REGIONAL REFUSE DISPOSAL
DISTRICT ONE

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2024

S&A LLC
SINNAMON & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

REGIONAL REFUSE DISPOSAL DISTRICT ONE
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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, 2024, 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, 2024, 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.

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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 3, 2024 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 3, 2024
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, 2024. 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 $2,595,385 exceeded its liabilities at June 30, 2024, resulting in total net position of $2,565,289. Unrestricted net position is $1,954,905 which is available to meet ongoing government obligations. Of that amount $1,954,905 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 $1,954,905, an increase of $171,648 for the year. The General Fund operating surplus for the year was $14,279. The General Fund balance was $879,793, of which $40,000 was reserved for subsequent years expenditures and $16,396 was committed for unemployment reserve.

At the end of the current fiscal year, the unassigned fund balance for the general fund was $823,397, an increase of $10,758 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 $2,565,289 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 $610,384. 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 $149,439 during the current fiscal year.

NET POSITION
June 30, 2024 and June 30, 2023

	6/30/2024	6/30/2023
Assets		
Current and other assets	$1,985,001	$1,857,804
Capital assets, net of accumulated depreciation	610,384	632,593
Total Assets	2,595,385	2,490,397
Liabilities		
Current liabilities	30,096	74,547
Long-term liabilities	-	-
Total Liabilities	30,096	74,547
Net Position		
Net Investment in capital assets	610,384	632,593
Unrestricted	1,954,905	1,783,257
Total Net Position	$2,565,289	$2,415,850

CHANGES IN NET POSITION
June 30, 2024 and June 30, 2023

	6/30/2024	6/30/2023
Revenues		
Program revenues		
Charges for services	$1,053,061	$ 908,786
General revenues		
Investment income	69,131	1,678
Town assessments'	430,376	430,376
Recycling	96,393	96,590
Cellular Tower Rent	74,737	73,324
Other	1,658	81
Total Revenues	1,725,356	1,510,835
Expenses		
Refuse Transport and Recycling	1,575,917	1,388,443
Total Expenses	1,575,917	1,388,443
Change in net position	149,439	122,392
Net Position, beginning of year	2,415,850	2,293,458
Net Position, end of year	$2,565,289	$2,415,850

Governmental Activities.

Approximately 61% of the revenues were derived from charges for services, followed by 25% from town assessments, and 14% 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 $879,793. Of this total fund balance, $40,000 is reserved for subsequent year's expenditures and $16,396 in committed for unemployment reserve. The remaining balance of $823,397 is unreserved and undesignated.

The fund balance of the District's General Fund increased by $14,279 during the current fiscal year. The main reason for this increase was increased income 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, 2024 amounted to $610,384. This investment in capital assets included land, buildings and system improvements, machinery and equipment and vehicles.

CAPITAL ASSETS, Net of Depreciation
June 30, 2024 and June 30, 2023

	Governmental Activities	
	June 30, 2024	June 30, 2023
Land	$ 128,996	$ 128,996
Buildings and improvements	64,655	72,309
Machinery and equipment	238,556	220,199
Furniture & fixtures	10,288	11,315
Infrastructure	66,746	74,481
Vehicles	101,143	125,293
Total	$ 610,384	$ 632,593

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, 2024, the District's Total General Fund Balance was $879,793. The District appropriated $40,000 of this balance to mitigate assessments in fiscal year ending June 30, 2024 and held $16,396 committed for unemployment reserve leaving an unassigned fund balance of $823,397.

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, 2024

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	1,970,121
Accounts Receivable		14,880
Capital assets not being depreciated		128,996
Capital Assets, net of accumulated depreciation		481,388
TOTAL ASSETS	$	2,595,385
LIABILITIES		
Accounts Payable	$	9,685
Accrued Expense		20,411
Noncurrent Liabilities & Notes Payable:		
Due within one year		-
Due in more than one year		-
TOTAL LIABILITIES		30,096
NET POSITION		
Net Investment in Capital Assets		610,384
Unrestricted		1,954,905
TOTAL NET POSITION		2,565,289
TOTAL LIABILITIES AND NET POSITION	$	2,595,385

REGIONAL REFUSE DISPOSAL DISTRICT ONE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	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	$ (1,575,917)	$ 1,053,061	$ -	$ -	$ (522,856)
Total Governmental Activities	(1,575,917)	1,053,061	-	-	(522,856)
Total Primary Government	$ (1,575,917)	$ 1,053,061	$ -	$ -	$ (522,856)
General Revenues:					
Town Assessments					430,376
Recycling Income					96,393
Cellular Tower Rent					74,737
Miscellaneous income not restricted to specific programs					1,658
Unrestricted investment earnings					69,131
Total General Revenues					672,295
Change in net position					149,439
Net position beginning of year					2,415,850
Net position end of year					$ 2,565,289

The accompanying notes are an integral part of these financial statements

REGIONAL REFUSE DISPOSAL DISTRICT ONE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Capital Reserve	Environmental Monitoring Reserve	Superfund Reserve	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 895,009	$ 612,205	$ 30,682	$ 432,225	$ 1,970,121
Accounts Receivable	14,880	-	-	-	14,880
TOTAL ASSETS	$ 909,889	$ 612,205	$ 30,682	$ 432,225	$ 1,985,001
LIABILITIES					
Accounts Payable	$ 9,685	$ -	$ -	$ -	$ 9,685
Accrued Payroll	20,411	-	-	-	20,411
TOTAL LIABILITIES	30,096	-	-	-	30,096
FUND BALANCES					
Committed	16,396	612,205	30,682	432,225	1,091,508
Assigned	40,000	-	-	-	40,000
Unassigned	823,397	-	-	-	823,397
TOTAL FUND BALANCES	879,793	612,205	30,682	432,225	1,954,905
TOTAL LIABILITIES AND FUND BALANCES	$ 909,889	$ 612,205	$ 30,682	$ 432,225	$ 1,985,001

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, 2024

Total fund balances for governmental funds	$ 1,954,905
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	610,384
Net position of governmental activities	$ 2,565,289

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, 2024

	General Fund	Capital Reserve	Environmental Monitoring Reserve	Superfund Reserve	Total Governmental Funds
Revenues:					
Town Assessments	$ 430,376	$ -	$ -	$ -	$ 430,376
Charges For Services	1,053,061	-	-	-	1,053,061
Investment income	61	67,409	122	1,539	69,131
Recycling Income	96,393	-	-	-	96,393
Cellular Tower Rent	74,737	-	-	-	74,737
Miscellaneous	1,658	-	-	-	1,658
Total Revenues	1,656,286	67,409	122	1,539	1,725,356
Expenditures:					
General Operations	171,267	-	-	-	171,267
Personnel	538,061	-	-	-	538,061
Disposal	617,659	-	-	-	617,659
Landfill and Transfer Station	69,276	-	-	-	69,276
Capital	48,441	-	-	-	48,441
Capital	109,004	-	-	-	109,004
Total Expenditures	1,553,708	-	-	-	1,553,708
Excess (deficiency) of Revenues Over Expenditures	102,578	67,409	122	1,539	171,648
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	14,279	135,708	122	21,539	171,648
Fund Balances, Beginning of Year	865,514	476,497	30,560	410,686	1,783,257
Fund Balances, Ending of Year	$ 879,793	$ 612,205	$ 30,682	$ 432,225	$ 1,954,905

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, 2024

Net change in fund balances for governmental funds		$	171,648
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	41,790		
Depreciation expense	(63,999)		
Net adjustment	(22,209)		(22,209)
Change in net position of governmental activities		$	149,439

The accompanying notes are an integral part of these financial statements

REGIONAL REFUSE DISPOSAL DISTRICT ONE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
Revenues:				
Town Assessments	430,372	430,372	430,376	4
Charges For Services	954,100	954,100	1,053,061	98,961
Investment income	300	300	61	(239)
Recycling Income	120,000	120,000	96,393	(23,607)
Miscellaneous	1,300	1,300	1,658	358
Cellular Tower Rent	69,480	69,480	74,737	5,257
Total Revenues	1,575,552	1,575,552	1,656,286	80,734
Expenditures:				
General Operations	161,800	181,737	171,267	(10,470)
Personnel	586,800	585,288	538,061	(47,227)
Disposal	674,000	616,380	617,659	1,279
Landfill and Transfer Station	77,050	70,334	69,276	(1,058)
Capital	102,992	136,740	136,740	-
Superfund	9,450	21,613	109,004	87,391
Total Expenditures	1,612,092	1,612,092	1,642,007	29,915
Excess of Revenues Over (Under) Expenditures	(36,540)	(36,540)	14,279	50,819
Net Change in Fund Balance	$ (36,540)	$ (36,540)	$ 14,279	$ 50,819

The accompanying notes are an integral part of these financial statements

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, 2024:

	Revenues	Expenditures
Total Budgetary Basis - Non GAAP	$ 1,656,286	$ 1,642,007
Operating Transfers	-	(88,299)
Total GAAP Basis	$ 1,656,286	$ 1,553,708

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, 2024, $1,585,002 of the District's bank balance of $2,085,002 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 1,376,502
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the district's name	208,500
	$ 1,585,002

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, 2024 is as follows:

Operating Accounts	$ 226,576
Money Market Account	104,784
Certificate of Deposit	1,638,761
	$ 1,970,121

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, 2024 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	514,359	41,790	-	556,149
Furniture & Fixtures	14,231	-	2,307	11,924
Infrastructure	246,364	-	-	246,364
Vehicles	657,213	-	-	657,213
Total Capital Assets being depreciated	1,766,528	41,790	2,307	1,806,011
Less Accumulated Depreciation for:				
Building and Improvement	262,052	7,654	-	269,706
Machinery and Equipment	294,160	23,433	-	317,593
Furniture & Fixtures	2,916	1,027	2,307	1,636
Infrastructure	171,883	7,735	-	179,618
Vehicles	531,920	24,150	-	556,070
Total Accumulated Depreciation	1,262,931	63,999	2,307	1,324,623
Total Capital Assets, being depreciated net	503,597	(22,209)	-	481,388
Governmental Activities Capital Assets, Net	$ 632,593	$ (22,209)	$ -	$ 610,384

NOTE 5 – RECEIVABLES

Receivables at June 30, 2024 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	$ 14,880
	$ 14,880

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, 2024, 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.

NOTE 10 – MAJOR FUNDING SOURCES

The District's three funding sources account for approximately 26% 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 $668,955, which includes $432,225 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, 2024, 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 $19,556 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, 2024 through December 3, 2024, 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. 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.

- GASB Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for the District's reporting period beginning July 1, 2024.

- GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the District's reporting period beginning July 1, 2025.

REGIONAL REFUSE DISPOSAL DISTRICT ONE
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - GENERAL FUND BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts				Variance With Final Budget
Town Assessments	Original	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	367,617	25,617
Tag Sale Income	75,000	-	75,000	73,154	(1,846)
Sticker Income	531,300	-	531,300	610,280	78,980
L/F Waste Transfer Income	5,800	-	5,800	2,010	(3,790)
Total Charges For Services	954,100	-	954,100	1,053,061	98,961
Other Revenue					
Investment income	300	-	300	61	(239)
Recycling Income	120,000	-	120,000	96,393	(23,607)
American Tower Rent	45,800	-	45,800	51,061	5,261
Lodestar Solar	23,680	-	23,680	23,676	(4)
Miscellaneous Income	1,300	-	1,300	1,658	358
Total Other Revenue	191,080	-	191,080	172,849	(18,231)
TOTAL REVENUES	$ 1,575,552	$ -	$ 1,575,552	$ 1,656,286	$ 80,734

REGIONAL REFUSE DISPOSAL DISTRICT ONE
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts				Variance With Final Budget
	Original	Original	Final	Actual	Over (Under)
GENERAL OPERATIONS					
Counsel	$ 1,000	$ 1,391	$ 2,391	$ 2,391	$ -
Auditor	4,500	-	4,500	4,500	-
Business Services and Supplies	25,850	(5,529)	20,321	20,614	293
Insurance	19,000	24,566	43,566	43,566	-
Property Taxes	50,000	15,232	65,232	65,232	-
Utilities	15,600	-	15,600	13,186	(2,414)
Heating Fuel	4,500	(556)	3,944	3,947	3
Staff/Board	350	478	828	589	(239)
General Maintenance	22,000	(1,273)	20,727	12,614	(8,113)
Education	4,000	628	4,628	4,628	-
Contingency	15,000	(15,000)	-	-	-
Total General Operations	161,800	19,937	181,737	171,267	(10,470)
PERSONNEL					
Payroll	428,000	(12,000)	416,000	411,818	(4,182)
Temporary Help	5,000	1,040	6,040	6,040	-
Payroll Taxes	35,500	10,962	46,462	37,805	(8,657)
Medical Insurance	48,900	-	48,900	43,476	(5,424)
Worker's Comp. Insurance	26,000	(1,514)	24,486	2,145	(22,341)
Pension	25,900	-	25,900	19,556	(6,344)
Incentive Plan	17,500	-	17,500	17,221	(279)
Total Personnel	586,800	(1,512)	585,288	538,061	(47,227)
DISPOSAL					
CRRA Tip Fee	450,000	(94,921)	355,079	355,079	-
Landfill Waste Tip Fee	195,000	9,146	204,146	204,146	-
Recycling Disposal Fee	8,000	210	8,210	8,210	-
Brush Grinding	5,000	20,166	25,166	25,166	-
Household Hazardous Waste	16,000	7,779	23,779	25,058	1,279
Total Disposal	674,000	(57,620)	616,380	617,659	1,279
LANDFILL AND TRANSFER STATION					
Engineering Services	1,000	-	1,000	-	(1,000)
Site Development/Maintenance	10,000	(6,168)	3,832	3,831	(1)
Equipment Maintenance	25,000	3,850	28,850	28,917	67
State Permit Fees	1,050	-	1,050	1,050	-
Motor Fuel	40,000	(4,398)	35,602	35,478	(124)
Total Landfill and Transfer Station	77,050	(6,716)	70,334	69,276	(1,058)

REGIONAL REFUSE DISPOSAL DISTRICT ONE
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL FUND BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts				Variance With Final Budget
	Original	Transfers	Final	Actual	Over (Under)
CAPITAL					
Equipment Replacement Reserve	$ 68,299	$ -	$ 68,299	$ 68,299	$ -
L/T Station Equipment	14,693	33,748	48,441	48,441	-
Environmental Monitoring Reserve	20,000	-	20,000	20,000	-
Total Capital	102,992	33,748	136,740	136,740	-
SUPERFUND					
Other	3,600	-	3,600	2,875	(725)
Ground Water Test	2,250	4,550	6,800	9,000	2,200
Post Closure Maintenance	3,600	7,613	11,213	97,129	85,916
Total Capital	9,450	12,163	21,613	109,004	87,391
TOTAL EXPENDITURES	1,612,092	-	1,612,092	1,642,007	29,915
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 1,612,092	$ -	$ 1,612,092	$ 1,642,007	$ 29,915

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, 2024, 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 3, 2024.

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.

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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 3, 2024
Canaan Connecticut