358,393
Plan Fiduciary Net Position:								
Contributions - Employer	562,015	679,401	629,350	610,819	565,877	546,741	512,913	490,826
Contributions - Member	69,479	77,905	89,568	105,614	118,363	127,942	129,520	124,990
Net Investment Income (Loss)	(3,393,551)	4,665,500	907,903	975,454	1,444,822	2,049,452	(113,108)	672,892
Benefit Payments, Including Refunds of Member Contributions	(1,428,970)	(1,508,225)	(1,090,385)	(1,073,390)	(1,029,761)	(891,612)	(885,056)	(834,197)
Administrative Expense	-	-	-	-	(136,726)	(115,125)	(115,125)	(117,400)
Net Change in Plan Fiduciary Net Position	(4,191,027)	3,914,581	536,436	618,497	962,575	1,717,398	(470,856)	337,111
Plan Fiduciary Net Position - Beginning	22,337,874	18,423,293	17,886,857	17,268,360	16,305,785	14,588,387	15,059,243	14,722,132
Plan Fiduciary Net Position - Ending	18,146,847	22,337,874	18,423,293	17,886,857	17,268,360	16,305,785	14,588,387	15,059,243
Net Pension Liability - Ending	<u>\$ 5,310,938</u>	<u>\$ 855,213</u>	<u>\$ 4,783,225</u>	<u>\$ 4,601,633</u>	<u>\$ 4,455,598</u>	<u>\$ 4,624,125</u>	<u>\$ 5,432,890</u>	<u>\$ 3,299,150</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.36%	96.31%	79.39%	79.54%	79.49%	77.91%	72.86%	82.03%
Covered Payroll	1,834,025	1,834,025	2,804,730	2,804,730	3,194,374	3,194,374	3,157,080	3,385,155
Net Pension Liability as a Percentage of Covered Payroll	289.58%	46.63%	170.54%	164.07%	139.48%	144.76%	172.09%	97.46%

**TOWN OF MIDDLEBURY, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION
LAST TEN FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially Determined Contribution	\$ 626,401	\$ 612,617	\$ 626,089	\$ 610,819	\$ 565,877	\$ 546,741	\$ 512,913	\$ 490,826	\$ 573,603	\$ 548,902
Contributions in Relation to the Actuarially Determined Contribution	562,015	679,401	629,350	610,819	565,877	546,741	512,913	490,826	573,603	548,902
Contribution Deficiency (Excess)	\$ 64,386	\$ (66,784)	\$ (3,261)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,834,025	\$ 1,834,025	\$ 2,804,730	\$ 2,804,730	\$ 3,194,374	\$ 3,194,374	\$ 3,157,080	\$ 3,385,155	\$ 3,239,383	\$ 3,482,190
Contributions as a Percentage of Covered Payroll	30.64%	37.04%	22.44%	21.78%	17.71%	17.12%	16.25%	14.50%	17.71%	15.76%

Notes to Schedule:

Valuation Date: July 1, 2021
 Measurement Date: June 30, 2022

Actuarial Cost Method	Entry age
Amortization Method	Amortization of unfunded liability with 2.25% per year increase, closed
Remaining Amortization Period	13 years remaining as of July 1, 2021
Asset Valuation Method	Expected asset value and add or subtract 20% of the difference between the expected assets and the market value of assets. The final value is adjusted to be within 20% of market value
Inflation	2.25%
Salary Increases	3.5%, includes 1.00% allowance for merit increases
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

**TOWN OF MIDDLEBURY, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST EIGHT FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-15.16%	26.13%	-2.66%	5.71%	11.40%	12.50%	-0.80%	3.75%

TOWN OF MIDDLEBURY, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS*

	2022	2021	2020	2019
Total OPEB Liability:				
Service Cost	\$ 171,095	\$ 201,232	\$ 141,390	\$ 123,333
Interest	205,914	198,617	266,372	276,182
Changes of Benefit Terms	(1,225,559)	-	-	-
Differences Between Expected and Actual Experience	-	1,111,587	-	-
Changes of Assumptions	(1,655,020)	(565,235)	1,224,662	364,291
Benefit Payments, Including Refunds of Member Contributions	(407,077)	(333,717)	(299,465)	(315,969)
Net Change in Total OPEB Liability	(2,910,647)	612,484	1,332,959	447,837
Total OPEB Liability - Beginning	9,564,405	8,951,921	7,618,962	7,171,125
Total OPEB Liability - Ending	<u>\$ 6,653,758</u>	<u>\$ 9,564,405</u>	<u>\$ 8,951,921</u>	<u>\$ 7,618,962</u>
Covered Payroll	\$ -	\$ -	\$ -	\$ -
Total OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

Notes:

Benefit Changes None

Changes of Assumptions The discount rate increased from 2.16% to 3.54%.

The Town changed the medical and prescription drug post-65 coverage to a Medicare Advantage Plan, effective May 1, 2022.

**COMBINING, INDIVIDUAL FUND, AND ACCOUNT
GROUP STATEMENTS AND SCHEDULES**

**TOWN OF MIDDLEBURY, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2022**

Grand List	Uncollected Taxes	Current Year	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes
	July 1, 2021		Additions	Deductions			Taxes	Interest	Liens	Total	June 30, 2022
2020	\$ -	\$ 34,848,852	\$ 37,373	\$ 187,602	\$ 10,301	\$ 34,688,322	\$ 34,439,329	\$ 72,410	\$ 2,020	\$ 34,513,759	\$ 248,993
2019	321,381	-	2,472	31,876	9,854	282,123	172,238	29,699	945	202,882	109,885
2018	110,091	-	884	1,715	4,895	104,365	50,077	12,733	371	63,181	54,288
2017	49,219	-	-	-	1,104	48,115	15,234	2,853	192	18,279	32,881
2016	30,318	-	-	3	74	30,241	6,080	1,071	144	7,295	24,161
2015	122,784	-	-	-	524	122,260	6,633	4,588	150	11,371	115,627
2014	72,290	-	-	-	39,519	32,771	14,249	4,361	168	18,778	18,522
2013	31,963	-	-	-	170	31,793	14,397	3,735	144	18,276	17,396
2012	29,166	-	-	-	70	29,096	12,063	2,510	120	14,693	17,033
2011	19,012	-	-	-	-	19,012	2,389	-	24	2,413	16,623
2010	18,212	-	2	-	-	18,214	759	-	24	783	17,455
2009	17,463	-	-	-	-	17,463	-	-	-	-	17,463
2008	17,841	-	-	-	-	17,841	-	-	-	-	17,841
2007	19,087	-	-	-	-	19,087	-	-	-	-	19,087
2006	360	-	-	-	-	360	-	-	-	-	360
Total	\$ 859,187	\$ 34,848,852	\$ 40,731	\$ 221,196	\$ 66,511	\$ 35,461,063	\$ 34,733,448	\$ 133,960	\$ 4,302	\$ 34,871,710	\$ 727,615

NONMAJOR GOVERNMENTAL FUNDS

**TOWN OF MIDDLEBURY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

	Special Revenue Funds						
	Police Special Duty	Performance Bond Fund	Dog License Fund	Library Special Fund	Town Clerk Nominee Fund	Small Cities Repayment Fund	Municipal Infrastructure Trust Fund
ASSETS							
Cash and Cash Equivalents	\$ 91,982	\$ 49,929	\$ 17,974	\$ 49,014	\$ 3,427	\$ 92,817	\$ 337,912
Accounts Receivable	21,597	-	-	-	-	718,025	-
Due From Other Funds	-	-	4,438	-	150	-	-
Total Assets	\$ 113,579	\$ 49,929	\$ 22,412	\$ 49,014	\$ 3,577	\$ 810,842	\$ 337,912
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ -	\$ 49,219	\$ 4,667	\$ -	\$ -	891	\$ -
Due to Other Funds	50,420	-	-	-	-	-	-
Total Liabilities	50,420	49,219	4,667	-	-	891	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Loans Receivable	-	-	-	-	-	718,025	-
Total Deferred Inflows of Resources	-	-	-	-	-	718,025	-
Fund Balances:							
Restricted	-	710	-	-	-	91,926	-
Committed	63,159	-	17,745	49,014	3,577	-	337,912
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	63,159	710	17,745	49,014	3,577	91,926	337,912
Total Liabilities and Fund Balances	\$ 113,579	\$ 49,929	\$ 22,412	\$ 49,014	\$ 3,577	\$ 810,842	\$ 337,912

**TOWN OF MIDDLEBURY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Land Protection Fund	Town Clerk Preservation Fund	Senior Fund	Park and Recreation Revenue Fund	Water Revolving Fund	Middlebury Emergency Fund	
ASSETS							
Cash and Cash Equivalents	\$ 171,382	\$ 8,229	\$ 15,541	\$ 21,302	\$ 30,049	\$ 110,749	\$ 1,000,307
Accounts Receivable	-	-	-	-	-	-	739,622
Due From Other Funds	1,208	303	-	-	-	-	6,099
Total Assets	\$ 172,590	\$ 8,532	\$ 15,541	\$ 21,302	\$ 30,049	\$ 110,749	\$ 1,746,028
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,777
Due to Other Funds	-	-	-	-	681,568	-	731,988
Total Liabilities	-	-	-	-	681,568	-	786,765
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Grants	-	-	-	-	-	-	718,025
Total Deferred Inflows of Resources	-	-	-	-	-	-	718,025
Fund Balances:							
Restricted	-	-	-	-	-	-	92,636
Committed	172,590	8,532	15,541	21,302	-	110,749	800,121
Unassigned	-	-	-	-	(651,519)	-	(651,519)
Total Fund Balances	172,590	8,532	15,541	21,302	(651,519)	110,749	241,238
Total Liabilities and Fund Balances	\$ 172,590	\$ 8,532	\$ 15,541	\$ 21,302	\$ 30,049	\$ 110,749	\$ 1,746,028

**TOWN OF MIDDLEBURY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds						
	Police Special Duty	Performance Bond Fund	Dog License Fund	Library Special Fund	Town Clerk Nominee Fund	Small Cities Repayment Fund	Municipal Infrastructure Trust Fund
REVENUES							
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ 17,989	\$ -	\$ -	\$ 110,024
Charges for Services	464,280	-	7,886	-	2,660	18,740	-
Income on Investments	24	14	5	17	2	26	189
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	<u>464,304</u>	<u>14</u>	<u>7,891</u>	<u>18,006</u>	<u>2,662</u>	<u>18,766</u>	<u>110,213</u>
EXPENDITURES							
Current:							
General Government	-	-	-	14,749	6,455	-	-
Public Safety	335,268	-	5,380	-	-	-	-
Public Works	-	-	-	-	-	-	120,212
Health and Welfare	-	-	-	-	-	14,123	-
Parks and Recreation	-	-	-	-	-	-	-
Library	-	-	-	13,466	-	-	-
Total Expenditures	<u>335,268</u>	<u>-</u>	<u>5,380</u>	<u>28,215</u>	<u>6,455</u>	<u>14,123</u>	<u>120,212</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	129,036	14	2,511	(10,209)	(3,793)	4,643	(9,999)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	150,000
Transfers Out	(117,431)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(117,431)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCES	11,605	14	2,511	(10,209)	(3,793)	4,643	140,001
Fund Balances - Beginning of Year	<u>51,554</u>	<u>696</u>	<u>15,234</u>	<u>59,223</u>	<u>7,370</u>	<u>87,283</u>	<u>197,911</u>
FUND BALANCES - END OF YEAR	<u>\$ 63,159</u>	<u>\$ 710</u>	<u>\$ 17,745</u>	<u>\$ 49,014</u>	<u>\$ 3,577</u>	<u>\$ 91,926</u>	<u>\$ 337,912</u>

**TOWN OF MIDDLEBURY, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Land Protection Fund	Town Clerk Preservation Fund	Senior Fund	Park and Recreation Revenue Fund	Water Revolving Fund	Middlebury Emergency Fund	
REVENUES							
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,013
Charges for Services	-	1,309	-	-	20,000	-	514,875
Income on Investments	49	3	-	8	83	-	420
Miscellaneous	20,797	8,118	4,818	-	-	39,381	73,114
Total Revenues	<u>20,846</u>	<u>9,430</u>	<u>4,818</u>	<u>8</u>	<u>20,083</u>	<u>39,381</u>	<u>716,422</u>
EXPENDITURES							
Current:							
General Government	-	11,070	-	-	-	-	32,274
Public Safety	-	-	-	-	-	-	340,648
Public Works	-	-	-	-	-	-	120,212
Health and Welfare	-	-	6,505	-	-	22,771	43,399
Parks and Recreation	-	-	-	2,794	-	-	2,794
Library	-	-	-	-	-	-	13,466
Total Expenditures	<u>-</u>	<u>11,070</u>	<u>6,505</u>	<u>2,794</u>	<u>-</u>	<u>22,771</u>	<u>552,793</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	20,846	(1,640)	(1,687)	(2,786)	20,083	16,610	163,629
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	150,000
Transfers Out	-	-	-	-	-	-	(117,431)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,569</u>
NET CHANGE IN FUND BALANCES	20,846	(1,640)	(1,687)	(2,786)	20,083	16,610	196,198
Fund Balances - Beginning of Year	<u>151,744</u>	<u>10,172</u>	<u>17,228</u>	<u>24,088</u>	<u>(671,602)</u>	<u>94,139</u>	<u>45,040</u>
FUND BALANCES - END OF YEAR	<u>\$ 172,590</u>	<u>\$ 8,532</u>	<u>\$ 15,541</u>	<u>\$ 21,302</u>	<u>\$ (651,519)</u>	<u>\$ 110,749</u>	<u>\$ 241,238</u>

CAPITAL PROJECTS FUNDS

**TOWN OF MIDDLEBURY, CONNECTICUT
CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
JUNE 30, 2022**

ASSETS	<u>Capital Nonrecurring</u>	<u>Capital Projects</u>	<u>Capital Reserve</u>	<u>Library Improvements</u>	<u>Library Endowment</u>	<u>Fenn Farm</u>	<u>Interfund Elimination</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 421,359	\$ 1,302,119	\$ 2,478,021	\$ 23,002	\$ 36,905	\$ 33,653	\$ -	\$ 4,295,059
Investments	-	-	-	91,067	-	-	-	91,067
Due from Other Governments	565,450	-	-	-	-	-	-	565,450
Due from Other Funds	285,273	-	112,905	-	84,695	-	(84,695)	398,178
Total Assets	\$ 1,272,082	\$ 1,302,119	\$ 2,590,926	\$ 114,069	\$ 121,600	\$ 33,653	\$ (84,695)	\$ 5,349,754
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 184,794	\$ 6,675	\$ 4,543	\$ -	\$ -	\$ -	\$ -	\$ 196,012
Deferred Revenue	17,894	-	-	-	-	-	-	17,894
Due to Other Funds	570,058	701,792	22,000	84,695	85,000	-	(84,695)	1,378,850
Total Liabilities	772,746	708,467	26,543	84,695	85,000	-	(84,695)	1,592,756
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue - Grants	168,874	-	-	-	-	-	-	168,874
Total Deferred Inflows of Resources	168,874	-	-	-	-	-	-	168,874
Fund Balances:								
Committed	330,462	593,652	2,564,383	29,374	36,600	33,653	-	3,588,124
Total Fund Balances	330,462	593,652	2,564,383	29,374	36,600	33,653	-	3,588,124
Total Liabilities and Fund Balances	\$ 1,272,082	\$ 1,302,119	\$ 2,590,926	\$ 114,069	\$ 121,600	\$ 33,653	\$ (84,695)	\$ 5,349,754

**TOWN OF MIDDLEBURY, CONNECTICUT
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

	Capital Nonrecurring	Capital Projects	Capital Reserve	Library Improvements	Library Endowment	Fenn Farm	Interfund Elimination	Total
REVENUES								
Intergovernmental Revenues	\$ 1,525,309	\$ -	\$ 38	\$ -	\$ -	\$ -	\$ -	\$ 1,525,347
Charges for Services	24,996	-	47,413	-	-	-	-	72,409
Income (Loss) on Investments	6	3,771	1,729	(1,118)	12	11	-	4,411
Miscellaneous	76,091	8,792	155,549	-	775	-	-	241,207
Total Revenues	<u>1,626,402</u>	<u>12,563</u>	<u>204,729</u>	<u>(1,118)</u>	<u>787</u>	<u>11</u>	<u>-</u>	<u>1,843,374</u>
EXPENDITURES								
Current:								
General Government	1,683,982	-	50,871	-	-	-	-	1,734,853
Capital Outlay	166,620	472,010	385,820	-	138	1,500	-	1,026,088
Total Expenditures	<u>1,850,602</u>	<u>472,010</u>	<u>436,691</u>	<u>-</u>	<u>138</u>	<u>1,500</u>	<u>-</u>	<u>2,760,941</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(224,200)	(459,447)	(231,962)	(1,118)	649	(1,489)	-	(917,567)
OTHER FINANCING SOURCES (USES)								
Transfers In	51,311	930	516,516	-	-	-	(107,854)	460,903
Transfers Out	(107,854)	-	(137,000)	-	-	-	107,854	(137,000)
Total Other Financing Sources (Uses)	<u>(56,543)</u>	<u>930</u>	<u>379,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,903</u>
NET CHANGES IN FUND BALANCES	(280,743)	(458,517)	147,554	(1,118)	649	(1,489)	-	(593,664)
Fund Balances - Beginning of Year	<u>611,205</u>	<u>1,052,169</u>	<u>2,416,829</u>	<u>30,492</u>	<u>35,951</u>	<u>35,142</u>	<u>-</u>	<u>4,181,788</u>
FUND BALANCES - END OF YEAR	<u>\$ 330,462</u>	<u>\$ 593,652</u>	<u>\$ 2,564,383</u>	<u>\$ 29,374</u>	<u>\$ 36,600</u>	<u>\$ 33,653</u>	<u>\$ -</u>	<u>\$ 3,588,124</u>

OTHER SCHEDULES

**TOWN OF MIDDLEBURY, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
JUNE 30, 2022**

Total Tax Collections (Including Interest
and Lien Fees) Received by Treasurer:
Year Ended June 30, 2021:

\$ 34,326,738

Base for Establishing Debt
Limit

\$ 34,326,738

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2-1/4 Times Base	\$ 77,235,161	\$ -	\$ -	\$ -	\$ -
4-1/2 Times Base	-	154,470,321	-	-	-
3-3/4 Times Base	-	-	128,725,268	-	-
3-1/4 Times Base	-	-	-	111,561,899	-
3 Times Base	-	-	-	-	102,980,214
Total Debt Limitation	77,235,161	154,470,321	128,725,268	111,561,899	102,980,214
Indebtedness:					
Bonds Outstanding	12,029,680	-	5,575,320	-	-
Regional School District #15	-	533,177	-	-	-
Total indebtedness	12,029,680	533,177	5,575,320	-	-
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ 65,205,481	\$ 153,937,144	\$ 123,149,948	\$ 111,561,899	\$ 102,980,214

Note 1: In no case shall total indebtedness exceed \$240,287,166 or seven times annual receipts from taxation.

Note 2: The Town of Middlebury is a member of Regional School District #15, which provides education facilities for grades kindergarten through 12 for the Towns of Middlebury and Southbury. As of June 30, 2022, the District has bonds outstanding of \$1,595,000. The Town of Middlebury's share is approximately 33% or \$526,350. These are the general obligation of Regional School District #15 and its member towns.