

TOWN OF WATERFORD
GENERAL FUND
2026-2027 PROPOSED BUDGET

DEPT/AGENCY: 10132 CONSERVATION OF HEALTH

LINE ITEM	DESCRIPTION	2024-2025 ACTUAL EXPENDED	FY2025 TRANSFERS IN/OUT	2025-2026 RTM APPROP.	2025-2026 ADDITIONAL/ TRANSFERS	ACTUAL EXPEND & ENCUMB AS OF 1/1/26	2026-2027 DEPT/ AGENCY REQUEST	2026-2027 APPROVED BD/COMM.	2026-2027 BD OF SELECTMEN APPROVED	2026-2027 BD OF FINANCE APPROVED	BOF Approved \$ Increase	BOF Approved % Increase
SERVICES												
52075	LEDGE LIGHT HEALTH DIST.	148,407		155,063		155,063	160,368	160,368	160,368	160,368	5,305	3.42%
	SUBTOTAL	148,407	0	155,063		155,063	160,368	160,368	160,368	160,368	5,305	3.42%
DEPARTMENT TOTAL		148,407	0	155,063		155,063	160,368	160,368	160,368	160,368	5,305	3.42%



December 12, 2025

Town of Waterford
First Selectman Robert Brule
15 Rope Ferry Rd
Waterford, CT 06385

First Selectman Brule:

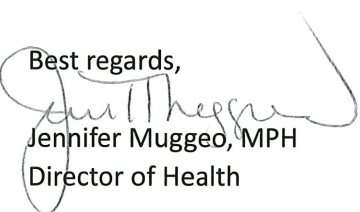
At their November meeting, the Board of Directors of Ledge Light Health District approved an increase of 3% to the member per capita rate for FY27, raising the per capita charge from \$7.82 to \$8.05 for next fiscal year. As a reminder to those reviewing this budget submission, the total is inclusive of all fringe benefits and all legal, vehicle, human resources and capital improvement expenses.

In addition to the change in the per capita rate, there is an increase of 81 people in the population of the Town of Waterford reported to us by the Department of Public Health, which we are mandated by statute to use in calculating each municipality's annual assessment. The per capita and population increases bring Waterford's FY27 contribution to Ledge Light Health District to \$160,367.09.

A detailed draft budget for FY27 is attached for your review. We have also included a report on our activities and the services offered to Waterford.

Please let me know if you have any questions regarding this; I look forward to attending the usual budget hearings in 2026.

Best regards,



Jennifer Muggeo, MPH
Director of Health

CC: LLHD Waterford Board of Directors Representative Paul Goldstein



TOWN OF WATERFORD
15 Rope Ferry Road
Waterford, CT 06385
860-442-0553

SOCIAL SERVICES GRANT FUNDING REQUEST

ORGANIZATION NAME: Ledge Light Health District

REQUEST DATE (FISCAL YEAR): FY27

REQUESTED AMOUNT: \$160,367.09

BENEFIT STATEMENT (Describe how these funds will be used)

Ledge Light Health District is honored to serve as the Town's Health Department. Our team of
of public health professionals enforce the State Public Health Code through the regulation
of foodservice, cosmetology, tattoo, daycare and lodging establishments and public pools and bathing
waters; reviews of on-site subsurface sewage disposal systems and private wells; and investigations of
housing and other public health concerns. We also provide education and support on a wide variety of public
health topics to community partners, schools and facilities, and the general public.

Per Town of Waterford Budget Guidelines: please attach a certified audit report of all funds appropriated during the last completed fiscal year to your funding request.

DECLARATION

I, the requester, understand that I am requesting public funds from the Town of Waterford.
I declare that this request does not pose any potential conflict with the Town of Waterford
and I will provide any documentation requested by the Town of Waterford to authorize
funding this request or review the appropriateness of the request.


Signature

12/12/25
Date

**Ledge Light Health District
Budget FY2027**

Projected transfer from designated funds: (\$27,477)

Projected Revenue **\$4,057,471**

Municipality	<i>3% increase from \$7.82</i>	<i>\$8.05</i>	FY2027 Contribution	\$1,252,112
East Lyme	19,004		\$153,069.62	
Groton	38,762		\$312,212.41	
Ledyard	15,575		\$125,450.40	
Lyme	2,421		\$19,500.19	
New London	28,081		\$226,181.22	
North Stonington	5,197		\$41,859.76	
Old Lyme	7,721		\$62,189.57	
Stonington	18,782		\$151,281.50	
Waterford	19,910		\$160,367.09	
<i>Total Population:</i>	<i>155,453</i>			

State Per Capita \$3.00 **\$466,359**

Environmental Health Fees **\$405,000**

Food Service	\$225,000
Cosmetology	\$25,000
Pools	\$7,500
Septic/Well	\$145,000
Other	\$2,500

Training/Consulting/Other Services **\$10,000**

Interest **\$12,000**

Grants **\$1,804,000**

Public Health Emergency Preparedness	\$881,000
Foundation Grants	\$50,000
DPH Block Grant	\$75,000
DPH Immunization	\$105,000
DPH Violence Prevention	\$88,000
DPH Workforce Development	\$225,000
DMHAS GASP	\$125,000
DMHAS How Can We Help	\$170,000
Opioid Settlement Funds	\$40,000
IOPSLL	\$45,000

G&A **\$108,000**

Foundation	\$12,000
PHEP R1	\$64,000
PHEP R4	\$32,000

Projected Expenses

<u>Personnel Services</u>		\$4,084,948
Employee Salary-Core	\$1,374,400	
Benefits/Payroll Taxes-Core	\$577,248	\$3,036,448
Employee Salary-Grants	\$791,900	
Benefits/Payroll Taxes-Grants	\$292,900	
<u>Non-Personnel Operating Expenses</u>		
Facilities, Utilities and Vehicles		\$130,600
Utilities	\$24,000	
Maintenance and Condo	\$48,800	
Security	\$600	
Telephone & telecommunications	\$22,000	
Data Connection	\$7,500	
Vehicle Repair/Fees	\$2,500	
Vehicle Fuel	\$6,000	
Auto/Mileage Reimbursement	\$10,000	
Auto Insurance	\$9,200	
Supplies and Equipment		\$73,500
Office Supplies	\$9,500	
IT Supplies and SAS	\$50,000	
Program Supplies	\$7,500	
Postage, shipping, delivery	\$5,000	
Equip rental & maintenance	\$1,500	
Professional Services		\$55,000
Accounting fees	\$13,500	
Legal fees	\$5,000	
IT Consulting Fees	\$20,000	
Medical Consulting Fees	\$3,000	
Other Professional Service Fees	\$5,000	
Insurance Agency Fee	\$8,500	
Other Administrative Costs		\$70,200
Membership dues - organization	\$2,500	
Staff development	\$12,000	
Community Outreach and Engag	\$2,500	
General Liability Insurance	\$21,000	
Property Insurance	\$3,900	
Public Officials Insurance	\$1,700	
Employment Practices Insurance	\$6,600	
Umbrella Insurance	\$3,500	
Processing fees	\$7,500	
Meeting expenses	\$1,500	
CHIP implementation	\$7,500	
ant Non-Personnel and Subcontracts		\$719,200

Ledge Light Health District (LLHD) serves as the local health department for the municipalities of Waterford, East Lyme, Groton, Ledyard, Lyme, New London, North Stonington, Old Lyme, and Stonington. The LLHD team, comprised of experts in administration and finance, environmental health, communicable disease prevention, and health education and community outreach, work cooperatively to promote healthy communities and ensure that healthy opportunities are available to everyone. The Director of Health and finance/admin team support the teams described below and coordinate cross-specialty efforts to improve community service across the organization.

Environmental Health *The 14 members of our Environmental Health Team have a range and depth of expertise that serve Waterford community members*

LLHD inspects food service establishments to ensure they are compliant with the FDA Food Code and are following good food safety practices. These establishments are inspected based on the risk associated with their level of food preparation activities. We work with these local businesses to implement comprehensive food safety practices and provide cost-effective food service education programs. We continue to support food service establishments and vendors through the changes required due to Connecticut's transition to the FDA Food Code. In Waterford there are 97 licensed food service establishments.

We also inspect public pools (6 in Waterford), cosmetology (23 in Waterford), day care (7 in Waterford) and body art establishments (2 in Waterford) to ensure these entities are taking measures to protect public health. We also respond to complaints about lodging establishments (6 in Waterford). Our online complaint reporting system provides residents the opportunity to submit their concerns electronically. During the swimming season, LLHD conducts weekly water sampling at bathing beaches (3 in Waterford) and informs the public regarding bathing water quality that does not meet EPA/State standards.

Our environmental land use staff of Environmental Health Specialists and Environmental Technicians conduct soil testing and plan reviews for all building lots served by onsite septic systems and/or wells. On existing properties served by septic systems we review residential and commercial building additions, lot line changes, the addition of accessory structures (sheds, decks, pools, and detached garages), and changes in use (residential to commercial, or an increase in the number of bedrooms). All reviews are conducted to ensure compliance with State of CT regulations 19-13-B100a and 19-13-B103 (there were 18 B100a reviews in Waterford last fiscal year). Septic installation plans for new septic systems (3 in Waterford during FY25) or repairs (10 in Waterford in FY25) are reviewed under 19-13-B103 and permitted and inspected by LLHD personnel. Requested exceptions to the CT Public Health Code are reviewed and referred to CT DPH when required. LLHD also conducts the site location review, permit approval, site inspection and water test review for private and public drinking water wells, irrigation wells and geothermal wells. Certain septic systems and water supply permitting involve DPH or DEEP – our team works closely with both agencies to ensure compliance with all code requirements.

Safe and healthy housing is an important public health topic. We respond to complaints or concerns about conditions in rental units and properties with excess garbage, stagnant water or other conditions that may impact health (45 in Waterford last fiscal year). We also enforce the State's regulations related to lead poisoning and conduct comprehensive inspections and family education when a child with an elevated blood lead level is identified.

Communicable Disease Prevention *There are 3 team members who focus in this area of work*

LLHD holds annual free flu vaccination clinics for people aged 6 and up and COVID vaccinations for people who are un- or under-insured. We educate the public about infectious disease prevention and distribute masks and COVID test kits at community events and through our community partners. We provide education to the public and organizations about infection prevention and control practices and investigate reports of communicable and/or infectious diseases such as tuberculosis or food borne illnesses. These investigations may include conducting partner follow-up, delivering direct observed therapy (to ensure patients are taking their medications as required), implementing control measures, and providing general support to the affected individual and their families. Over the last five years we have seen a dramatic increase in the number of tuberculous cases we have had to manage.

LLHD provides support to schools and long-term care facilities during reported outbreaks to help prevent the spread of illness. We also provide yearly educational opportunities for infection control personnel in long term care facilities and schools. We meet with Infection Preventionists from area Long Term Care facilities to provide education and guidance.

Preparedness Activities *One team member has primary responsibility for this body of work*

LLHD works closely with municipal and regional partners to prepare for and respond to emergency situations. These activities include participation in Drive-Thru Clinics and Millstone exercises, working with local partners to develop Continuity of Operations and COVID plans. LLHD is the regional lead for emergency preparedness and manages the contract from the Department of Public Health for all health districts within DMHS Region 4. This regional effort provides opportunity to align plans and share resources.

Health Education & Community Outreach *There are 10 team members who work on these programs*

LLHD engages and supports the communities we serve in health education, health promotion, and health policy development activities in a variety of ways. These efforts draw on scientific, evidence-based best practices to ensure that the programmatic processes involved make efficient use of available funding, while achieving measurable and desired changes in our population's overall health and resilience. LLHD works diligently to secure external funding to support these activities and supplement our municipal members' contributions. LLHD continues to support public health projects initiated by other agencies by serving on a variety of coalitions, providing community outreach, educational presentations and materials to schools, healthcare providers, businesses and the community-at-large.

Regional Asthma Management Program – Breathe Well-Respira Bien: Asthma is the most common chronic disease of childhood and a leading cause of preventable hospital admissions for both children and adults. Asthma rates in CT are among the highest in the nation; there are approximately 50 deaths from asthma each year in our state. LLHD has a long history of participating in programs to help reduce the burden of asthma. Although asthma cannot be cured, it can be managed. Understanding medications and their use can prevent emergency situations. Breathe Well is a free program co-sponsored by Lawrence and Memorial Hospital, designed to help children and adults with asthma to manage their asthma better. A trained asthma educator and public health environmental specialist review medications and provide an in-home environmental assessment of asthma triggers.

Community Health Workers: Funding from the Connecticut Department of Public Health through the Preventive Health Services Block Grant program as well as from the Connecticut Health Foundation supports our Community Health Worker Program. Community Health Workers are public health team members who support people experiencing barriers to health in accessing healthcare, insurance, social services, transportation, housing, food and other resources. They draw from their lived experiences and trust relationships with community members as well as their knowledge of systems of care to help community members achieve their individual health goals. The LLHD Community Health Workers partner with our colleagues in Waterford Human Services to connect with community members at the Waterford Food Bank and other locations. We also serve a number of Waterford residents at The Bodega food pantry at the Place for COMMUNITY Wellbeing each week.

Immunization Action Program: The Connecticut Department of Public Health provides funding to promote immunization across the lifespan and reduce preventable and sometimes fatal diseases. LLHD provides public education and professional development for healthcare providers and conducts site visits to ensure proper vaccine storage and handling and promote quality improvement strategies among providers. LLHD reaches out to parents of children who have missed vaccine doses or need a vaccine provider, conducts community outreach and awareness campaigns, and enrolls families into CTWiZ. The SECT Immunization Partnership meets twice annually to guide program activities and assist in the promotion of childhood immunizations.

Overdose Action Team and New London County Coordinated Access, Resources, Engagement and Support (NLC CARES): The Overdose Action Team continues its coordinated efforts to address the overdose crisis by increasing no barrier access to care and services, saturating the community with naloxone and reducing stigma and discrimination against people living with substance use disorder. The team continues to adapt and innovate in response to new information and changing conditions and to expand partnerships in order to more fully support people's needs and improve community conditions that contribute to overdose. We are grateful for the support of our municipal partners in sharing the science-based information and messaging about overdose prevention and look to continue that partnership.

The Health Improvement Collaborative (HIC): LLHD continues to convene numerous partner agencies and community members who collectively monitor the health of our communities and take action to address prioritized health concerns through the Health Improvement Collaborative of Southeastern CT.

Ledge Light Health District
FY26 Budget-to-Actual
Core Budget Only-no grants included

	Year to Date Jul-Oct	Budgeted Jul-Jun	
<u>Income</u>	1,368,540	2,093,097	
Member Per Capita	1,199,244	1,199,244	
State Per Capita		358,853	
Environmental Fees	127,768	405,000	31.55%
	<i>Food</i>	59,230	
	<i>Cosmetology</i>	5,550	
	<i>Septic/Well</i>	61,188	
	<i>Other</i>	1,800	
Training/Consulting/Other	3,114	10,000	31.14%
Interest	4,430	12,000	36.91%
G&A	33,985	108,000	31.47%
<u>Expenses</u>	1,024,199	2,280,948	
Salaries	522,165	1,374,400	37.99%
Fringe Benefits/Payroll Taxes	325,988	577,248	56.47%
Facilities, Utilities and Vehicles	70,948	130,600	54.32%
	<i>Utilities</i>	6,299	
	<i>Maintenance</i>	10,143	
	<i>Condo Fees</i>	27,956	
	<i>Security</i>	330	
	<i>Telephone</i>	6,333	
	<i>Data Connection</i>	1,751	
	<i>Vehicle Repair</i>	2,428	
	<i>Vehicle Fuel</i>	3,348	
	<i>Mileage Reimbursements</i>		
	<i>Auto Insurance</i>	12,360	

Supplies and Equipment			
	Office Supplies	28,880	73,500
	IT Supplies	2,804	39.29%
	Program Supplies	12,282	
	Postage and shipping	13,577	
	Equipment rental and maintenance	217	
Professional Services		15,358	55,000
	Accounting Fees		27.92%
	Legal Fees		
	IT Consulting Fees	5,900	
	Medical Advisor Fees		
	Insurance Agency Fee	6,500	
	Other Professional Service Fees	2,958	
Other Administrative Costs		60,860	70,200
	Membership Dues	331	86.69%
	Staff development	3,484	
	Community outreach and engagement	4,019	
	General liability insurance	29,895	
	Property insurance	5,506	
	Public officials insurance	4,649	
	Employment practices	8,804	
	Umbrella insurance	701	
	Travel		
	Square Fees	3,147	
	Meeting Expenses	323	
	CHIP Implementation		

**LEDGE LIGHT
HEALTH DISTRICT**

**SERVING THE FOLLOWING TOWNS IN
SOUTHEASTERN CONNECTICUT:**

**GROTON, EAST LYME, LEDYARD, LYME,
NORTH STONINGTON, OLD LYME,
STONINGTON, WATERFORD; THE CITIES
OF GROTON AND NEW LONDON; AND THE
BOROUGH OF STONINGTON**

**BASIC FINANCIAL STATEMENTS
AS OF JUNE 30, 2024**

TOGETHER WITH

INDEPENDENT AUDITORS' REPORT,

**REQUIRED SUPPLEMENTARY
INFORMATION,**

OTHER SUPPLEMENTARY INFORMATION,

FEDERAL SINGLE AUDIT REPORTS AND

STATE SINGLE AUDIT REPORTS



CPAs + BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Health of
Ledge Light Health District
New London, Connecticut

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Ledge Light Health District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the 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 major fund of the District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 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 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 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 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 on pages 4-7, the budgetary comparison information on page 30 and the pension schedules on pages 31-32 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of expenditures of state financial assistance, as required by the Connecticut State Single Audit Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2025, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

Hoyt, Filippetti & Malaghan, LLC

Groton, Connecticut

April 8, 2025

LEDGE LIGHT HEALTH DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

BASIC FINANCIAL STATEMENTS

Our discussion and analysis of the Ledge Light Health District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024; as such, it should be read in conjunction with the District's audited financial statements. The District's financials consist of two series of financial statements: Government-wide and Fund Financial Statements.

1. Government-wide Financial Statements: These statements, which include the Statement of Net Position and the Statement of Activities, provide information about the activity of the District as a whole. These statements also present a longer-term view of the District's finances by presenting all assets, liabilities, net position, revenues, and expenses on the *accrual basis of accounting*, which is similar to the accounting methods used by many private-sector companies.

For purposes of the Government-wide Financial Statements, the District has the following activities:

- a) Governmental Activities – All of the District's health services are reported here. These activities are financed primarily through annual per capita funding from the State of Connecticut and member towns; specific federal, state, and local grants; and permit and other fees assessed.
2. Fund Financial Statements: For governmental activities, these statements present how the services provided by the District were financed in the short term as well as what remains for future spending. Additionally, these statements report the District's activities in greater detail by highlighting the District's only fund – the General Fund. The District's General Fund is classified as the following type of fund:

Governmental Fund – All of the District's basic services are reported as a governmental fund, which focuses on how money flows into and out of the fund and the balances left at year-end that are available for spending. This fund is reported using the *modified accrual basis of accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations. These statements help you to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's operations. We describe the relationship (or differences) between governmental *activities* (reported in the government-wide financial statements) and government *funds* in a reconciliation at the bottom of the fund financial statements.

LEDGE LIGHT HEALTH DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

CONDENSED GOVERNMENT-WIDE STATEMENTS

Presented below is a condensed version of the government-wide financial statements.

Statement of Net Position

	Governmental Activities		
	2024	2023	Change
Current and other assets assets	\$2,156,973	\$1,937,007	\$ 219,966
Capital assets, net	766,148	534,239	231,909
Deferred outflows of resources	13,282	58,826	(45,544)
Total assets and deferred outflows of resources	<u>\$2,936,403</u>	<u>\$2,530,072</u>	<u>\$ 406,331</u>
Current liabilities	\$1,359,480	\$ 816,283	\$ 543,197
Noncurrent liabilities	583,501	507,816	75,685
Deferred inflows of resources	3,700	-	3,700
Total liabilities and deferred inflows of resources	<u>1,946,681</u>	<u>1,324,099</u>	<u>622,582</u>
Net position			
Invested in capital assets	674,965	534,239	140,726
Unrestricted	314,757	671,734	(356,977)
Total net position	<u>989,722</u>	<u>1,205,973</u>	<u>(216,251)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$2,936,403</u>	<u>\$2,530,072</u>	<u>\$ 406,331</u>

Overall, total net position *decreased* from the prior fiscal year by \$216,251 as revenues exceeded expenses for the fiscal year. The overall *increase* in current assets and liabilities results from an *increase* in both receivables and unspent grant funds on hand at year-end. Significant capital outlays (those in excess of \$5,000) are being recorded as District capital assets and are being depreciated over their estimated useful lives. The District made significant capital outlays during the fiscal year which included extensive property renovations. Capital assets presented here are shown net of their accumulated depreciation.

The District entered into a three year operating lease during the fiscal year and recognized a right to use lease asset and a lease liability of \$104,610.

Net position has been separated into two categories on the District's financial statements: 1) Invested in capital assets and 2) Unrestricted net position. Because capital assets are not very liquid (i.e. easily converted to cash), the District's equity in these assets has been separated and labeled as such. Unrestricted net position, however, represents the liquid portion of the District's net position that can be used to finance daily operations without constraints.

LEDGE LIGHT HEALTH DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

CONDENSED GOVERNMENT-WIDE STATEMENTS *(Continued)*

Statement of Activities

	Governmental Activities		Increase
	2024	2023	(Decrease)
Program revenues			
Charges for services	\$ 409,676	\$ 444,987	\$ (35,311)
Operating grants and contributions	4,672,725	4,438,650	234,075
General revenues			
Interest and other	36,264	19,809	16,455
Investment income (loss)	887	(5,430)	6,317
Total revenues	5,119,552	4,898,016	221,536
Program expenses			
Health services	5,333,400	5,179,816	153,584
Interest on long-term debt	2,403	-	2,403
Total expenses	5,335,803	5,179,816	155,987
Change in net position	(216,251)	(281,800)	65,549
Net position, beginning of year	1,205,973	1,487,773	(281,800)
Net position, end of year	<u>\$ 989,722</u>	<u>\$ 1,205,973</u>	<u>\$ (216,251)</u>

As mentioned previously, the District's net position *decreased* \$216,251 from the prior fiscal year primarily resulting from program expenses exceeding program and general revenues for the year, despite an *increase* in operating grants and contributions.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As of June 30, 2024, the District's only governmental fund, the General Fund, reported an ending fund balance of \$346,739, a *decrease* of \$497,771 in comparison with the prior year. The *decrease* in fund balance was the result extensive capital expenditures incurred and an *increase* of year-end grants receivable that were not collected soon enough to be considered "available" for revenue recognition and therefore were deferred at year-end. The total amount of unavailable revenue at year-end was \$416,584. The District's management expects to recognize this revenue in the subsequent year as the receivables are collected.

General Fund Budgetary Highlights

There were no amendments to the District's budget. Overall actual expenditures were *over* budget by \$1,387,091 and revenues came in *ahead* of budget by \$888,891. Both variances were attributable to greater than expected federal grant funding during the year.

**LEDGE LIGHT HEALTH DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District had over \$1,100,000 invested in various capital assets as listed below:

	Governmental Activities
Construction in process	\$ 22,127
Buildings and improvements	737,108
Equipment	71,900
Vehicles	172,486
Lease asset	104,610
Total	<u>\$ 1,108,231</u>

During the 2023-2024 fiscal year, the District invested over \$130,000 in renovations to its property at 216 Broad Street and acquired a \$104,610 right of use lease asset in a separate New London property. Construction in process consists of HVAC improvements at 216 Broad Street.

Noncurrent Liabilities

The Ledge Light Health District's noncurrent liabilities consist of compensated absences (accrued vacation time) owed to District employees as of June 30, 2024, a net pension liability related to its participation in the Town of Groton Retirement System, and a lease liability for a building. More detailed information on the District's capital assets and noncurrent liabilities is presented in the notes to the financial statements.

NEXT YEAR'S BUDGET AND RATES

In April 2024, the Ledge Light Health District adopted a \$4,288,196 budget for the 2024-2025 fiscal year using a per capita rate of \$7.59 for member towns.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Office at Ledge Light Health District, 216 Broad Street, New London, Connecticut 06320.

LEDGE LIGHT HEALTH DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	GOVERNMENTAL ACTIVITIES
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,200,227
Investments	127,212
Receivables	729,183
Prepaid expenses	66,181
Total current assets	<u>2,122,803</u>
NONCURRENT ASSETS	
Deposit on capital asset	34,170
Capital assets, net of accumulated amortization	90,081
Capital assets, net of accumulated depreciation	676,067
Total noncurrent assets	<u>800,318</u>
Total assets	<u>2,923,121</u>
DEFERRED OUTFLOWS OF RESOURCES	
Differences between expected and actual experience	1,543
Changes of assumptions	11,624
Net difference between projected and actual earnings on pension plan investments	115
Total deferred outflows of resources	<u>13,282</u>
Total assets and deferred outflows of resources	<u><u>\$ 2,936,403</u></u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES	
Accounts payable	\$ 483,247
Accrued expenses	47,487
Unearned revenue	828,746
Total current liabilities	<u>1,359,480</u>
NONCURRENT LIABILITIES	
Due within one year	61,609
Due in more than one year	521,892
Total noncurrent liabilities	<u>583,501</u>
Total liabilities	<u>1,942,981</u>
DEFERRED INFLOWS OF RESOURCES	
Differences between expected and actual experience	3,700
Total deferred inflows of resources	<u>3,700</u>
NET POSITION	
Invested in capital assets, net of related debt	674,965
Unrestricted	314,757
Total net position	<u>989,722</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 2,936,403</u></u>

The accompanying notes are an integral part of these financial statements

**LEDGE LIGHT HEALTH DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
GOVERNMENTAL ACTIVITIES				
Health services	\$ (5,333,400)	\$ 409,676	\$ 4,672,725	\$ (250,999)
Interest on long-term debt	(2,403)	-	-	(2,403)
	<u>\$ (5,335,803)</u>	<u>\$ 409,676</u>	<u>\$ 4,672,725</u>	
GENERAL REVENUES				
		Interest and other		36,264
		Investment income		887
		Total general revenues		<u>37,151</u>
		Change in net position		(216,251)
		NET POSITION, beginning of year		1,205,973
		NET POSITION, end of year		<u>\$ 989,722</u>

The accompanying notes are an integral part of these financial statements

**LEDGE LIGHT HEALTH DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2024**

ASSETS

	<u>GENERAL FUND</u>
ASSETS	
Cash and cash equivalents	\$ 1,200,227
Investments	127,212
Receivables	729,183
Prepaid expenditures	66,181
Total assets	<u>\$ 2,122,803</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE

LIABILITIES	
Accounts payable	\$ 483,247
Accrued expenses	47,487
Unearned revenues	828,746
Total current liabilities	<u>1,359,480</u>

DEFERRED INFLOWS OF RESOURCES	
Revenues - unavailable	416,584
Total deferred inflows of resources	<u>416,584</u>

FUND BALANCE	
Nonspendable	66,181
Committed	1,190,000
Unassigned	(909,442)
Total fund balance	<u>346,739</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,122,803</u>

The accompanying notes are an integral part of these financial statements

LEDGE LIGHT HEALTH DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

Total fund balance	\$ 346,739
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets and deposits on capital assets used in governmental activities are not financial resources and therefore not reported in the fund financial statements.	800,318
Other assets are not available to pay for current-period expenditures and therefore are deferred or excluded from the fund financial statements:	
Differences between expected and actual experience	1,543
Changes of assumptions	11,624
Net difference between projected and actual earnings on pension plan investments	115
Deferred inflows - unavailable revenues	416,584
Long-term liabilities are not due and payable in the current period and therefore not reported in the fund financial statements:	
Compensated absences	(164,109)
Net pension liability	(328,209)
Lease liability	(91,183)
Deferred inflows - differences between expected and actual experience	(3,700)
Net position of governmental activities	\$ 989,722

The accompanying notes are an integral part of these financial statements

**LEDGE LIGHT HEALTH DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	GENERAL FUND
REVENUES	
Town contributions	\$ 1,190,025
Permits and fees	411,886
Federal, state, and private grants	3,340,120
Interest income and other	36,264
Investment income	887
Total revenues	<u>4,979,182</u>
EXPENDITURES	
Current	
Health services	5,233,188
Capital outlay	332,545
Debt service	15,830
Total expenditures	<u>5,581,563</u>
Deficiency of revenues over expenditures	<u>(602,381)</u>
OTHER FINANCING SOURCES	
Proceeds from issuance of long-term debt	104,610
Total other financing sources	<u>104,610</u>
Deficiency of revenues and other financing sources over expenditures	<u>(497,771)</u>
FUND BALANCE, beginning of year	844,510
FUND BALANCE, end of year	<u><u>\$ 346,739</u></u>

The accompanying notes are an integral part of these financial statements

LEDGE LIGHT HEALTH DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds	\$ (497,771)
--	--------------

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$332,545) exceeded depreciation (\$51,937) and amortization (\$14,529) in the current period.

266,079

Certain expenses in the statement of activities do not require the use of current financial resources and are therefore not reported in the fund financial statements, including:

Decrease in net pension liability	17,887
Increase in lease liability	(91,183)
Decrease in deferred outflows - expected and actual experience	(19,221)
Increase in deferred outflows - Changes of assumptions	8,256
Decrease in deferred outflows - net difference between projected and actual earnings on pension plan investments	(34,579)
Increase in deferred inflows - net difference between expected and actual experience	(3,700)
Decrease in deferred inflows - Changes of assumptions	
Decrease in compensated absences	(2,389)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

This is the increase in unavailable grant income during the year.

140,370

Change in net position of governmental activities

\$ (216,251)

**LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ledge Light Health District (the “District”) was organized on April 19, 1993 pursuant to Chapter 368f of the Connecticut General Statutes. The District serves the Towns of Groton, East Lyme, Ledyard, Lyme, North Stonington, Old Lyme, Stonington, Waterford, the Cities of Groton and New London, and the Borough of Stonington, Connecticut. Appointed representatives from each municipality comprise the District’s Board of Health.

The District was created to preserve and improve the status of public health in southeastern Connecticut by (1) upholding and enforcing (a) the Public Health Code of the State of Connecticut and (b) such ordinances and regulations as may be adopted by the Board; and (2) working with other providers of health services in the District to better coordinate existing programs and to plan and implement new health programs.

The District’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

REPORTING ENTITY

The Ledge Light Health District consists of all significant funds, agencies, boards, commissions and authorities over which the District exercises oversight responsibility. Oversight responsibility was determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. The District is not included in any other governmental “reporting entity” as defined by GASB pronouncements.

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize its health service activities as governmental.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District’s net position is reported in two parts – invested in capital assets and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of the District’s health services function. This function is also supported by general government revenues (interest earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants.

**LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS (*Continued*)

Program revenues must be directly associated with the function. The net costs by function are normally covered by general revenue (interest income, etc.). The District does not allocate indirect costs. This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

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

BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

- a. General Fund is the general operating fund of the District. It is used to account for all financial resources.

When an expenditure is incurred for a purpose for which amounts in any unrestricted fund balance category could be used, restricted fund balances are considered to have been spent first, followed by committed, assigned, and unassigned fund balances.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual: Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS (Continued)

2. Modified Accrual: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. “Available” means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

INVESTMENTS

The District reports its investments using the 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 outlined below:

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

PREPAID EXPENSES/EXPENDITURES

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives (expressed in years):

Building and improvements	25
Equipment	5 - 10
Vehicles	5 - 10

Lease assets, and type of intangible capital asset, are amortized over the shorter of their useful life or the related lease term.

LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

ALLOWANCE FOR DOUBTFUL ACCOUNTS

Based upon prior experience, management believes all receivables are fully collectible and that an allowance for doubtful accounts is not necessary.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents the consumption of net position or fund balance that applies to a future period and so it will not be recognized as an expense or expenditure until then. For the year ended June 30, 2024, the District had deferred outflows related to its pension resulting from differences between expected and actual experience, projected and actual earnings on pension plan investments, and from changes in actuarial assumptions (see *Note 8*). In addition to liabilities, the statement of net position and the governmental fund balance sheet 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 and so it will not be recognized as revenue until then.

For the year ended June 30, 2024, the District had receivables in connection with various grants receivable which were considered unavailable for revenue recognition and were therefore presented as deferred inflows of resources at June 30, 2024. These are discussed further in *Note 3*. The District also had deferred inflows related to its participation in an agent multiple employer defined benefit pension plan, resulting from changes in actuarial experience and actuarial assumptions. These are discussed further in *Note 8*.

UNEARNED REVENUES

Unearned revenues are reported as liabilities in the government-wide and fund financial statements when assets are recognized before the related revenue recognition criteria have been satisfied. In the District, this consists of grants received before the eligibility and performance requirements have been met.

COMPENSATED ABSENCES

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, but earned vacation pay balances. Expenditures and liabilities related to these obligations are recognized in the governmental fund financial statements when they mature such as upon the termination of employment. Compensated absences are reported as noncurrent liabilities in the government-wide statement of net position.

NET PENSION LIABILITY

The net pension liability is measured as the portion of the actuarial value of projected benefits that is attributed to past periods of employee service in the District's agent multiple employer defined benefit pension plan, net of the pension plan's fiduciary net position.

**LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND EQUITY AND NET POSITION

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

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets 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 represents the net position of the District, which are subject to constraint that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or b) 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.

In the fund financial statements, fund balances of governmental funds are composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The District's nonspendable fund balance relates to its prepaid expenditures.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law.

Committed Fund Balance – This represents the portion of fund balance that can only be used for specific purposes imposed by the District's highest level of decision making authority (the Board of Health).

Assigned Fund Balance – This classification includes amounts that are intended for a particular purpose, but are neither Restricted nor Committed. In the District, these are monies set aside at the suggestion of the District's Finance Committee.

Unassigned Fund Balance – This represents amounts that are available for any purpose. It is the residual classification in the General Fund.

LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

BUDGETS

The District adopts an annual budget for the General Fund by April 30th of each year. The budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America with the exception that allocations of overhead to grant programs are reported as both revenues and expenditures. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. The District's Director of Health prepares the annual budget for presentation to the Board of Health.
2. The Board of Health holds a public hearing on the proposed budget, where it is formally approved.
3. The Board of Health may make amendments to the budget, but any actions which would increase the member Districts' contributions by more than seven percent (7%) requires a public hearing.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

APPLICATION OF ACCOUNTING STANDARDS

For the year ended June 30, 2024, the following accounting pronouncement became effective. The District implemented the pronouncement, where applicable:

GASB Statement 100, *Accounting Changes and Error Corrections*. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through April 8, 2025, the date that the financial statements were available to be issued. No subsequent events were identified.

**LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Deposits - The District does not have a policy for deposits. The District also does not have a custodial credit risk policy. However, as a practice, the District follows Connecticut State Statutes. The State of Connecticut requires that each depositor maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Cash Equivalents / Investments - The District does not have a custodial credit risk policy with regard to cash equivalents, investments, or related credit risk for debt securities, however it is the District's practice to follow Connecticut State Statutes (CGS). CGS Section 7-400 permit municipalities and local governments to invest in: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. CGS Sections 3-27a to 3-27f permit the investment by the District in the shares of the Connecticut Short Term Investment Fund (STIF).

The STIF is a money market investment pool managed by a division of the State of Connecticut's Treasurer's Office. Investments must be made in instruments authorized by the State's CGS using guidelines adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares and investments held by the fund and are stated at amortized cost. STIF is rated by Standard & Poor's at AAAM, its highest rating for money funds and investment pools.

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 value losses arising from interest rate increases. Generally, the District does not invest in any long-term investment obligations.

The following is a summary of cash and cash equivalents at June 30, 2024:

	Carrying Amount
Deposit accounts	\$ 619,708
Connecticut Short Term Investment Fund	580,519
Total cash and cash equivalents	<u>\$ 1,200,227</u>

LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Concentration of Credit Risk – The carrying amount of the District’s deposits with financial institutions was \$619,708 and the bank balance was \$649,237, of which \$250,000 was covered by federal depository insurance, \$64,924 was collateralized by securities held by the financial institution, and the balance of \$334,313 was uninsured and uncollateralized at June 30, 2024.

The risk category for the District’s shares in STIF cannot be determined since the District does not own identifiable securities, but invests as a shareholder of the investment pool.

The following is a summary of investments at June 30, 2024:

Investment Type	Average Credit Rating	Fair Value	Fair Value Measurements		
			Level 1	Level 2	Level 3
Investments					
Mutual funds	N/A	\$ 126,672	\$ 126,672	\$ -	\$ -
Money market funds	N/A	540	540	-	-
		<u>\$ 127,212</u>	<u>\$ 127,212</u>	<u>\$ -</u>	<u>\$ -</u>

The average credit rating for the District’s investments in mutual funds cannot be determined since the District does not own identifiable securities, but invests as a shareholder of the funds.

Investment Type	Investment Maturities (Years)			
	N/A	Less than 1	1-10	More than 10
Investments				
Mutual funds	\$ 126,672	\$ -	\$ -	\$ -
Money market funds	540	-	-	-
	<u>\$ 127,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3 – RECEIVABLES

At June 30, 2024, the District’s receivables consisted of the following:

	Carrying Amount
Integovernmental grants	\$ 703,256
Permits, fees, and other	25,927
	<u>\$ 729,183</u>

Governmental funds report *deferred inflows of resources* in connection with receivables that are not considered to be available to liquidate liabilities of the current period. At June 30, 2024, the District’s deferred inflows of resources in the fund financial statements consisted of the following:

LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – RECEIVABLES (Continued)

	Revenues -
	Unavailable
Receivables	\$ 416,584
Total deferred inflows of resources	<u>\$ 416,584</u>

The District also defers revenue recognition in connection with resources that have been received, but not yet earned. These are recorded in the liability *unearned revenue* at June 30, 2024 in both the government-wide and fund financial statements. At June 30, 2024, the balance of unearned revenue totaled \$828,746.

NOTE 4 – CAPITAL ASSETS

Changes in capital assets for governmental activities for the year ended June 30, 2024 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Construction in process	\$ -	\$ 22,127	\$ -	\$ 22,127
Total capital assets, not being depreciated	<u>-</u>	<u>22,127</u>	<u>-</u>	<u>22,127</u>
Capital assets, being depreciated				
Buildings and improvements	598,550	138,558	-	737,108
Equipment	38,819	33,081	-	71,900
Vehicles	172,486	-	-	172,486
Total capital assets, being depreciated	<u>809,855</u>	<u>171,639</u>	<u>-</u>	<u>981,494</u>
Less: accumulated depreciation				
Buildings and improvements	185,593	27,278	-	212,871
Equipment	33,734	7,411	-	41,145
Vehicles	56,290	17,248	-	73,538
Total accumulated depreciation	<u>275,617</u>	<u>51,937</u>	<u>-</u>	<u>327,554</u>
Total capital asses, net of accumulated depreciation	<u>\$ 534,238</u>	<u>\$ 141,829</u>	<u>\$ -</u>	<u>\$ 676,067</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being amortized				
Right of use asset - building	\$ -	\$ 104,610	\$ -	\$ 104,610
Total capital assets, being amortized	<u>-</u>	<u>104,610</u>	<u>-</u>	<u>104,610</u>
Less: accumulated amortization				
Right of use asset - building	-	14,529	-	14,529
Total accumulated amortization	<u>-</u>	<u>14,529</u>	<u>-</u>	<u>14,529</u>
Capital assets, net of accumulated amortization	<u>\$ -</u>	<u>\$ 90,081</u>	<u>\$ -</u>	<u>\$ 90,081</u>

Depreciation expense of \$51,937 and amortization expense of \$14,529 were charged to Health Services for the year ended June 30, 2024.

LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – NONCURRENT LIABILITIES

A summary of noncurrent liabilities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Compensated absences	\$ 161,720	\$ 2,389	\$ -	\$ 164,109	\$ 27,697
Lease liability (<i>Note 6</i>)	-	104,610	(13,427)	91,183	33,912
Net pension liability (<i>Note 8</i>)	346,096	-	(17,887)	328,209	-
Total	<u>\$ 507,816</u>	<u>\$ 106,999</u>	<u>\$ (31,314)</u>	<u>\$ 583,501</u>	<u>\$ 61,609</u>

NOTE 6 – OPERATING LEASE

During the year ended June 30, 2024, the District entered into a three year operating lease for a building in New London, Connecticut. Under the terms of the lease, which began February 1, 2024, the District must make payments of approximately \$3,200 a month for thirty six months through January 1, 2027. At the inception of this lease, the District recognized both a right-to-use lease asset and a lease liability in the amount of \$104,610. During the year ended June 30, 2024, the District recognized \$16,932 of lease expense under this lease, which consists of amortization of \$14,529 and interest of \$2,403. As of June 30, 2024, future minimum lease payments (annualized) were as follows:

	Total		
Year ending June, 30th	Payments	Interest	Principal
2025	\$ 37,992	\$4,080	\$33,912
2026	37,992	2,470	35,522
2027	22,187	438	21,749
	<u>\$ 98,171</u>	<u>\$6,988</u>	<u>\$91,183</u>

At June 30, 2024, the right-to-use lease asset had a carrying balance of \$90,081 which is net of an initial cost of \$104,610 and accumulated amortization of \$14,529.

In addition to the lease, the District also entered into a purchase agreement with the landlord, to acquire the leased building in the amount of \$300,000 at the end of the lease term (See *Note 10*). As of June 30, 2024, the District has placed a total of \$34,170 on deposit with the landlord to be applied to the purchase and will continue to deposit approximately \$800 per month with the landlord under the terms of the agreement until accumulating a total of \$60,000 toward the purchase. Amounts on deposit with the landlord are classified as a deposit on capital asset on the District's statement of net position.

**LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 – FUND BALANCE

At June 30, 2024, committed fund balances on the fund financial statements consisted of the following:

Purpose	Amount
Committed	
Pension liability	\$ 280,000
Operating deficits	200,000
Capital improvements - 216 Broad Street	130,000
Emergency operating expenses	100,000
Program development	100,000
Workforce development	100,000
Vehicle replacements	80,000
Emergency response /PPE /Equipment	75,000
Other employee paid time off	50,000
Future unemployment benefits	50,000
Accreditation / Strategic planning	25,000
Total committed fund balance	<u>\$ 1,190,000</u>

In addition to committed fund balance, the District has non-spendable fund balance of \$66,181 representing its investment in prepaid expenditures, \$300,000 assigned fund balance for the acquisition of real estate under a purchase agreement (See *Note 10*), and net unassigned deficit fund balance of (\$909,442) which it plans to restore through previously unavailable grant receivables and future budgetary measures.

NOTE 8 – PENSION PLAN

The District participates in both a defined contribution and defined benefit plan. The defined benefit plan is closed to new employees, however, all eligible employees may participate in the salary deferral 457(b) plan.

Defined Contribution Plan

District employees who work a minimum of thirty-two (32) hours per week are eligible for participation in the District's 457(b) salary deferral plan. The plan is administered through ICMA-RC and requires mandatory participation for all full-time employees. The District makes matching contributions in amounts not to exceed six-percent (6%) of the employees' gross pay. The matching contributions are deposited into the District's 401(a) plan and are subject to the following vesting schedule:

Years of Service Completed	% Vested
0 to 2 years	0%
2.1 to 4 years	50%
4.1 + years	100%

LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – PENSION PLAN (*Continued*)

Defined Contribution Plan (*Continued*)

Length of service will include continuous service time to a District municipal member by a full-time employee transferred to the District from a municipality which joins the District or to the District by any part-time employee who becomes a full-time employee without a break in service.

Contributions of unvested funds that are forfeited by employees leaving the District will be applied towards future District contributions made on behalf of other employees. For the year ended June 30, 2024, the District's matching contributions totaled \$149,057. The plan is not considered a fiduciary activity of the District as the District does not hold the plan's assets or have the ability to direct the use, exchange, or employment of the assets. As of June 30, 2024, there were 34 participants in the plan.

Defined Benefit Plan

Certain employees who were employed with the District on January 1, 2008, may have elected to continue their participation in the Town of Groton Retirement System, an agent multiple employer Public Employee Retirement System (PERS Plan), administered by the Town of Groton's Retirement Board. The PERS Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Town of Groton (the Town)'s Charter provides the Town Council with the authority to establish and amend benefit provisions, by ordinance, through the Retirement Board. The PERS Plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. Those reports may be obtained by writing to the Finance Department of the Town of Groton, 45 Fort Hill Road, Groton, Connecticut.

The District is required to contribute at an actuarially determined rate. As a condition of the plan, participating employees will contribute four percent (4%) of their gross pay. District employees hired after January 1, 2008 are prohibited from participation in this plan. The District's required contributions to this plan totaled \$37,300 for the year ended June 30, 2024 and were paid during that fiscal year. Pension expense (income) recognized for the year ended June, 30, 2024 was \$68,657 under this plan. For the year ended June 30, 2024, there was one current District employee and two retirees and/or beneficiaries receiving benefits, participating in the plan. PERS Plan benefits are calculated as 2% of average annual pay (for highest paid 3 years out of last 5 years) multiplied by the number of years of continuous service up to 30 years and 1.25% of average annual pay times years of continuous service in excess of 30.

The PERS Plan's fiduciary net position has been determined on the same basis as that used by the plan. The PERS Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The PERS Plan's investments are reported at fair value. Investment income is recognized as earned, and gains or losses on sales or exchanges of investments are recognized on the transaction date.

LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – PENSION PLAN (Continued)

Defined Contribution Plan (Continued)

The District reported the following deferred outflows of resources and deferred inflows of resources in connection with the PERS Plan on the statement of net position as of June 30, 2024:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 1,543	\$ 3,700
Changes of assumptions	11,624	-
Net difference between projected and actual earnings on pension plan investments	115	-
Total	<u>\$ 13,282</u>	<u>\$ 3,700</u>

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

Year ending June 30,	Expense
2025	\$ 6,821
2026	20,509
2027	(10,707)
2028	(7,041)
	<u>\$ 9,582</u>
Deferred outflows	\$ 13,282
Deferred inflows	(3,700)
	<u>\$ 9,582</u>

The District's net pension liability for the year ended June 30, 2024 was derived as follows:

Total pension liability	\$ 1,074,463
Less: Plan fiduciary net position	<u>746,254</u>
Net pension liability	<u>\$ 328,209</u>

Total fiduciary net position as a percentage of the total pension liability	69.45%
--	--------

The total pension liability was determined by an actuarial valuation as of July 1, 2023, rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	Varies by age
Investment rate of return	6.75%

LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – PENSION PLAN (Continued)

Defined Contribution Plan (Continued)

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables projected to valuation date with Scale MP-2021. The actuarial assumptions used in the July 1, 2023 valuation were based on the 2014 Experience Study Report published in August 2014. The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, along with the asset allocation policy are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. large cap	4.50%	27.00%
U.S. small cap	6.40%	5.00%
World equity	4.80%	15.00%
Emerging markets	4.80%	2.00%
Core fixed income	2.90%	25.00%
Limited duration	1.80%	12.00%
Emerging debt	5.30%	3.00%
High-yield bonds	4.70%	3.00%
Real estate (REITs)	6.10%	3.00%
US all cap factor equity	4.70%	5.00%
		<u>100.00%</u>

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the District's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. If the District's discount rate was lowered to 5.75%, the net pension liability would increase to \$442,910, while if the District's discount rate was increased to 7.75%, the net pension liability would decrease to \$228,957.

LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – PENSION PLAN (Continued)

Defined Benefit Plan (Continued)

Changes in the net pension liability for the year ended June 30, 2024 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, June 30, 2023	\$ 1,069,550	\$ 723,454	\$ 346,096
2023-2024 changes:			
Service cost	12,880	-	12,880
Interest on total pension liability	72,392	-	72,392
Differences between expected and actual experience	(8,324)	-	(8,324)
Changes of assumptions	26,154	-	26,154
Employer contributions	-	37,300	(37,300)
Member contributions	-	204	(204)
Net investment income	-	83,758	(83,758)
Benefit payments, including employee contribution refunds	(98,189)	(98,189)	-
Administrative expenses	-	(273)	273
	<u>4,913</u>	<u>22,800</u>	<u>(17,887)</u>
Balance, June 30, 2024	<u>\$ 1,074,463</u>	<u>\$ 746,254</u>	<u>\$ 328,209</u>

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has obtained coverage from commercial insurance companies and has effectively managed risk through various employee education and prevention programs. There have been no significant reductions in insurance coverage and settlements have not exceeded insurance coverage for each of the past three fiscal years. All risk management activities are accounted for in the general fund.

NOTE 10 – COMMITMENTS

The District has entered into a agreement to purchase real estate it is currently leasing at the end of the lease term in January 2027 for the amount of \$300,000. At June 30, 2024, the District has fund balance assigned for this purchase in the same amount. Deposits placed with the seller to be used towards the purchase total \$34,170 at June 30, 2024 and are reported as deposit on capital asset in the District's statement of net position.

LEDGE LIGHT HEALTH DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended June 30, 2024, the following expenditures were in excess of their budgeted appropriations by the following amounts:

Personnel services	
Employee salary - core	\$ 78,706
Benefits/payroll taxes - core	59,589
Employee salary - grants	190,831
Benefits/payroll taxes - grants	53,968
Non-personnel services	
Facilities, utilities, and vehicles	35,915
Supplies and equipment	271,231
Professional services	29,462
Other administrative costs	37,751
Grant non-personnel	629,638

Total expenditures were over budget for the year in the amount of \$1,387,091. Total revenues exceeded budgeted estimates by \$888,891. There were no budget modifications made for the year ended June 30, 2024.

NOTE 12 – PRONOUNCEMENTS ISSUED, NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2024 that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement 101 - Compensated Absences. This statement updates the recognition and measurement guidance for compensated absences. The requirements of this statement are effective for fiscal years beginning after December 15, 2023 (the District's fiscal year ending June 30, 2025).

GASB Statement 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. The requirements of this statement is effective for fiscal years beginning after June 15, 2024 (the District's fiscal year ending June 30, 2025).

GASB Statement 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. The requirements of this statement is effective for fiscal years beginning after June 15, 2025 (the District's fiscal year ending June 30, 2026).

**LEDGE LIGHT HEALTH DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	ORIGINAL BUDGET	BUDGET ADJUSTMENTS	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES					
Member per capita	\$ 1,163,653	\$ -	\$ 1,163,653	\$ 1,190,025	\$ 26,372
State per capita	398,616	-	398,616	398,616	-
Environmental health fees	391,300	-	391,300	403,180	11,880
Training/consulting/other services	10,000	-	10,000	8,706	(1,294)
Interest income and other	5,000	-	5,000	36,264	31,264
Investment income (loss)	-	-	-	887	887
General & Administrative	100,260	-	100,260	-	(100,260)
Contracts/grants	2,021,462	-	2,021,462	2,941,504	920,042
Total revenues	4,090,291	-	4,090,291	4,979,182	888,891
EXPENDITURES					
Current - health services					
Personnel services					
Employee salary - core	1,272,630	-	1,272,630	1,351,336	(78,706)
Benefits/payroll taxes - core	496,470	-	496,470	556,059	(59,589)
Employee salary - grants	1,054,848	-	1,054,848	1,245,679	(190,831)
Benefits/payroll taxes - grants	369,197	-	369,197	423,165	(53,968)
Non-personnel services					
Facilities, utilities, and vehicles	102,100	-	102,100	138,015	(35,915)
Supplies and equipment	74,000	-	74,000	345,231	(271,231)
Professional services	62,500	-	62,500	91,962	(29,462)
Other administrative costs	60,700	-	60,700	98,451	(37,751)
Grant non-personnel	597,417	-	597,417	1,227,055	(629,638)
Total expenditures	4,089,862	-	4,089,862	5,476,953	(1,387,091)
Excess (deficiency) of revenues over expenditures - budgetary basis	429	-	429	(497,771)	(498,200)
ADJUSTMENTS TO GAAP BASIS					
Proceeds from issuance of long-term debt - lease liability				104,610	
Capital outlay for lease asset				(104,610)	
Total adjustments				-	
Excess (deficiency) of revenues over expenditures - GAAP basis				(497,771)	
FUND BALANCE, beginning of year				844,510	
FUND BALANCE, end of year				\$ 346,739	

See independent auditors' report

LEDGE LIGHT HEALTH DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TOWN OF GROTON RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 37,300	\$ 33,700	\$ 30,000	\$ 24,800	\$ 19,900	\$ 15,700	\$ 13,200	\$ 8,958	\$ 8,971	\$ 6,764
Contributions in relation to the actuarially determined contribution	37,300	33,700	30,000	24,800	20,500	15,700	13,200	8,958	8,971	6,764
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (600)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	143,635	143,351	134,616	127,535	122,630	112,203	105,474	101,308	90,125	89,652
Contributions as a percentage of covered-employee payroll	25.97%	23.51%	22.29%	19.45%	16.72%	13.99%	12.51%	8.84%	9.95%	7.54%

Notes to Schedule

Valuation date:
 Measurement date:
 July 1, 2023
 June 30, 2024

Actuarially determined rates are calculated as of June 30th, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Normal Actuarial Cost
Remaining amortization period	20 years (Prior: 18 years)
Asset valuation method	Adjusted value of assets
Inflation	2.40%
Salary increases	Vary by age group
Investment rate of return	6.75%, net of pension plan investment expenses (prior 7.00%)
Retirement age	Age related table
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for Public Safety), projected to the valuation date with Scale MP-2021.

LEDGE LIGHT HEALTH DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED
TOWN OF GROTON RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total pension liability:										
Service cost	\$ 12,880	\$ 12,304	\$ 10,959	\$ 10,578	\$ 9,829	\$ 8,959	\$ 8,701	\$ 7,714	\$ 621,108	\$ 7,181
Interest on total pension liability	72,392	69,481	65,868	61,063	56,837	54,160	51,179	48,675	94,625	46,078
Differences between expected and actual experience	(8,324)	32,393	29,096	24,596	39,206	23,550	21,741	29,608	(651,642)	(7,730)
Changes in assumptions	26,154	-	25,818	18,648	(2,655)	14,387	(4,319)	5,161	(5,817)	23,355
Benefit payments, including employee contribution refunds	(98,189)	(48,998)	(48,998)	(48,998)	(42,468)	(37,804)	(37,804)	(37,804)	(37,804)	(37,804)
Net change in total pension liability	4,913	65,180	82,743	65,887	60,749	63,252	39,498	53,354	20,470	31,080
Total pension liability - beginning of year	1,069,550	1,004,370	921,627	855,740	794,991	731,739	692,241	638,887	618,417	587,337
Total pension liability - end of year	1,074,463	1,069,550	1,004,370	921,627	855,740	794,991	731,739	692,241	638,887	618,417
Plan fiduciary net position:										
Contributions - employer	37,300	33,700	30,000	24,800	20,500	15,700	13,200	8,958	8,971	6,764
Contributions - member	204	5,745	5,734	5,385	5,101	4,905	4,442	4,265	4,052	3,627
Net investment income	83,758	64,776	(99,874)	161,457	34,415	42,276	42,251	55,221	(380)	19,083
Benefit payments, including employee contribution refunds	(98,189)	(48,998)	(48,998)	(48,998)	(42,468)	(37,804)	(37,804)	(37,804)	(37,804)	(37,804)
Administrative expense	(273)	(227)	(236)	(203)	(284)	(203)	(251)	(179)	(172)	(212)
Net change in plan fiduciary net position	22,800	54,996	(113,374)	142,441	17,264	24,874	21,838	30,461	(25,333)	(8,542)
Plan fiduciary net position - beginning of year	723,454	668,458	781,832	639,391	622,127	597,253	575,415	544,954	570,287	578,829
Plan fiduciary net position - end of year	746,254	723,454	668,458	781,832	639,391	622,127	597,253	575,415	544,954	570,287
Net pension liability - end of year	\$ 328,209	\$ 346,096	\$ 335,912	\$ 139,795	\$ 216,349	\$ 172,864	\$ 134,486	\$ 116,826	\$ 93,933	\$ 48,130
Plan fiduciary net position as a percentage of the total pension liability	69.45%	67.64%	66.55%	84.83%	74.72%	78.26%	81.62%	83.12%	85.30%	92.22%
Covered-employee payroll	\$ 143,635	\$ 143,351	\$ 134,616	\$ 127,535	\$ 122,630	\$ 112,203	\$ 105,474	\$ 101,308	\$ 90,125	\$ 89,652
Net pension liability as a percentage of covered-employee payroll	228.50%	241.43%	249.53%	109.61%	176.42%	154.06%	127.51%	115.32%	104.23%	53.69%

See independent auditors' report

FEDERAL SINGLE AUDIT REPORTS

**FEDERAL INTERNAL CONTROL
AND COMPLIANCE REPORTS**

**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 Health of
Ledge Light Health District
New London, Connecticut

We have audited, in accordance with the 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 the major fund of the Ledge Light Health District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 8, 2025.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 or significant deficiencies may exist that were not identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District'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 financial statements. 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 results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hayt, Filippetti & Malaghan, LLC

Groton, Connecticut

April 8, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

To the Board of Health of
Ledge Light Health District
New London, Connecticut

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited Ledge Light Health District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of federal findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hayt, Filippetti & Malashan, LLC

Groton, Connecticut

April 8, 2025

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

**LEDGE LIGHT HEALTH DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Grantor; Pass-through Grantor; Program Title; Description	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed Through to Subrecipients	Grant Expenditures
U.S. DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES				
Indirect:				
Passed through the State of Connecticut Department of Public Health:				
CT Investment in Public Health	2024-0066	93.967	\$ -	\$ 4,986
Prev. Health Services Block Grant PPHF	2020-0058	93.758	-	14,709
ELC - Enhancing Det COVID	2022-0156	93.323	-	411,243
Public Health Emergency Prep	2019-0231	93.069	382,712	451,996
Public Health Emergency Prep	2019-0226	93.069	165,562	342,462
Opioid Overdose Crisis	2021-0038	93.138	-	61,533
IAP Covid Supplement	2021-0007	93.268	-	106,392
Immunization Action Plan	2021-0007	93.268	-	152,342
Immunization Children	2024-0065	93.268	-	152,248
			548,274	1,697,911
Passed through the State of Connecticut Department of Mental Health and Addiction Services				
Opioid Academic Detailing	23MHA1042	93.788	-	43,140
Groton Alliance Substance Abuse Prevention	22MHA1020-3	93.959	-	130,318
Connecticut Promotes Recovery	23MHA6026	93.788	-	39,077
Connecticut Promotes Recovery	23MHA6026-4	93.788	-	97,438
			-	309,973
Passed through the State of Connecticut Office of Health Strategy				
State Innovation Models	21OHS0010	93.624	-	215,180
Passed through Southeastern Regional Action Council Prevention and Treatment of Substance Abuse		93.959	-	11,527
Passed through University of Connecticut Strategic Prevention Framework for Prescription Drugs	1H79SP082768-01	93.243	-	5,000
Passed through National Association of County and City Health Officials				
Implementing Overdose Prevention Strategies	2022-112103	93.421	-	110,562
Direct:				
Drug-Free Communities Support Program	1NH28CE003053-03	93.276	-	34,231
Drug-Free Communities Support Program	1NH28CE003053-04	93.276	-	92,909
			-	127,140
Total US Department of Public Health and Human Services			548,274	2,477,293
US FEDERAL EMERGENCY MANAGEMENT AGENCY				
Indirect:				
Passed through United Way Emergency Food and Shelter Program		97.024	-	15,000
Total US Federal Emergency Management Agency			-	15,000
US DEPARTMENT OF TREASURY				
Indirect:				
Passed through the Connecticut Children's Medical Center Coronavirus State and Local Fiscal Recovery Funds	23-179749-04	21.027	-	82,664
Passed through the Town of East Lyme, CT Coronavirus State and Local Fiscal Recovery Funds		21.027	-	16,077
Passed through the City of Groton, CT Coronavirus State and Local Fiscal Recovery Funds		21.027	-	26,372
Passed through the Town of Groton, CT Coronavirus State and Local Fiscal Recovery Funds		21.027	-	25,009
Passed through the Town of Ledyard, CT Coronavirus State and Local Fiscal Recovery Funds		21.027	-	12,504
Passed through the Town of Lyme, CT Coronavirus State and Local Fiscal Recovery Funds		21.027	-	1,786
Passed through the City of New London, CT Coronavirus State and Local Fiscal Recovery Funds		21.027	-	104,440
Passed through the Town of Old Lyme, CT Coronavirus State and Local Fiscal Recovery Funds		21.027	-	7,145
Passed through the Town of Waterford, CT Coronavirus State and Local Fiscal Recovery Funds		21.027	-	16,077
Passed through the Town of Stonington, CT Coronavirus State and Local Fiscal Recovery Funds		21.027	-	16,077
Passed through the Groton Long Point Association, Inc. Coronavirus State and Local Fiscal Recovery Funds		21.027	-	447
Passed through the Borough of Stonington, CT Coronavirus State and Local Fiscal Recovery Funds		21.027	-	7
Passed through the Town of North of Stonington, CT Coronavirus State and Local Fiscal Recovery Funds		21.027	-	3,573
Total US Department of Treasury			-	312,178
Total Expenditures of Federal Awards			\$ 548,274	\$ 2,804,471

The accompanying notes are an integral part of this schedule.

LEDGE LIGHT HEALTH DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

NOTE A - ACCOUNTING BASIS

BASIC FINANCIAL STATEMENTS

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to state and local governments.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis consistent with the preparation of the basic financial statements. Information included in the schedule of expenditures of federal awards is presented in accordance with the requirements Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period. For performance-based awards, revenues are recognized to the extent of performance achieved during the grant period.

Ledge Light Health District has not elected to use the 10% de Minimis indirect cost rate.

NOTE B - SUBRECIPIENTS

The following federal awards were made to subrecipients for the year ended June 30, 2024:

Grant / Subrecipient	Assistance Listing Number	Amount
Public Health Emergency Prep (2019-0231)		
Stratford Health Department	93.069	\$ 106,176
Stamford Health Department	93.069	75,271
Norwalk Health Department	93.069	51,580
City of Bridgeport, CT	93.069	32,415
Aspetuck Health District	93.069	26,590
Trumbull Health Department	93.069	20,401
Greenwich Health Department	93.069	17,963
Fairfield Health Department	93.069	17,685
New Canaan Health Department	93.069	11,708
Wilton Health Department	93.069	10,751
Darien Health Department	93.069	7,779
Monroe Health Department	93.069	4,393
		382,712

LEDGE LIGHT HEALTH DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)
JUNE 30, 2024

NOTE B - SUBRECIPIENTS *(Continued)*

Grant / Subrecipient	Assistance Listing Number	Amount
Public Health Emergency Prep (2019-0226)		
Eastern Highlands Health District	93.069	52,250
Northeast District Department of Health	93.069	52,250
Uncas Health District	93.069	52,062
Mohegan Tribe Health Department	93.069	9,000
		<u>165,562</u>
Total Federal Assistance passed through to subrecipients		<u>\$ 548,274</u>

**SCHEDULE OF FEDERAL FINDINGS
AND QUESTIONED COSTS**

**LEDGE LIGHT HEALTH DISTRICT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
☐ Material weakness(es) identified?	_____ Yes <u>✓</u> No
☐ Significant deficiency(ies) identified?	_____ Yes <u>✓</u> None reported
Noncompliance material to financial statements noted?	_____ Yes <u>✓</u> No

FEDERAL AWARDS

Internal control over major programs:	
☐ Material weakness(es) identified?	_____ Yes <u>✓</u> No
☐ Significant deficiency(ies) identified?	_____ Yes <u>✓</u> None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ Yes <u>✓</u> No

Identification of major programs:

CFDA Number	Name of Federal Program	Expenditures	Federal Assistance
93.069	U.S. Department of Health and Human Services – Public Health Emergency Preparedness	\$794,458	\$794,458
93.323	U.S. Department of Health and Human Services – Enhanced Detection Cooperative Agreement	\$411,243	\$411,243

Auditee qualified as low-risk auditee?	_____ Yes	_____ <u>✓</u> No
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Dollar threshold used to distinguish between Type A and Type B program:	<u>\$750,000</u>
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**LEDGE LIGHT HEALTH DISTRICT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

**SECTION II – SUMMARY OF FINDINGS RELATED TO FINANCIAL STATEMENTS
REQUIRED UNDER GENERALLY ACCEPTED *GOVERNMENT AUDITING
STANDARDS***

- We issued a report dated April 8, 2025 on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting disclosed no material weaknesses.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

- There were no findings or questioned costs reported.

**LEDGE LIGHT HEALTH DISTRICT
SUMMARY SCHEDULE OF THE STATUS OF
PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

PRIOR YEAR AUDIT FINDINGS RESOLVED

MW-2019-001 Timely Bank Reconciliations

PRIOR YEAR AUDIT FINDINGS REPEATED

None

STATE SINGLE AUDIT REPORTS

**STATE INTERNAL CONTROL AND
COMPLIANCE REPORTS**

**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 Health of
Ledge Light Health District
New London, Connecticut

We have audited, in accordance with the 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 the major fund of the Ledge Light Health District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 8, 2025.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 or significant deficiencies may exist that were not identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District'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 financial statements. 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 results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hayt, Filippetti & Malashan, LLC

Groton, Connecticut

April 8, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE SINGLE AUDIT ACT

To the Board of Health of
Ledge Light Health District
New London, Connecticut

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM

Opinion on Each Major State Program

We have audited Ledge Light Health District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2024. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of state findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any material weaknesses and significant deficiencies in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Hoyt, Filippetti & Malaghan, LLC

Groton, Connecticut

April 8, 2025

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

LEDGE LIGHT HEALTH DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024

State Grantor; Pass-through Grantor; Program Title	State Grant Program Core-CT Number	Expenditures
NONEXEMPT PROGRAMS		
DEPARTMENT OF PUBLIC HEALTH		
Direct:		
Local and District Departments of Health	11000-DPH48558-17009	\$ 398,616
Total Department of Public Health		<u>398,616</u>
DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES		
Direct:		
Grants for Substance Abuse Services	11000-MHA53300-16003	13,525
Total Department of Mental Health and Addiction Services		<u>13,525</u>
 TOTAL STATE FINANCIAL ASSISTANCE		 <u><u>\$ 412,141</u></u>

The accompanying note is an integral part of this schedule

**LEDGE LIGHT HEALTH DISTRICT
NOTE TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE A - ACCOUNTING BASIS

BASIC FINANCIAL STATEMENTS

The accounting policies of Ledge Light Health District (the "District") conform to accounting principles generally accepted in the United States of America as applicable to state and local governments.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

The accompanying schedule of expenditures of state financial assistance has been prepared on the accrual basis consistent with the preparation of the basic financial statements. Information included in the schedule of expenditures of state financial assistance is presented in accordance with regulations established by the State of Connecticut, Office of Policy and Management.

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance-based awards, revenues are recognized to the extent of performance achieved during the period.

**SCHEDULE OF STATE FINDINGS
AND QUESTIONED COSTS**

**LEDGE LIGHT HEALTH DISTRICT
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
☐ Material weakness(es) identified?	_____ Yes <u>✓</u> No
☐ Significant deficiency(ies) identified?	_____ Yes <u>✓</u> None reported
Noncompliance material to financial statements noted?	_____ Yes <u>✓</u> No

STATE FINANCIAL ASSISTANCE

Internal control over major programs:	
☐ Material weakness(es) identified?	_____ Yes <u>✓</u> No
☐ Significant deficiency(ies) identified?	_____ Yes <u>✓</u> None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?	
	_____ Yes <u>✓</u> No

The following schedule reflects the major program included in the audit:

<i>State Grantor/Program</i>	State Grant Program Identification Number	Expenditures
Department of Public Health: Local and District Departments of Health	11000-DPH48558-17009	\$ 398,616

Dollar threshold used to distinguish between Type A and Type B program:	\$100,000
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**LEDGE LIGHT HEALTH DISTRICT
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

**SECTION II– SUMMARY OF FINDINGS RELATED TO FINANCIAL STATEMENTS
REQUIRED UNDER *GOVERNMENT AUDITING STANDARDS***

- We issued a report dated April 8, 2025 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*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting disclosed no material weaknesses.

**SECTION III – FINDINGS AND QUESTIONED COSTS RELATING TO STATE
FINANCIAL ASSISTANCE**

None

**LEDGE LIGHT HEALTH DISTRICT
SUMMARY SCHEDULE OF THE STATUS OF
PRIOR STATE AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

PRIOR YEAR AUDIT FINDINGS RESOLVED

MW-2022-001 Timely Bank Reconciliations

PRIOR YEAR AUDIT FINDINGS REPEATED

None