REGIONAL REFUSE DISPOSAL DISTRICT ONE

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2023

SINNAMON & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

REGIONAL REFUSE DISPOSAL DISTRICT ONE
TABLE OF CONTENTS
JUNE 30, 2023

SINNAMON & ASSOCIATES, LLC
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Regional Refuse Disposal District One

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Regional Refuse Disposal District One, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Regional Refuse Disposal District One'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 and each major fund of the Regional Refuse Disposal District One, as of June 30, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Regional Refuse Disposal District One 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 these 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 Regional Refuse Disposal District One's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

194 Ashley Falls Road, P.O. Box 665
Canaan, CT 06018
63A West Street
Litchfield, CT 06759
860.824.7734 *phone*
860.584.9927 *fax*
george@sinnamoncpa.com
www.sinnamoncpa.com

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Refuse Disposal District One'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 Regional Refuse Disposal District One'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 and the schedules of revenues and expenses budget and actual be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated December 30, 2023 on our consideration of the Regional Refuse Disposal District One'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 Borough 's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough 's internal control over financial reporting and compliance.

Sinnamon & Associates, LLC
Certified Public Accountants

December 30, 2023
Canaan Connecticut

The Management Discussion and Analysis (MD&A) offers the readers of the Regional Refuse Disposal District One (the "District") financial statements a narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2023. The information presented here should be considered in conjunction with the District's basic financial statements that follow this section. Wherever possible, reference to the financial statements is provided.

FINANCIAL HIGHLIGHTS

On a government–wide basis the District's assets of $2,490,397 exceeded its liabilities at June 30, 2023, resulting in total net position of $2,415,850. Unrestricted net position is $1,783,257 which is available to meet ongoing government obligations. Of that amount $1,783,257 is related to governmental activities, which include the General Fund.

The District's governmental funds, reported on a current financial resource's basis, combined ending fund balance of $1,783,257, an increase of $172,288 for the year. The General Fund operating surplus for the year was $82,726. The General Fund balance was $865,514, of which $36,540 was reserved for subsequent years expenditures and $16,335 was committed for unemployment reserve.

At the end of the current fiscal year, the unassigned fund balance for the general fund was $812,639, an increase of $82,726 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government activities of the District include refuse disposal and recycling.

The government-wide financial statements can be found on pages 10 - 11 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for special activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District are considered to be governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements that is the District's most basic services. Unlike the governmental-wide financial statements, however, the funds focus on (1) cash and other financial resources that can be readily converted to cash flow in and out and (2) balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a near or short-term view of the District's finances that may be useful in evaluating a government's near-term financing requirements.

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

The District maintains individual government funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital reserve fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its general funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 12 - 16 of this report.

Notes to the Financial Statements.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and financial fund statements. The notes to the financial statements can be found on pages 17 - 26 of this report.

Other Information.

Detailed budget and actual schedules can be found on pages 28 – 29 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the District, assets exceeded liabilities by $2,293,458 at the close of the most recent fiscal year.

Of the District's net position, its investment in capital assets (e.g., land, buildings, machinery, and equipment and vehicles) is $632,593. It is presented in the statement of net position less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending.

The District's net position increased by $122,392 during the current fiscal year.

NET POSITION
June 30, 2023 and June 30, 2022

	6/30/2023	6/30/2022
Assets		
Current and other assets	$1,857,804	$1,678,200
Capital assets, net of accumulated depreciation	632,593	682,489
Total Assets	2,490,397	2,360,689
Liabilities		
Current liabilities	74,547	67,231
Long-term liabilities	-	-
Total Liabilities	74,547	67,231
Net Position		
Net Investment in capital assets	632,593	682,489
Unrestricted	1,783,257	1,610,969
Total Net Position	$2,415,850	$2,293,458

CHANGES IN NET POSITION
June 30, 2023 and June 30, 2022

	6/30/2023	6/30/2022
Revenues		
Program revenues		
Charges for services	$ 908,786	$ 892,634
General revenues		
Investment income	1,678	1,060
Town assessments'	430,376	409,878
Recycling	96,590	140,190
Cellular Tower Rent	73,324	78,568
Other	81	815
Total Revenues	1,510,835	1,523,145
Expenses		
Refuse Transport and Recycling	1,388,443	1,292,857
Total Expenses	1,388,443	1,292,857
Change in net position	122,392	230,288
Net Position, beginning of year	2,293,458	2,063,170
Net Position, end of year	$2,415,850	$2,293,458

Governmental Activities.

Approximately 60% of the revenues were derived from charges for services, followed by 28% from town assessments, and 12% from other sources. Detailed revenue information can be found on page 27.

The increases in expenses was mainly attributed to a minor increase in operating costs.

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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

Governmental Funds.

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

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the General Fund total fund balance was $865,514. Of this total fund balance, $36,540 is reserved for subsequent year's expenditures and $16,335 in committed for unemployment reserve. The remaining balance of $812,639 is unreserved and undesignated.

The fund balance of the District's General Fund increased by $82,726 during the current fiscal year. The main reason for this increase was decreased expenses compared to the budget.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, total revenues were more than budgetary estimates and expenditures were less than budgetary estimates.

A detailed schedule of revenues and expenditures, budget and actual, can be found on 28-29 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets (net of accumulated depreciation) for its governmental and as of June 30, 2023 amounted to $632,593. This investment in capital assets included land, buildings and system improvements, machinery and equipment and vehicles.

CAPITAL ASSETS, Net of Depreciation
June 30, 2023 and June 30, 2022

	Governmental Activities	
	June 30, 2023	June 30, 2022
Land	$ 128,996	$ 128,996
Buildings and improvements	72,309	78,571
Machinery and equipment	220,199	231,235
Furniture & fixtures	11,315	11,537
Infrastructure	74,481	82,709
Vehicles	125,293	149,441
Total	$ 632,593	$ 682,489

Long-Term Debt

At the end of the current fiscal year, the District had no outstanding long-term debt.

ECONOMIC FACTORS AND THE NEXT YEAR'S BUDGETS AND RATES

On June 30, 2023, the District's Total General Fund Balance was $865,514. The District appropriated $36,540 of this balance to mitigate assessments in fiscal year ending June 30, 2024 and held $16,335 committed for unemployment reserve leaving an unassigned fund balance of $812,639.

The District continues to fund an environmental monitoring reserve annually. This reserve is intended to fund Superfund delisting expenses if the Superfund Trust Fund has insufficient funds to do so. It will also, if available, mitigate the increase in the operating budget for the continuation of ground water monitoring, required by Connecticut DEEP, when the Superfund process is terminated.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview for those with an interest in the District's finances. Questions concerning and of the information provided in this report or requests for additional financial information should be addressed to the Administrator, Regional Refuse Disposal District #1, 31 New Hartford Road, Barkhamsted, CT 06063, or phone (860) 379-1972.

REGIONAL REFUSE DISPOSAL DISTRICT ONE
STATEMENT OF NET POSITION
June 30, 2023

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	1,838,269
Accounts Receivable		19,535
Capital assets not being depreciated		128,996
Capital Assets, net of accumulated depreciation		503,597
TOTAL ASSETS	$	2,490,397
LIABILITIES		
Accounts Payable	$	56,647
Accrued Expense		17,900
Noncurrent Liabilities & Notes Payable:		
Due within one year		-
Due in more than one year		-
TOTAL LIABILITIES		74,547
NET POSITION		
Net Investment in Capital Assets		632,593
Unrestricted		1,783,257
TOTAL NET POSITION		2,415,850
TOTAL LIABILITIES AND NET POSITION	$	2,490,397

The accompanying notes are an integral part of these financial statements

REGIONAL REFUSE DISPOSAL DISTRICT ONE
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2023

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets Governmental Activities
Governmental Activities					
Refuse Disposal and Recycling	$ (1,388,443)	$ 908,786	$ -	$ -	$ (479,657)
Total Governmental Activities	(1,388,443)	908,786	-	-	(479,657)
Total Primary Government	$ (1,388,443)	$ 908,786	$ -	$ -	$ (479,657)
General Revenues:					
Town Assessments					430,376
Recycling Income					96,590
Cellular Tower Rent					73,324
Miscellaneous income not restricted to specific programs					81
Unrestricted investment earnings					1,678
Total General Revenues					602,049
Change in net position					122,392
Net position beginning of year					2,293,458
Net position end of year					$ 2,415,850

The accompanying notes are an integral part of these financial statements

REGIONAL REFUSE DISPOSAL DISTRICT ONE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Capital Reserve	Environmental Monitoring Reserve	Superfund Reserve	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 920,526	$ 476,497	$ 30,560	$ 410,686	$ 1,838,269
Accounts Receivable	19,535	-	-	-	19,535
TOTAL ASSETS	$ 940,061	$ 476,497	$ 30,560	$ 410,686	$ 1,857,804
LIABILITIES					
Accounts Payable	$ 56,647	$ -	$ -	$ -	$ 56,647
Accrued Payroll	17,900	-	-	-	17,900
TOTAL LIABILITIES	74,547	-	-	-	74,547
FUND BALANCES					
Committed	16,335	476,497	30,560	410,686	934,078
Assigned	36,540	-	-	-	36,540
Unassigned	812,639	-	-	-	812,639
TOTAL FUND BALANCES	865,514	476,497	30,560	410,686	1,783,257
TOTAL LIABILITIES AND FUND BALANCES	$ 940,061	$ 476,497	$ 30,560	$ 410,686	$ 1,857,804

The accompanying notes are an integral part of these financial statements

REGIONAL REFUSE DISPOSAL DISTRICT ONE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances for governmental funds	$	1,783,257
Total net assets reported for governmental activities in the statement of net assets is different because of the following:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds		632,593
Net position of governmental activities	$	2,415,850

The accompanying notes are an integral part of these financial statements

REGIONAL REFUSE DISPOSAL DISTRICT ONE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Capital Reserve	Environmental Monitoring Reserve	Superfund Reserve	Total Governmental Funds
Revenues:					
Town Assessments	$ 430,376	$ -	$ -	$ -	$ 430,376
Charges For Services	908,786	-	-	-	908,786
Investment income	415	1,263	-	-	1,678
Recycling Income	96,590	-	-	-	96,590
Cellular Tower Rent	73,324	-	-	-	73,324
Miscellaneous	81	-	-	-	81
Total Revenues	1,509,572	1,263	-	-	1,510,835
Expenditures:					
General Operations	131,994	-	-	-	131,994
Personnel	560,147	-	-	-	560,147
Disposal	531,926	-	-	-	531,926
Landfill and Transfer Station	87,083	-	-	-	87,083
Capital	27,397	-	-	-	27,397
Total Expenditures	1,338,547	-	-	-	1,338,547
Excess (deficiency) of Revenues Over Expenditures	171,025	1,263	-	-	172,288
Other Financing Sources (Uses):					
Transfers In	-	68,299	-	20,000	88,299
Transfers Out	(88,299)	-	-	-	(88,299)
Total Other Financing Sources (Uses)	(88,299)	68,299	-	20,000	-
Net Change in Fund Balances	82,726	69,562	-	20,000	172,288
Fund Balances, Beginning of Year	782,788	406,935	30,560	390,686	1,610,969
Fund Balances, Ending of Year	$ 865,514	$ 476,497	$ 30,560	$ 410,686	$ 1,783,257

The accompanying notes are an integral part of these financial statements

REGIONAL REFUSE DISPOSAL DISTRICT ONE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2023

Net change in fund balances for governmental funds		$ 172,288
Total change in net assets reported for governmental activities in the statement of activities is different because of the following:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation differed from capital outlays in the current period is as follows:		
Expenditures for capital assets	13,065	
Depreciation expense	(62,961)	
Net adjustment	(49,896)	(49,896)
Change in net position of governmental activities		$ 122,392

REGIONAL REFUSE DISPOSAL DISTRICT ONE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
BUDGETARY BASIS - GENERAL FUND
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
Revenues:				
Town Assessments	430,372	430,372	430,376	4
Charges For Services	948,325	948,325	908,786	(39,539)
Investment income	300	300	415	115
Recycling Income	125,000	125,000	96,590	(28,410)
Miscellaneous	-	-	81	81
Cellular Tower Rent	69,480	69,480	73,324	3,844
Total Revenues	1,573,477	1,573,477	1,509,572	(63,905)
Expenditures:				
General Operations	149,738	149,738	131,994	(17,744)
Personnel	573,446	573,446	560,147	(13,299)
Disposal	668,575	668,575	531,926	(136,649)
Landfill and Transfer Station	72,050	72,050	87,083	15,033
Capital	141,208	141,208	115,696	(25,512)
Total Expenditures	1,605,017	1,605,017	1,426,846	(178,171)
Excess of Revenues Over (Under) Expenditures	(31,540)	(31,540)	82,726	114,266
Net Change in Fund Balance	$ (31,540)	$ (31,540)	$ 82,726	$ 114,266

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements 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 of the District's accounting policies are described below.

Reporting Entity

Regional Refuse Disposal District One was formed in accordance with Sections 7-330, 7-331, 7-332 and 8-35(d) of the Connecticut General Statutes by the Towns of New Hartford, Barkhamsted, Colebrook and Winchester in May 1970. On February 26, 2001, the charter was amended to omit the town of Colebrook. The purpose of Regional Refuse Disposal District One was defined as collection and disposal of refuse.

Accounting principles generally accepted in the United Stales of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

There are no organizations which have been excluded from the District's financial statements.

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 non fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are 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.

Fund Financial Statements

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self balancing set of accounts comprised of assets, liabilities, fund equity, revenues and expenditures as applicable. Fund accounting segregates funds according to their intended purposes and is used to aid management in demonstrating compliance with financial and related legal and contractual provisions. Funds are defined as major or non-major in the basic financial statements according to GASB reporting standards, which categorize funds based on relative size and materiality. Major governmental funds are reported are separate columns in the fund financial statements. The District maintains the following major governmental funds:

General Fund- the primary operating fund of the District. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for services, and interest income.

Capital Reserve Funds - account for all financial resources used for the acquisition or construction of major capital facilities. This includes the Capital reserve fund, the Environmental Monitoring Reserve Fund and the Superfund Reserve.

The District has no proprietary funds.

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 the proprietary fund 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.

Town assessments, charges for services, sticker fees 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. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the District or specifically identified.

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 all fees.

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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The District classifies all highly liquid investments having original maturities of three months or less as cash equivalents.

Interfund Receivables, Payables, and Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Receivables and Payables

All receivables are reported at their gross value and are reduced by the portion that is expected to be uncollectible. The receivables have been historically collected at nearly 100%. Any immaterial uncollectible amounts are written off as determined by the Administrator.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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.

Property, plant, equipment, and infrastructure assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20 - 50
Building improvements	20 - 50
Machinery and equipment	5 - 10
Vehicles	5 - 10

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 District reports a deferred charge on refunding in the government-wide statement of net position. The District had no financial statement elements meeting the criteria to be reported as deferred outflows of resources.

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 District had no financial statement elements meeting the criteria to be reported as deferred inflows of resources.

Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. The cost of vacation and sick leave is recognized when payments are made to employees. The amount of the liability for accrued vacation leave would not have a material effect on the District's financial statements; therefore, no liability has been recorded.

Fund Equity and Net Position

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 category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
>
> Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
>
> Unrestricted Net Position - This category represents the net position of the District, which are not restricted for any project or other purpose.

The District has adopted the provisions of Governmental Accounting Standards Board Statement #54 (GASB 54), which defines the different types of fund balances that the District must use for its governmental funds. GASB 54 requires the fund balances to be properly reported within one of the following categories for financial reporting purposes.

> Nonspendable Fund Balance – includes amounts that are not in spendable form or amounts that must be maintained intact legally or contractually. The criteria include items that are not expected to be converted to cash such as inventories, prepaid amounts and long term receivables.
>
> Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resource providers or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
>
> Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the District's highest level of decision making District. Commitments may be changed or lifted only by the same group taking the same formal action that imposed the constraint originally.
>
> Assigned Fund Balance – includes amounts intended to be used by the District for specific purposes that do not meet the criteria to be classified as restricted or committed.
>
> Unassigned Fund Balance – includes the general fund balance amount that is not classified as nonspendable, restricted, committed or assigned.

The District's policy is to apply expenditures against the applicable fund balances in the order of restricted, committed, assigned, and unassigned.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The District adheres to the following procedures in establishing the budgetary data included in the general fund financial statements.

> The Board presents an annual budget to a public hearing at which comments are obtained. The Board then adopts a budget and refers it to each member municipality.
>
> Transfers must be approved by two-thirds vote of the Board. Additional appropriations must be presented and approved in the same manner as the original budget. There were no additional appropriations during the year.
>
> The legal level of control at which expenditures may not exceed appropriations is at the department level.
>
> Formal budgetary integration is employed as a management control during the year.
>
> The budget includes contributions to the capital reserve and use of fund balance designations. The budget has been amended through line item transfers.

The Schedules of Revenue and Expenditures-Budget and Actual - General Fund presents comparisons of the legally adopted budget on the budgetary basis of accounting. This basis differs from the financial statements prepared in conformity with generally accepted accounting principles. The following is a reconciliation of this difference for the year ended June 30, 2023:

	Revenues	Expenditures
Total Budgetary Basis - Non GAAP	$ 1,509,572	$ 1,426,846
Operating Transfers	-	(88,299)
Total GAAP Basis	$ 1,509,572	$ 1,338,547

Basis differences are the effects of accrual adjustments for payables and receivables, interfund transfers and elimination of working capital amounts.

NOTE 3 – CASH DEPOSITS

Custodial Credit Risk

Deposit custodial credit risk is the risk that, in the event of a bank failure, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District does not have a deposit policy for custodial credit risk. As of June 30, 2023, $1,383,377 of the District's bank balance of $1,888,377 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 1,195,039
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the district's name	188,338
	$ 1,383,377

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

A summary of the District's cash deposits as of June 30, 2023 is as follows:

Operating Accounts	$ 853,855
Momey Market Funds	984,414
	$ 1,838,269

The level of the District's deposits varied significantly throughout the year as a result of higher cash flows during certain periods of the year. As a result, uninsured, uncollateralized amounts at those times were substantially higher than at year-end.

Concentrations of Credit Risk

The District does not have a policy that limits the amounts invested in any one issuer.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair losses arising from increasing interest rates.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023 was as follows. Depreciation expenses was charged refuse and disposal governmental activities.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated				
Land	$ 128,996	$ -	$ -	$ 128,996
Total Capital Assets, not being depreciated	128,996	-	-	128,996
Capital Assets, being depreciated				
Building and Improvements	334,361	-	-	334,361
Machinery and Equipment	501,294	13,065	-	514,359
Furniture & Fixtures	14,231	-	-	14,231
Infrastructure	246,364	-	-	246,364
Vehicles	657,213	-	-	657,213
Total Capital Assets being depreciated	1,753,463	13,065	-	1,766,528
Less Accumulated Depreciation for:				
Building and Improvement	255,790	6,262	-	262,052
Machinery and Equipment	270,059	24,101	-	294,160
Furniture & Fixtures	2,694	222	-	2,916
Infrastructure	163,655	8,228	-	171,883
Vehicles	507,772	24,148	-	531,920
Total Accumulated Depreciation	1,199,970	62,961	-	1,262,931
Total Capital Assets, being depreciated net	553,493	(49,896)	-	503,597
Governmental Activities Capital Assets, Net	$ 682,489	$ (49,896)	$ -	$ 632,593

NOTE 5 – RECEIVABLES

Receivables at June 30, 2023 or individual major funds and all other funds in the aggregate, including the applicable allowance for collection losses, are as follows:

	General Fund
Charges for services	$ 19,535
	$ 19,535

NOTE 6 – INTERFUND ACTIVITY

Interfund Transfers for the year are summarized below:

Fund	Transfers In	Transfers Out
General fund	$ -	$ 88,299
Capital reserve fund	20,000	
Superfund reserve	68,299	-
	$ 88,299	$ 88,299

NOTE 7 -DEFICIT FUND BALANCES

As of June 30, 2023, no funds had deficit fund balances.

NOTE 8 - POST EMPLOYMENT AND HEALTHCARE BENEFITS

The District does not provide post-employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the act, and no direct costs are incurred by the District.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster, and public official liabilities. The District generally obtains commercial insurance for these risks and any claims have not exceeded commercial coverage.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. The District has not included any contingencies in the financial statements specific to this issue.

NOTE 10 – MAJOR FUNDING SOURCES

The District's three funding sources account for approximately 27% of total revenues. The revenues are assessments to the towns of Barkhamsted, New Hartford and Winchester for collection and disposal of waste.

NOTE 11 – CONTINGENT LIABILITIES

The District's landfill was named a Superfund site in 1990. It was capped under EPA oversight in 1999. The District is a potentially responsible party (PRP) and has negotiated with other PRPs and the EPA to fund the long-term monitoring and maintenance activities at the site. The District has settled its liability for the Remedial/Feasibility Study and the EPA has approved a long-term natural attenuation and monitoring program as the final remedy for the site. The annual financial obligation for this long-term work is being funded by amounts obtained in grant funds and assessed to other PRPs and set aside in a trust fund for these activities.

Based on the trust agreement, the potential liability to the District is $964,720 through December 31, 2022. The District has funded $647,416, which includes $410,686 in the Superfund Reserve Account and $236,730 in in-kind services. In addition, the District will fund annually, through the operating budget, transfers to the Superfund Reserve Account as deemed necessary by the Board of Directors. However, based on the amount remaining in the Trust fund at June 30, 2023, the Board of Directors believes that no additional liability to the District will occur.

NOTE 12 – PENSION PLAN

The District maintains a non-contributory pension plan, the "Regional Refuse Disposal District One Retirement Plan" covering full-time employees. The plan was established and may be amended by the governing Board. Contributions are made by the employer only and totaled $23,852 for the fiscal year. Due to the nature of the plan, there is no unfunded liability.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events from the financial statement date of June 30, 2023 through December 30, 2023, which is the date these financial statements were available to be issued. All subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

NOTE 14 – PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- GASB Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This statement addresses a variety of topics with the requirements related to financial guarantees and the classification and reporting of derivative instruments effective for the District's reporting periods beginning July 1, 2023.

- GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the District's reporting period beginning July 1, 2023.

- GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the District's reporting period beginning July 1, 2024.

REGIONAL REFUSE DISPOSAL DISTRICT ONE
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - GENERAL FUND BUDGETARY BASIS
For The Fiscal Year Ended June 30, 2023

	Budgeted Amounts			Variance With Final Budget
Town Assessments:	Original	Final	Actual	Over (Under)
Barkhamsted	$ 77,467	$ 77,467	$ 77,468	$ 1
New Hartford	137,719	137,719	137,720	1
Winchester	215,186	215,186	215,188	2
Total Town Assessments	430,372	430,372	430,376	4
Charges For Services:				
Fee Income	342,000	342,000	338,390	(3,610)
Tag Sale Income	75,000	75,000	74,388	(612)
Sticker Income	525,525	525,525	492,623	(32,902)
L/F Waste Transfer Income	5,800	5,800	3,385	(2,415)
Total Charges For Services	948,325	948,325	908,786	(39,539)
Investment income	300	300	415	115
Recycling Income	125,000	125,000	96,590	(28,410)
Cellular Tower Rent	45,800	45,800	51,469	5,669
Lodestar Solar	23,680	23,680	21,855	(1,825)
Miscellaneous	-	-	81	81
	194,780	194,780	170,410	(24,370)
TOTAL REVENUES	$ 1,573,477	$ 1,573,477	$ 1,509,572	$ (63,905)

REGIONAL REFUSE DISPOSAL DISTRICT ONE
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND BUDGETARY BASIS
For The Fiscal Year Ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance With Final Budget Over (Under)
GENERAL OPERATIONS				
Counsel	$ 1,000	$ 1,000	$ 2,970	$ 1,970
Auditor	4,500	4,500	4,500	-
Business Services and Supplies	20,850	20,850	18,071	(2,779)
Insurance	17,750	17,750	17,152	(598)
Property Taxes	48,188	48,188	49,313	1,125
Utilities	11,600	11,600	10,876	(724)
Heating Fuel	4,500	4,500	6,004	1,504
Staff/Board	350	350	287	(63)
General Maintenance	22,000	22,000	22,821	821
Education	4,000	4,000	-	(4,000)
Contingency	15,000	15,000	-	(15,000)
Total General Operations	149,738	149,738	131,994	(17,744)
PERSONNEL				
Payroll	422,908	422,908	401,851	(21,057)
Temporary Help	5,000	5,000	3,546	(1,454)
Payroll Taxes	34,356	34,356	36,932	2,576
Medical Insurance	45,920	45,920	43,466	(2,454)
Worker's Comp. Insurance	25,732	25,732	25,727	(5)
Pension	23,530	23,530	23,852	322
Incentive Plan	16,000	16,000	24,773	8,773
Total Personnel	573,446	573,446	560,147	(13,299)
DISPOSAL				
CRRA Tip Fee	438,000	438,000	325,869	(112,131)
Landfill Waste Tip Fee	190,575	190,575	185,157	(5,418)
Recycling Disposal Fee	7,000	7,000	6,187	(813)
Brush Grinding	23,000	23,000	-	(23,000)
Household Hazardous Waste	10,000	10,000	14,713	4,713
Total Disposal	668,575	668,575	531,926	(136,649)
LANDFILL AND TRANSFER STATION				
Engineering Services	1,000	1,000	2,650	1,650
Site Development/Maintenance	10,000	10,000	3,093	(6,907)
Equipment Maintenance	25,000	25,000	37,616	12,616
State Permit Fees	1,050	1,050	2,100	1,050
Motor Fuel	35,000	35,000	41,624	6,624
Total Landfill and Transfer Station	72,050	72,050	87,083	15,033

REGIONAL REFUSE DISPOSAL DISTRICT ONE
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND BUDGETARY BASIS
For The Fiscal Year Ended June 30, 2023

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
CAPITAL				
Equipment Replacement Reserve	$ 68,299	$ 68,299	$ 68,299	$ -
Capital Replacement Equipment	19,759	19,759	-	(19,759)
Recycling Equipment	11,000	11,000	13,065	2,065
L/T Station Equipment	10,000	10,000	4,450	(5,550)
Ground Water Test	2,150	2,150	6,250	4,100
Post CLSR Maintenance	10,000	10,000	3,632	(6,368)
Environmental Monitoring Reserve	20,000	20,000	20,000	-
Total Capital	141,208	141,208	115,696	(25,512)
TOTAL EXPENDITURES	1,605,017	1,605,017	1,426,846	(178,171)
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 1,605,017	$ 1,605,017	$ 1,426,846	$ (178,171)

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Regional Refuse Disposal District One

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Regional Refuse Disposal District One's basic financial statements, and have issued our report thereon dated December 30, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Regional Refuse Disposal District One's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regional Refuse Disposal District One's internal control. Accordingly, we do not express an opinion on the effectiveness of the Regional Refuse Disposal District One's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Regional Refuse Disposal District One's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

CPA SM
America Counts on CPAs SM
194 Ashley Falls Road, P.O. Box 665
Canaan, CT 06018
63A West Street
Litchfield, CT 06759
860.824.7734 *phone*
860.584.9927 *fax*
george@sinnamoncpa.com
www.sinnamoncpa.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Refuse Disposal District One's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Regional Refuse Disposal District One's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Regional Refuse Disposal District One's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sinnamon & Associates, LLC
Certified Public Accountants

December 30, 2023
Canaan Connecticut