

FINAL

THE MATTABASSETT DISTRICT

For the year ended June 30, 2023
Independent Auditors' Report

THE MATTABASSETT DISTRICT

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Guiding Successful People

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INDEPENDENT AUDITORS REPORT

Board of Directors
The Mattabassett District
Cromwell, Connecticut

Opinions

We have audited the accompanying financial statements of the governmental activities and the business-type activities of The Mattabassett District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise The Mattabassett District'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 the business-type activities of The Mattabassett District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Mattabassett District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Mattabassett District'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 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, 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 Mattabassett District'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 Mattabassett District'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 beginning on page 6, assets using the modified approach on page 34, budgetary comparison information beginning on page 35, and Schedule of District's Proportionate Share of the Net Pension Liability on page 37 be presented to supplement the basic financial statements. Such information, 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.

Offerdahl Emerson & Company, LLC

Killingworth, Connecticut
October 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE MATTABASSETT DISTRICT
Management's Discussion and Analysis
For the year ended June 30, 2023

As management of The Mattabassett District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$144,930,810.
- The District's total net position increased by \$3,279,474. This increase is attributable to the expansion of the facility for the nitrogen treatment upgrade and bond premium.
- The District's operating expenses in 2023 were \$1,668,300 more than 2022 predominately due to increased administration expenses of \$22,470, operating expense of \$956,800 and maintenance expense of \$721,998 and decreased utilities expenses of \$26,328.
- Operating revenues increased by \$1,217,939 predominantly due to an increased assessment.
- The District paid \$3,676,663 and \$1,338,950 for principal and interest, respectively, on their Clean Water Fund loans and bonds.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to The Mattabassett District's financial statements. The District's financial statements comprise two components: government-wide financial statements and the notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements (see pages 13 and 14) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the District and its governmental activities. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. The Statement of Activities combines all of the District's revenues and expenses in a single statement for the fiscal year ended June 30, 2023.

The two government-wide statements report the District's net position and how they have changed. Net position (the District's assets plus deferred outflows of resources, less liabilities, and deferred inflows of resources), is one way to measure the District's financial health or position and to see the direction the District is heading.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

THE MATTABASSETT DISTRICT
Management's Discussion and Analysis
For the year ended June 30, 2023

- To assess the overall health of the District you need to consider additional factors such as changes in the District's proprietary fund customer base and usage patterns, as well as the conditions of the District's infrastructure assets.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities* - The governmental activities column consists of the District's general fund. District general fund activities are financed through the generation of investment income and from transfers from both the water and electric proprietary funds.
- *Business-type activities* – The District has two business-type activities that consist of retail water and electric service.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major funds" – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending.

The District has two types of funds:

- *Governmental funds* - The governmental activities column consists of the District's capital projects fund. Capital projects fund activities are financed through the generation of investment income and from transfers from the proprietary fund. Capital projects fund expenditures consist of capital maintenance costs.
- *Proprietary funds* – Services for which the District charges customers are reported in proprietary funds. Proprietary funds are reported in the same way as in the government-wide statements. In fact, the District's *enterprise funds* (a type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS

As noted earlier, the net position may serve over time as a useful indicator of the District's financial position. In the case of The Mattabasset District, assets and deferred outflows exceed liabilities and deferred inflows by \$144,930,810 at June 30, 2023.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings and improvements, wastewater treatment facility and general plant, equipment, and vehicles); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to customers; consequently, these assets are not available for future spending.

THE MATTABASSETT DISTRICT
Management's Discussion and Analysis
For the year ended June 30, 2023

Net Position

	2023	2022
Current Assets	\$ 12,205,522	\$ 3,682,422
Capital Assets	177,491,587	177,641,407
Noncurrent Assets - Investments	4,759,371	11,876,725
Total Assets	194,456,480	193,200,554
Deferred outflows of resources	1,773,706	1,039,505
Current Liabilities	4,987,365	4,210,375
Noncurrent Liabilities	45,926,236	46,483,848
Total Liabilities	50,913,601	50,694,223
Deferred inflows of resources	385,775	1,894,500
Net Position		
Invested in Capital Assets (net of related debt)	131,599,040	131,748,860
Unrestricted Surplus/(Deficit)	13,331,770	9,902,476
Total Net Position	\$ 144,930,810	\$ 141,651,336

The District's net position increased by \$3,279,474 during the year ended June 30, 2023, the amount to which increases in revenues have exceeded increases in expenses.

THE MATTABASSETT DISTRICT
Management's Discussion and Analysis
For the year ended June 30, 2023

Changes in Net Position

	2023	2022
Operating Revenues:		
Assessments:		
Member Municipalities & Contractual Towns	\$ 15,435,289	\$ 14,450,364
Charges for Services:		
Septage/Liquids/Grease	203,357	153,975
Sludge Management	1,211,582	1,018,278
Other Revenues	145,727	155,399
Energy performance Repayment	300,000	300,000
Total Operating Revenues	17,295,955	16,078,016
Operating Expenses:		
Administration	1,317,146	1,294,676
Operating Expenses	5,117,352	4,160,552
Maintenance	4,496,274	3,774,276
Utilities	2,154,491	2,180,819
Depreciation	164,820	171,460
Total Operating Expenses	13,250,083	11,581,783
Operating Income	4,045,872	4,496,233
Nonoperating Revenue / (Expense):		
Interest Income	572,552	21,620
Interest Expense	(1,338,950)	(1,115,241)
Net Non-Operating Revenue / (Expense)	(766,398)	(1,093,621)
Change in Net Position	3,279,474	3,402,612
Net Position, Beginning of year	141,651,336	138,248,724
Net Position, end of year	\$ 144,930,810	\$ 141,651,336

Operating revenues increased by \$1,217,939 during the year. The increase was the net effect of the following:

- Charges for services increased \$233,014 in 2023.
- Sludge management increased by \$193,280.
- Other revenues decreased in 2023 due to lower nitrogen credit and other miscellaneous credits.

THE MATTABASSETT DISTRICT
Management's Discussion and Analysis
For the year ended June 30, 2023

- Total Operating expenses increased by \$1,668,300, due primarily to increased maintenance expense, administration expense and operating expenses of \$721,998, \$22,470, and \$956,800, respectively, and decreased utilities expense of \$26,328. The increase in maintenance expenses is due to the decrease in the capitalization of maintenance costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets -The District's investment in capital assets as of June 30, 2023 amounts to \$177,491,587 (net of accumulated depreciation). This investment in capital assets includes land, wastewater treatment facility, equipment, and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was less than one percent.

Major capital asset events during the current fiscal year included the following:

Capital Assets - Net of Depreciation

	2023	2022
Land	\$ 100,000	\$ 100,000
Waste Water Treatment Facility	176,669,459	176,669,459
Equipment	527,721	646,848
Vehicles	194,407	225,100
Total Capital Assets - Net of Depreciation	\$ 177,491,587	\$ 177,641,407

The District has adopted the modified approach (an alternative to depreciation) for the wastewater treatment facility. Under this approach, the District implements a program to maintain assets at a certain condition level and, therefore, is not required to record depreciation expense on these assets. Details on the assets being accounted for under the modified approach can be found in the Required Supplementary Information.

Economic Factors and Next Year's Budgets and Rates

- Inflationary trends in the region compare favorably to national indices.
- For fiscal years ending June 30, 2024 and June 30, 2025, payments of principal and interest on the Clean Water Fund Loans and Bond will be \$4,915,869 and \$4,833,786, respectively.

THE MATTABASSETT DISTRICT
Management's Discussion and Analysis
For the year ended June 30, 2023

All of these factors were considered when the annual assessment rates for the 2023-2024 fiscal year were set.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, The Mattabasset District, 245 Main Street, Cromwell, CT 06416.

BASIC FINANCIAL STATEMENTS

THE MATTABASSETT DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business- Type Activities	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and equivalents	\$ -	\$ 1,685,714	\$ 1,685,714
Investments	66,153	8,987,528	9,053,681
Receivables	-	83,940	83,940
Inventory	-	1,382,187	1,382,187
Noncurrent investments	-	4,759,371	4,759,371
Capital assets			
Nondepreciable	-	100,000	100,000
Depreciable, net of accumulated depreciation	<u>-</u>	<u>177,391,587</u>	<u>177,391,587</u>
 Total Assets	 <u>\$ 66,153</u>	 <u>\$ 194,390,327</u>	 <u>\$ 194,456,480</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges related to pensions	<u>\$ -</u>	<u>\$ 1,773,706</u>	<u>\$ 1,773,706</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ -	\$ 444,003	\$ 444,003
Deferred Revenue	-	737,188	737,188
Non-current liabilities			
Due within one year	-	3,806,174	3,806,174
Due in more than one year	<u>-</u>	<u>45,926,236</u>	<u>45,926,236</u>
 Total Liabilities	 <u>\$ -</u>	 <u>\$ 50,913,601</u>	 <u>\$ 50,913,601</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to net pension liability	<u>\$ -</u>	<u>\$ 385,775</u>	<u>\$ 385,775</u>
NET POSITION			
Invested in capital assets, net of related debt	\$ -	\$ 131,599,040	\$ 131,599,040
Unrestricted	<u>66,153</u>	<u>13,265,617</u>	<u>13,331,770</u>
 Total Net Position	 <u><u>\$ 66,153</u></u>	 <u><u>\$ 144,864,657</u></u>	 <u><u>\$ 144,930,810</u></u>

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

THE MATTABASSETT DISTRICT
Statement of Activities
For the year ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-Type Activities
Primary government						
Governmental activities						
Maintenance	\$ (479,462)	\$ -	\$ -	\$ -	\$ (479,462)	\$ -
Total governmental activities	(479,462)	-	-	-	(479,462)	-
Business-Type activities						
Sewer usage	(14,109,572)	16,850,228	-	-	-	2,740,656
Total business-type activities	(14,109,572)	16,850,228	-	-	-	2,740,656
Total primary government	\$ (14,589,034)	\$ 16,850,228	\$ -	\$ -	\$ (479,462)	\$ 2,261,194
General Revenues						
Investment earnings				1,944		572,553
Other revenues				-		145,727
Energy Performance Repayment Transfers				300,000		300,000
Total General Revenues				481,406		1,018,280
Change in Net Position				1,944		3,279,474
Net Position - Beginning of Year				64,209		141,651,336
Net Position - End of Year				66,153		\$ 144,930,810

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

THE MATTABASSETT DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2023

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	1,685,714
Investments		8,987,528
Accounts Receivable, net of allowance \$5,000		83,940
Inventory		1,382,187
Total Current Assets		12,139,369

Capital Assets - Utility Plant, net

Land		100,000
Waste Water Treatment Facility		176,669,459
Equipment, net		527,721
Vehicles, net		194,407
Total Capital Assets - Utility Plant, net		177,491,587

NON CURRENT ASSETS

Investments		4,759,371
		<u>4,759,371</u>

TOTAL ASSETS

194,390,327

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows Related to Pension		1,773,706
		<u>1,773,706</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 196,164,033

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$	358,507
Accrued Payroll Liabilities		85,496
Accrued Compensated Absences, Current		99,512
Deferred Revenue		737,188
Clean Water Fund Loan Payable, current portion		2,466,662
Bond Payable, current portion		1,240,000
		<u>4,987,365</u>

NON-CURRENT LIABILITIES

Accrued Compensated Absences, non current		398,049
Clean Water Fund Loan Payable		24,249,221
Net Pension Liability		7,018,966
Bond Payable		14,260,000
		<u>45,926,236</u>

TOTAL LIABILITIES

50,913,601

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows Related to Pension		385,775
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NET POSITION

Net Investment in Capital Assets		131,599,040
Unrestricted		13,265,617
		<u>144,864,657</u>

TOTAL NET POSITION

144,864,657

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET ASSETS

\$ 196,164,033

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

THE MATTABASSETT DISTRICT
Statement of Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

Operating Revenues:	
Assessments:	
Member Municipalities & Contractual Towns	\$ 15,435,289
Charges for Services:	
Septage/Liquids/Grease	203,357
Sludge Management	1,211,582
Other Revenues	<u>145,727</u>
Total Operating Revenues	16,995,955
Operating Expenses:	
Administration	1,317,146
Operating	5,117,353
Maintenance	4,016,812
Utilities	2,154,491
Depreciation	<u>164,820</u>
Total Operating Expenses	<u>12,770,622</u>
Operating Income	4,225,333
Nonoperating Revenue / (Expense)	
Transfers out	(179,462)
Interest Income	570,609
Bond premium	-
Interest Expense	<u>(1,338,950)</u>
Net Nonoperating Revenue / (Expense)	<u>(947,803)</u>
Change in Net Position	<u>3,277,530</u>
Net Position, beginning of year	<u>141,587,127</u>
Net Position, end of year	<u><u>\$ 144,864,657</u></u>

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

THE MATTABASSETT DISTRICT

Statement of Cash Flow

Proprietary Funds

For the Year Ended June 30, 2023

Cash Flows from Operating Activities	
Receipts from customers	
Receipts from Member and Contractual Towns	15,570,951
Payments to suppliers	(6,995,145)
Payments to employees	(5,370,778)
Net cash provided by operating activities	<u>4,619,967</u>
Cash Flows from Capital and Related Financing Activities	
Principal paid on Clean Water Fund debt	(2,466,663)
Cash proceed on Bond Payable	(1,210,000)
Interest paid	(1,338,950)
Net Cash Used by Capital and Related Financing Activities	<u>(5,015,613)</u>
Cash Flows from Investing Activities	
Investment Activity, net	(237,373)
Transfers	(479,462)
Net change in pension	872,285
Acquisition of capital assets	(15,000)
Investment income / Late charges	570,609
Net Cash Provided (Used) by Investing Activities	<u>711,059</u>
Net increase in cash and cash equivalents	315,413
Cash and cash equivalents, beginning of year	15,117,200
Cash and cash equivalents, end of year	<u>15,432,613</u>
Reconciliation to cash:	
Cash and Cash Equivalents per Above	15,432,613
Cash and Cash Equivalents Reported as Investments	13,746,899
Cash	<u>\$ 1,685,714</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating income (loss)	\$ 3,277,530
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation Expense	164,820
Transfers	(779,462)
Changes in Assets and Liabilities:	
Receivables	135,662
Inventories	52,466
Deferred outflows of resources	(2,127,090)
Deferred Revenue	737,188
Net pension liability	3,115,211
Payables and Accrued Liabilities	43,642
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,619,967</u>

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

THE MATTABASSETT DISTRICT

Capital Projects Fund

Balance Sheet

June 30, 2023

ASSETS

CURRENT ASSETS

Investments \$ 66,153

Total Current Assets 66,153

TOTAL ASSETS \$ 66,153

FUND BALANCE

Assigned for capital projects \$ 66,153

TOTAL FUND BALANCE \$ 66,153

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

THE MATTABASSETT DISTRICT
 Capital Projects Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year ended June 30, 2023

REVENUES

Investment earnings	\$ 1,944
Energy Performance Repayment	<u>300,000</u>

TOTAL REVENUES	<u>301,944</u>
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EXPENDITURES

Maintenance capital outlay	<u>479,462</u>
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TOTAL EXPENDITURES	<u>479,462</u>
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Excess (Deficiency) of Revenues over Expenditures	(177,518)
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OTHER FINANCING SOURCES (USES)

Transfers in	<u>179,462</u>
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Change in Fund Balance	1,944
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FUND BALANCE - BEGINNING OF YEAR	64,209
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FUND BALANCE - END OF YEAR	<u>\$ 66,153</u>
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The accompanying notes are an integral part of the financial statements.

THE MATTABASSETT DISTRICT

Notes to the Financial Statements
For the Year ended June 30, 2023

NOTE 1 -ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and Organization

The Mattabassett District is a unique institution originally formed by the State Legislature in 1961 to provide wastewater treatment in a more efficient and cost-effective manner to its three constituent communities, New Britain, Berlin, and Cromwell, than they could have independently, as well as adjoining communities in its watershed. Currently this includes portions of Farmington, Middletown, Newington, and Rocky Hill.

In addition to its headquarters and wastewater treatment facility located at 245 Main Street in Cromwell, Connecticut, the District has an 8.5-mile trunk sewer, which collects all the communities' waste and transports it to the treatment facility; an ash landfill; and a state-of-the-art outfall and diffuser system in the Connecticut River.

The District's connection to the communities is the volunteer Board of Directors, appointed by the current four constituent towns served by the District: New Britain, Berlin, Cromwell, and Middletown. This 15-member Board meets monthly to provide guidance, oversight, and financial control to the operation. The Board has five standing committees (Finance, Engineering, Human Resource, Nominating and Property Management) that interact regularly with the management staff and report back to the full Board.

Basis of Presentation

Financial statement presentation follows the requirements of the Governmental Accounting Standards Board ("GASB") which is the accepted standard setting body for establishing governmental fund accounting and financial reporting principles. The more significant policies of the District are described below:

Government-wide Financial Statements

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position report information on all the District's activities. The Mattabassett District is a business-type activity, which relies on member assessment fees and charges for services.

The Statement of Revenues, Expenses and Changes in Net Position demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

THE MATTABASSETT DISTRICT

Notes to the Financial Statements

For the Year ended June 30, 2023

Private-sector standards of accounting and financial reported issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The District has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Capital projects funds are utilized to provide for future capital projects.

The principal operating revenues of the District are assessments (user fees) to member towns, charges to contractual towns and charges for sludge, septage, liquid and grease disposal. Operating expenses for the District include the cost of operations, maintenance, utilities, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use unrestricted resources first then restricted resources as they are needed.

Governmental Fund Balance

In accordance with Governmental Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal vote of the District Electors and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund Balance may be assigned by the District Commissioners.
- Unassigned - includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories.

Assets, Liabilities and Net Position

Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

THE MATTABASSETT DISTRICT

Notes to the Financial Statements
For the Year ended June 30, 2023

The District's eligible investments are governed by State of Connecticut statutes which, in general, allow the District to invest in obligations of the United States of America, or United States government sponsored corporation, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision, rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three ratings categories of any national recognized rating service.

Investments for the District are reported at fair value. State Treasurers Investment Fund is an investment pool managed by the State of Connecticut, Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statute's 3-27c-3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

Accounts Receivables

Accounts receivables are shown net of an allowance for uncollectible. The allowance percentage for June 30, 2023 was approximately two percent of outstanding receivable balances, calculated based upon prior collections.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 for equipment, and an estimated useful life of more than 2 years. Such assets are recorded at historical or estimated historical cost whether purchased or constructed. Donated capital assets are recorded at estimated fair market 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.

Equipment and vehicles of the District are depreciated using the straight-line method over the following useful lives:

<u>Asset Type</u>	<u>Years</u>
Equipment	5 - 20
Vehicles	10 - 18

The District has adopted the modified approach (an alternative to depreciation) for the wastewater treatment facility. Under this approach, the District implements a program to maintain assets at a certain level and, therefore, is not required to record depreciation expense. Details on the assets being accounted for under the modified approach can be found in the Required Supplementary Information.

THE MATTABASSETT DISTRICT

Notes to the Financial Statements
For the Year ended June 30, 2023

In order to utilize the modified approach, the District is required to:

- Maintain an asset management system that includes up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the District.
- Document that the assets are being preserved approximately at, or above, the established condition level.

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 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 deferred outflows related to pension in the statement of net position. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

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 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 reports a deferred inflow of resources related to pensions. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

Compensated Absences

Employees of the District earn sick leave, which can accumulate, and vacation leave based on the provisions of negotiated contracts or other personnel policies.

Vacation leave vests with the employee, and sick time is payable only upon retirement up to specific limits.

Inventory

Inventory, which consists of supplies and materials, is valued at moving weighted average cost.

THE MATTABASSETT DISTRICT

Notes to the Financial Statements
For the Year ended June 30, 2023

Net Position

In the government-wide financial statements, net position is classified into the following categories:

Investment in Capital Assets, Net of Related Debt - This category represents the net assets that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes is excluded

Restricted Net Position - This category represents the net position restricted by external parties (creditors, granters, contributors or laws and regulations). This amount is restricted to capital and nonrecurring expenses. The District had no restricted net position at June 30, 2023.

Unrestricted Net Position - This category represents the net position of the District, which is not restricted.

Estimates

The preparation of the 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 including disclosures of contingent assets and liabilities and reported revenues, expenses, and expenditures during the fiscal year.

Subsequent Events Measurement Date

The District monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for fiscal year-ended June 30, 2023 through October 13, 2023, the date on which financial statements were available to be issued.

NOTE 2 -CASH AND INVESTMENTS

Deposits - Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. FDIC deposit insurance remains at \$250,000 per institution. As of June 30, 2023, \$14,799,376 of the District's bank balance of \$15,550,158 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 14,799,376
Uninsured and collateral held by the pledging banks Trust department, not in District's name	-
Total amount subject to custodial risk	<u>\$ 14,799,376</u>

THE MATTABASSETT DISTRICT

Notes to the Financial Statements

For the Year ended June 30, 2023

At June 30, 2023, the District's investments consisted of the following types and maturities. Specific identification was used to determine the maturities.

Type of Investment	Fair Value	Investment Maturities Less than 1 Year
Certificates of Deposit - Cash	\$ 541,950	\$ 541,950
Pooled Fixed Income	13,201,465	-
Money Market	<u>69,637</u>	<u>69,637</u>
	<u>13,271,102</u>	<u>69,637</u>
Total	<u>\$ 13,813,052</u>	<u>\$ 611,587</u>

Fair value of investments - The District measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted prices; and
- Level 3: Unobservable inputs

The District has no investments at year end subject to the levels described above.

Interest rate risk- The District does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - The District has no investment policy that would limit its investment choices due to credit risk other than state statutes governing investments in obligations of any state or political subdivision or in obligations of the State of Connecticut or political subdivision. The District's pooled fixed income has a rating of AAA by Standard & Poor.

Custodial credit risk - Custodial credit risk is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investments presented above are not subject to custodial credit risk.

THE MATTABASSETT DISTRICT

Notes to the Financial Statements
For the Year ended June 30, 2023

NOTE 3 -CAPITAL ASSETS

	Beginning Balance			Ending Balance	
	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>July 1, 2022</u>	<u>June 30, 2023</u>
Capital Assets, not being depreciated:					
Land and Land Rights	\$ 100,000	\$ -	\$ -	\$ 100,000	
Wastewater Treatment Facility	<u>176,669,459</u>	<u>-</u>	<u>-</u>	<u>176,669,459</u>	
Total Capital Assets, not being depreciated	176,769,459	-	-	176,769,459	
Capital Assets, being depreciated:					
Equipment	1,808,024	-	-	1,808,024	
Vehicles	<u>530,315</u>	<u>15,000</u>	<u>-</u>	<u>545,315</u>	
Total Capital Assets, being depreciated	2,338,339	15,000	-	2,353,339	
 Total Capital Assets	 179,107,798	 15,000	 -	 179,122,798	
Less: Accumulated Depreciation:					
Equipment	(1,161,176)	(119,127)	-	(1,280,303)	
Vehicles	<u>(305,215)</u>	<u>(45,693)</u>	<u>-</u>	<u>(350,908)</u>	
Total Accumulated Depreciation	<u>(1,466,391)</u>	<u>(164,820)</u>	<u>-</u>	<u>(1,631,211)</u>	
Total Capital Assets Being Depreciated – Net	<u>871,948</u>	<u>(149,820)</u>	<u>-</u>	<u>722,128</u>	
Capital Assets – Net	<u>\$ 177,641,407</u>	<u>\$ (149,820)</u>	<u>\$ -</u>	<u>\$ 177,491,587</u>	

NOTE 4 – COMPENSATED ABSENCES

	<u>Balance at June 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2023</u>	<u>Current Portion</u>
Compensated Absences	<u>\$ 455,261</u>	<u>\$ 344,336</u>	<u>\$ 302,036</u>	<u>\$ 497,561</u>	<u>\$ 99,512</u>

NOTE 5 -RISK MANAGEMENT

The District is exposed to various risks of loss including torts; theft of; damage to and destruction of assets; errors and omissions; and injuries to employees; natural disaster; and officer and director liability. The District generally obtains commercial insurance for these risks.

THE MATTABASSETT DISTRICT

Notes to the Financial Statements
For the Year ended June 30, 2023

NOTE 6 - PENSION PLAN

Municipal Employees' Retirement Fund

Plan Description

All employees of the District participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing, multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a Pension Trust Fund. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Controller, 55 Elm Street, Hartford, CT 06106.

Plan Provisions

Plan provisions are set by statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. All normal or early retired members receive a cost-of-living increase adjustment effective July 1st of each year ranging from 2.5% to 6%. Annual cost of living increases between 3% and 5% are paid to disabled members. All benefits vest after 5 years of continuous service. Members who retire after age 55 with 5 years of continuous service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life.

The pension amount paid to employees is based on the following:

2% of the average of earnings for the 3 highest paid years of service multiplied by length of service.

Funding Policy

Covered employees are required by state statute to contribute 7% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan.

The required contributions for the past 3 years were as follows:

	<u>Year Ending June 30,</u>
2023	\$ 574,682
2022	\$ 483,578
2021	\$ 433,562

THE MATTABASSETT DISTRICT

Notes to the Financial Statements
For the Year ended June 30, 2023

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

At June 30, 2023, the District has a recorded liability of \$7,018,970 for their proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2022 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of 2022 reported payroll of \$2,968,299 relative to the total reported payroll applicable to our specific type of employees of \$152,486,355 from all participating employers. At June 30, 2023, the District's proportionate share was 1.953359%.

For the year ended June 30, 2023, the District recognized a pension expense of \$1,512,898, their proportionate share of the total pension expense.

At June 30, 2023, the District reported deferred outflows and inflows of resources from the following sources related to MERS pension benefits:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings	1,773,706	385,775
District contributions subsequent to measurement date	-	-
Total	<u>\$ 1,773,706</u>	<u>\$ 385,775</u>

The \$1,773,706 reported as deferred outflows of resources and the \$385,775 reported as deferred inflows of resources to pensions resulting from differences between projected and actual earnings will be recognized as a reduction to the net pension liability in the years ended June 30, 2024 through 2027.

	Net Pension expense (reduction)
Year Ending June 30,	
2024	\$ 359,550
2025	276,006
2026	132,041
2027	620,334
Total	<u>\$ 1,387,931</u>

Actuarial valuation of MERS involves estimates of the reported amount and assumptions about profitability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted in 2022.

Significant actuarial assumptions and other inputs used to measure the total pension liability:

Measurement date	June 30, 2022
Valuation Date	June 30, 2022
Expected Return on Investments Inflation	7.00%, net of investment expense
Inflation	2.50%
Future Salary Increases Cost-of-Living Increases	3.50%-10.00%, depending on service, including inflation
Cost-of-Living Increases	2.50%-6.00%
Mortality Assumptions	
Annuitants and Non-Annuitants	

For the period after retirement and for dependent beneficiaries, mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used. The static projection produces sufficient margin in the mortality rates to reflect future improvement in our judgment.

Fiduciary Net Position
 MERS issues a publicly available financial report that can be obtained at www.osc.ct.gov/rbsd/cmers/plandoc/index.html
Expected Rate of Return

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

THE MATTABASSETT DISTRICT

Notes to the Financial Statements

For the Year ended June 30, 2023

<u>Asset Class</u>	<u>MERS Target Allocation</u>	<u>MERS Long-Term Expected Real Rate of Return</u>
Global Equity	37%	6.9%
Public Credit	2%	2.9%
Core Fixed Income	13%	0.4%
Liquidity Fund	1%	-0.4%
Risk Mitigation	5%	0.1%
Private Equity	15%	11.2%
Private Credit	10%	6.2%
Real Estate	10%	6.3%
Infra. & Natural Resources	<u>7%</u>	7.7%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected 'rate of return on pension plan investments' was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The sensitivity of the district's net pension liability to changes in the discount rate is presented below. The District's net pension liability calculated using the current discount rate of 7.0% is presented as well as the net pension liability using a discount rate that is 1.00% lower (6.0%) or 1.0% higher (8.0%) than the current rate.

<u>Sensitivity of Net Pension Liability to Changes in the Discount Rate</u>			
		Current	
	1% Decrease	Discount Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
Plan Total Pension Liability (Asset)			
Proportionate share of Net Pension Liability	<u>\$ 9,675,869</u>	<u>\$ 7,018,970</u>	<u>\$ 4,778,950</u>

THE MATTABASSETT DISTRICT

Notes to the Financial Statements

For the Year ended June 30, 2023

NOTE 7 -GRANTS AND LOANS

The Mattabassett District received funding for the detailed design of the Nitrogen Removal Upgrade and related improvement to the existing wastewater treatment facility. Construction of this upgrade to the facility will allow "The District" to comply with EPA/DEEP 2014 Long Island Sound Nitrogen Removal Standards. Phase One (Engineering Design) was completed in August 2011. Phase Two (Construction) was started in 2012 and was substantially complete by June 30, 2015. Total project costs, construction, engineering oversight, inspection, and legal were \$106,054,856 through the year ended June 30, 2023. \$24,270,322 of the project was funded by a Clean Water Fund Grant, and \$79,950,607 was covered by two Clean Water Fund Loans at 2% over 20 years. \$1,833,927 was paid for out of the District's reserves.

Due to the low interest rate environment, The Mattabassett District issued public revenue bonds through Baird to refinance a portion of its loan to realize debt service savings in June 2021. The par amount of bond is \$18,205,000 with issue premium of \$3,545,437 and it matures in August 2033. \$21,500,000 of the funding was used to pay portion of Clean Water Fund loan, and the bond issuance, bond insurance policy and underwriter's fee were \$247,207.

The composition of the two loans and bond payable as of June 30, 2023 is as follows:

	<u>Total Loan</u>	<u>Current Portion</u>	<u>Long Term Portion</u>
DEEP Clean Water Fund, Project 567-D 2% loan maturing in December of 2030, payable in monthly principal payments of \$14,487 plus related interest.	\$ 1,303,855	\$ 173,848	\$ 1,130,007
DEEP Clean Water Fund, Project 567-C 2% loan maturing in July of 2034, payable in monthly principal payments of \$191,067.89 plus related interest.	\$ 25,412,029	\$ 2,292,815	\$ 23,119,214
Bond Payable to Robert W. Baird & Co. Inc Par value of \$18,205,000, plus an aggregate net premium of \$3,545,437 at 5% coupon rate until August of 2030, then at 4% until maturing in August of 2033.	\$ 15,500,000	\$ 1,240,000	\$ 14,260,000
	<u>\$ 42,215,884</u>	<u>\$ 3,706,663</u>	<u>\$ 38,509,221</u>

THE MATTABASSETT DISTRICT

Notes to the Financial Statements
For the Year ended June 30, 2023

The future minimum payments based on the outstanding balances as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024-2028	18,848,310	4,909,576	23,757,886
2029-2033	19,303,692	1,979,298	21,282,990
2034-2035	<u>4,063,882</u>	<u>60,579</u>	<u>4,124,460</u>
Totals	<u>\$ 42,215,884</u>	<u>\$ 6,949,452</u>	<u>\$ 49,165,336</u>

The District does not exceed the legal debt limitations as required by Connecticut general statutes.

REQUIRED SUPPLEMENTARY INFORMATION

THE MATTABASSETT DISTRICT
 Required Supplementary Information
 Assets Using the Modified Approach
 Wastewater Treatment Plant and Collection System

The District manages its wastewater treatment facility, trunk sewer and outfall systems using Dude Solutions, the District's Computerized Maintenance Management System ("CMMS").

The condition rating is based upon the manufacturer's recommended life expectancy versus age of equipment, hours of operation, visual observations, and repair frequency. The trunk sewer and outfall are considered deficient when they no longer can, respectfully, carry the required raw wastewater and treated effluent. The wastewater treatment facility is considered in need of upgrade when its current technology becomes outdated, its capacity needs to be increased to accommodate increased wastewater flows from its served communities, and/or the Connecticut Department of Energy & Environmental Protection directs it to provide a higher level of treatment (i.e., provide nitrogen removal treatment to protect Long Island Sound).

It is the District's policy to maintain the wastewater treatment facility's equipment, trunk sewer, and outfall at good or better condition. The most recent condition assessments show that the condition of the wastewater treatment facility, trunk sewer, and outfall systems follows the District's policy.

**CONDITION ASSESSMENT FOR SEWER TREATMENT SYSTEM PERCENTAGE
 OF SEWER TREATMENT SYSTEM IN GOOD OR BETTER CONDITION**

Equipment Type	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Plant Equipment	95%	98%	97%	97%
Trunk Sewer and Outfall	95%	90%	91%	91%

**PERCENTAGE OF SEWER TREATMENT SYSTEM IN SUB-STANDARD
 CONDITION**

Equipment Type	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Plant Equipment	5%	2%	2%	3%
Trunk Sewer and Outfall	5%	10%	9%	9%

COMPARISON OF ESTIMATED-TO-ACTUAL

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Estimated	\$ 1,349,274	\$ 951,000	\$ 661,000	\$ 575,000
Actual	\$ 979,594	\$ 527,098	\$ 521,213	\$ 449,135

THE MATTABASSETT DISTRICT
 Required Supplementary Information
 Schedule of Expenditures – Budget to Actual
 For the Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance with Budget
Administrative Expenditures:			
Insurance	172,559	\$ 172,559	\$ -
Engineering	177,120	112,635	(64,485)
Legal	87,000	72,835	(14,165)
Accounting	26,500	23,925	(2,575)
Training	52,000	37,690	(14,310)
Board	27,250	20,222	(7,028)
Legislative Payment - Cromwell	100,000	100,000	-
Business Services	218,285	190,292	(27,993)
Permit Fees	27,500	28,591	1,091
Office Supplies	16,500	15,295	(1,205)
Transfer to Towns	15,000	13,693	(1,307)
Miscellaneous	20,194	19,823	(371)
Total Administrative Expenditures	<u>939,908</u>	<u>807,560</u>	<u>(132,348)</u>
Employee Expenditures:			
Salaries & Wages	2,965,397	2,953,842	(11,555)
Overtime & Meals	100,576	81,393	(19,183)
Shift Differential	43,206	35,073	(8,133)
Workers' Comp	60,000	53,662	(6,338)
Medical & Dental, etc.	675,920	652,650	(23,270)
Life	17,500	15,684	(1,816)
Unemployment	8,000	7,863	(137)
Retirement Benefits	705,407	1,558,987	853,580
Miscellaneous Employee Benefits	36,520	32,230	(4,290)
Total Employee Expenditures	<u>4,612,526</u>	<u>5,391,384</u>	<u>778,858</u>
DEPARTMENT EXPENDITURES			
Operations Department:			
Operations Supplies	61,000	32,556	(28,444)
Cleaning Supplies	287,854	13,193	(274,661)
Chemicals	729,504	751,223	21,719
Electricity	1,704,110	1,557,483	(146,627)
Repay Energy Performance	300,000	300,000	-
Fuel: Natural Gas & Oil	236,531	224,264	(12,267)
Gasoline & Diesel	9,535	9,535	-
Potable Water	63,209	63,209	-
Sludge Disposal	33,500	16,392	(17,108)
Ash Handling	120,000	172,788	52,788
Total Operations Department	<u>3,545,243</u>	<u>\$ 3,140,643</u>	<u>\$ (404,600)</u>

THE MATTABASSETT DISTRICT
Required Supplementary Information
Schedule of Expenditures – Budget to Actual
For the Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance with Budget
Maintenance Department:			
Plant Maintenance Supplies	356,763	436,664	\$ 79,901
Lubricants	53,698	53,698	-
Plant Maintenance Services	597,013	224,317	(372,696)
Buildings & Grounds	341,800	264,915	(76,885)
Total Maintenance Department	1,349,274	979,594	(369,680)
Laboratory Department:			
Laboratory Supplies	36,000	32,412	(3,588)
Laboratory Services	30,000	26,483	(3,517)
Total Laboratory Department	66,000	58,895	(7,105)
Debt Payment:			
Debt Payment	4,999,783	4,996,452	(3,331)
Contingencies:			
Contingencies	-	-	-
Capital Expenditures:			
Capital Outlay, General, Solids, Incinerator	3,286,031	2,155,415	(1,130,616)
Nitrogen Upgrade and Facility	50,000	-	(50,000)
Total Capital Expenditures	3,336,031	2,155,415	(1,180,616)
Total Expenditures	18,848,765	\$ 17,529,943	\$ (1,318,822)
Reconciliation to Audited Financial Statements:			
Total Expenditures per Above		\$ 17,529,943	
Depreciation Expense		164,820	
Reclass of Debt Payment to Notes Payable Principal		(3,676,663)	
Reclass of Debt Interest Expense		(1,247,478)	
Total Operating Expenses Per Financial Statement June 30, 2023		\$ 12,770,622	

THE MATTABASSETT DISTRICT
 Required Supplementary Information
 Schedule of District's Proportionate Share of the Net Pension Liability
 June 30, 2023

Year Ended	Proportionate Share of the Net Pension Liability		Actual Covered Member Payroll		Net Pension Liability as a Percentage of Covered Payroll		Fiduciary Net Position as a Percentage of Total Pension Liability
	Proportion of the Net Pension Liability (Asset)	Pension Liability (Asset)	Member Payroll	Actual Covered Member Payroll	Percentage of Covered Payroll	Percentage of Covered Payroll	
		\$	\$				
6/30/2023	1.95%	\$ 7,018,966	\$ 2,968,299	2,968,299	236.46%	68.71%	
6/30/2022	2.08%	3,903,755	2,979,390	2,979,390	131.03%	82.59%	
6/30/2021	2.13%	6,349,590	2,855,706	2,855,706	222.35%	71.18%	
6/30/2020	2.09%	5,555,576	2,826,572	2,826,572	196.55%	72.69%	
6/30/2019	1.99%	4,652,762	2,806,831	2,806,831	165.77%	73.60%	
6/30/2018	1.95%	2,329,159	2,510,447	2,510,447	92.78%	91.68%	
6/30/2017	1.95%	2,840,723	2,510,447	2,510,447	113.16%	88.29%	
6/30/2016	1.57%	1,718,155	1,993,031	1,993,031	86.21%	86.21%	

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Year Ended	Statutorily Required Contribution		Actual Employer Contribution		Contribution Excess/Deficiency		Actuarial Covered Member Payroll		Contributions as a Percentage of Covered Payroll	
	Required Contribution	Statutorily Required Contribution	Actual Employer Contribution	Actual Employer Contribution	Excess/Deficiency	Member Payroll	Actuarial Covered Member Payroll	Percentage of Covered Payroll	Percentage of Covered Payroll	
		\$	\$	\$	\$					
6/30/2023	\$ 574,682	\$ 591,478	\$ 591,478	\$ (16,796)	\$ 2,968,299	2,968,299	19.93%			
6/30/2022	483,578	587,216	587,216	(103,638)	2,979,390	2,979,390	19.71%			
6/30/2021	433,562	496,994	496,994	(63,432)	2,855,706	2,855,706	17.40%			
6/30/2020	339,106	426,067	426,067	(86,961)	2,826,572	2,826,572	15.07%			
6/30/2019	326,969	347,803	347,803	(20,834)	2,806,831	2,806,831	12.39%			
6/30/2018	273,890	343,190	343,190	(69,300)	2,510,447	2,510,447	13.67%			
6/30/2017	273,890	286,457	286,457	(12,567)	2,510,447	2,510,447	11.41%			
6/30/2016	269,470	269,470	269,470	-	1,993,031	1,993,031	13.52%			

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.