MIRA

Dissolution Authority

A Component Unit of the State of Connecticut

ANNUAL FINANCIAL REPORT

FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
MIRA Dissolution Authority
Hartford, Connecticut

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the MIRA Dissolution Authority (the Authority) (a component unit of the State of Connecticut), and the related notes to the 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 financial position of the Authority as of June 30, 2024 and 2023, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Authority 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 opinion.

Emphasis of Matter
Future Operations

All major components of the Waste to Energy Facility (WTE Facility) reached the end of their useful lives and its operational performance has declined steadily through the closure of the WTE Facility in July 2022. A State mandated request for proposals process to redevelop the Connecticut Solid Waste System (CSWS) including the WTE Facility was not successful. The Authority determined it would discontinue WTE Facility operations and enter into service contracts for transportation and disposal of municipal solid waste. As a result, many Participating Municipalities elected to opt out of their existing Municipal Service Agreements, leaving only twenty-three municipalities remaining. After the close of fiscal year 2022, the WTE Facility and the Watertown Transfer Stations were shut down which put the Authority in a position to provide the CSWS operating services to the remaining municipalities through June 30, 2027. As the close of fiscal year 2023 approached, the State adopted Public Act 23-170 creating the MIRA Dissolution Authority as a successor in interest to the Authority as more fully disclosed in Management's Discussion and Analysis and Note 1a to the Financial Statements. Public Act 23-170 further established that upon conclusion of the dissolution process, anticipated as early as July 1, 2025 but not later than July 1, 2026, any remaining rights, real or personal property of the MIRA Dissolution Authority will pass to and vest in the State of Connecticut through the Department of Administrative Services (DAS). Our opinion is not modified with respect to this matter.

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 State 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 Authority's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 Authority'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 Authority'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 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 an opinion on the financial statements that collectively comprise the Authority’s basic financial statements. The combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September XX, 2024 on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

Hartford, Connecticut
September XX, 2024

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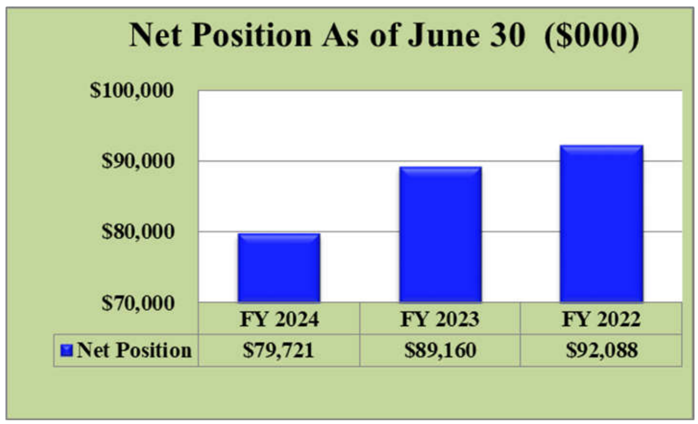
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the MIRA Dissolution Authority (the "Authority") financial performance provides an overview of the Authority's financial activities for the years ended June 30, 2024, 2023 and 2022. Please read it in conjunction with the Authority's financial statements that follow this section. The MD&A is intended to provide meaningful information for the current year, and in comparison to the prior years, thereby enhancing the reader's understanding of the Authority's financial position and the results of its operations. Effective July 1, 2023, the State of Connecticut designated the Authority as successor to the Materials Innovation and Recycling Authority ("MIRA"). On this date, the Authority assumed control over all of MIRA's assets, rights, duties and obligations as discussed fully in Note 1A to the Financial Statements.



In fiscal year 2024, the Authority continued to provide waste management services to Connecticut Solid Waste System (CSWS) participating municipalities through operation of its Torrington and Essex transfer stations. In addition to continuing these operations until acceptable alternatives are identified, the Authority is now charged with identifying the immediate environmental needs and knowledge necessary for future redevelopment of the site of the Authority's now closed Waste to Energy Facility and Jet Peaking Units in the South Meadows section of Hartford (the "South Meadows Site"), and with winding down its operations and activities in an orderly and responsible manner including the marketing and sale of its surplus real and personal property.

The Authority made significant strides toward these new obligations during fiscal year 2024. A comprehensive South Meadows Redevelopment Consideration Study was defined, bid, awarded and commenced before the close of the fiscal year. This study is scheduled for completion in February 2025 for potential consideration in the upcoming legislative session. The Authority also bid and awarded a contract for the sale and removal of inoperable heavy equipment and scrap metal, and separately for the auctioning and removal of operating heavy equipment, from the South Meadows Site. These initiatives are expected to be completed in the first quarter of fiscal year 2025. The Authority further appraised all real property with the potential to attract buyers, contracted commercial real estate brokerage services, publically listed such property and began receiving purchase offers before the close of the fiscal year 2024. These sales are expected to be completed in the second quarter of fiscal year 2025. The Authority has also worked diligently to identify alternative operating entities to take control of the CSWS transfer stations.

In fiscal year 2024, the Authority generated total operating revenue of $7.37 million and incurred $18.59 million in operating expenses before depreciation, resulting in an operating loss before depreciation of $11.22 million. Total operating revenues decreased by $12.84 million (63.5%) reflecting shutdown of the Authority's Jet Peaking Units. Total operating expenses before depreciation decreased by $5.16 million (21.7%) also reflecting shutdown of the Jet Peaking Units and the Authority's consolidation generally. The Authority's loss before depreciation increased by $7.68 million from fiscal year 2023 to fiscal year 2024. After $0.52 million in depreciation and amortization expenses, the Authority generated an operating loss of $11.74 million. The Authority also generated net non-operating revenue of $2.30 million resulting in a total decrease in the Authority's net position of $9.44 million.

The Authority's total assets decreased by $7.13 million (7.2%) reflecting a $11.95 million (17.1%) decrease in current assets (primarily cash and inventory) combined with a $4.82 million (16.7%) increase in non-current assets associated with the reclassification of spare parts inventory to plant and equipment following completed shutdown of the South Meadows Site. The Authority's total liabilities increased by $2.31 million (23.4%).

From fiscal year 2022 to fiscal year 2023, the Authority's net position decreased by $2.93 million. This primarily resulted from actual shutdown of the WTE Facility coupled with the Authority's reduced base of municipal customers.

The most significant economic factors adversely affecting the Authority are MIRA's transition to waste transfer activity, shutdown of the WTE Facility and reduced base of municipal customers, followed by adoption of Public Act 23-170.

Public Act 23-170 created the Authority effective July 1, 2023 to replace MIRA. The Authority effectively assumed all of MIRA's underlying statutory duties, authorities and capabilities, and is continuing MIRA's ongoing waste transfer operations until acceptable alternatives become available, but it has also been charged with the additional dissolution responsibilities summarized above. Upon conclusion of the dissolution process, any remaining rights, real or personal property of the Authority will pass to and vest in the State of Connecticut. This is currently scheduled to be effective on July 1, 2025 when the Department of Administrative Services becomes the Authority's successor under Public Act 23-170. See Note 1.A to the Financial Statements for additional information on the establishment of the Authority, its role as MIRA's successor and ultimate dissolution.

Retaining qualified and motivated employees through dissolution of the Authority while continuing its ongoing waste transfer operations, conducting an orderly wind down and preparing the Department of Administrative Services to take over on July 1, 2025 is clearly the Authority's greatest challenge. Since the Authority's new Board of Directors first met on September 27, 2023, the Authority's employees have consistently demonstrated their professionalism and made great progress toward achieving the objectives of Public Act 23-170. This progress is further highlighted in the Economic Factors and Outlook section of this MD&A.

Using This Report

The Authority is an enterprise fund of the State of Connecticut. Enterprise funds are used in governmental accounting to present activities where fees are charged to external customers for goods that are sold or services that are rendered. Usually these activities are financed by debt that is secured solely by a pledge of the operating revenues of that activity.

The Authority's financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. The financial statements utilize the economic resources measurement focus and the accrual basis of accounting in conformity with generally accepted accounting principles as applied to governmental entities. This means that all assets and liabilities associated with the operation of the Authority are included on its Statement of Net Position, and that all revenues and expenses are recognized when earned and incurred, respectively, on its Statement of Revenues, Expenses and Changes in Net Position.

The Authority's net position is presented in three components (i) net investment in capital assets, (ii) restricted, and (iii) unrestricted. Net position presented as net investment in capital assets consists of all significant capital assets owned by the Authority, net of accumulated depreciation, and reduced by any outstanding balances of bonds or other debt related to the acquisition, construction, or improvement of those assets. Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations that have an initial useful life beyond one year. Capital assets are depreciated over their useful lives and periodic depreciation expense is reported in the Statement of Revenues, Expenses and Changes in Net Position. Net Position is presented as restricted when constraints are placed on the Authority's assets by creditors, grantors, laws or imposed by law through constitutional provisions or enabling legislation.

The Statement of Revenues, Expenses and Changes in Net Position reflect the operating and non-operating revenues and expenses of the Authority for the fiscal year with the difference representing the change in net position. That change, combined with the prior year-end net position total, reconciles to the net position total at the end of the current fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, capital and related financing activities, non-capital financing activities and investing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash balance at the end of the current fiscal year.

Unless otherwise stated, all dollar values presented in this MD&A are in thousands.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is important to understanding the financial statements. They are presented following this MD&A and the Authority's financial statements.

Supplemental Information

Supplemental information includes a Combining Schedule of Statement of Net Position, a Combining Schedule of Revenues, Expenses and Changes in Net Position, a Combining Schedule of Cash Flows, and a Combining Schedule of Net Position. These schedules segment the Authority's financial activities for the year ended June 30, 2024 between the various operating divisions and projects comprising the Authority. This segmentation reflects the terms and conditions of facility operating contracts, service agreements, related documents and statutes generally providing for the financial self-sufficiency of such projects and divisions as described further in Note 1A to the Financial Statements (Entity and Services). For fiscal year 2024, these projects and divisions include:

- Authority General Fund
- Connecticut Solid Waste System
- Property Division
- Landfill Division
- Mid Connecticut Project (for project closeout purposes)

Required Additional Reports

Required additional reports include a 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*.

Statement of Net Position

The net position of the Authority is summarized in Table 1. Net position is a measurement of the Authority's financial condition at one point in time. As indicated in Table 1, the Authority's net position as of June 30, 2024 (total assets less total liabilities) was $79,721 which represents a $9,439 (10.6%) decrease from the prior year. The $9,439 decrease in net position is the result of the decrease in total assets of $7,130 shown on Table 2, coupled with the $2,309 increase in total liabilities and deferred inflows shown on Table 3.

TABLE 1
STATEMENT OF NET POSITION
As of June 30,
(Dollars in Thousands)

	2024	2023	2022
ASSETS			
Current unrestricted assets	$ 57,870	$ 69,849	$ 78,810
Current restricted assets	263	233	343
Total current assets	58,133	70,082	79,153
Non-current assets:			
Capital assets, net	33,758	28,939	30,219
Total non-current assets	33,758	28,939	30,219
TOTAL ASSETS	$ 91,891	$ 99,021	$ 109,372
LIABILITIES AND NET POSITION			
LIABILITIES			
Current unrestricted liabilities	$ 8,598	$ 6,084	$ 13,159
Current restricted liabilities	252	223	333
Total current liabilities	8,850	6,307	13,492
Long-term unrestricted liabilities	44	58	71
Long-term restricted liabilities			
Total long-term liabilities	44	58	71
TOTAL LIABILITIES	8,894	6,365	13,563
Deferred Inflows	3,276	3,496	3,721
TOTAL LIABILITIES & DEFERRED INFLOW	12,170	9,861	17,284
NET POSITION			
Net investment in capital assets	25,114	28,881	30,148
Restricted	11	10	10
Unrestricted	54,596	60,269	61,930
TOTAL NET POSITION	79,721	89,160	92,088
TOTAL LIABILITIES AND NET POSITION	$ 91,891	$ 99,021	$ 109,372

Assets

The Authority's total assets are further summarized on Table 2. The $7,130 decrease in total assets from June 30, 2023 to June 30, 2024 reflects the $11,949 (17.1%) decrease in current assets combined with the $4,819 (16.7%) increase in non-current assets discussed below.

Current Assets

The Authority's total current assets decreased by $11,949 (17.1%) reflecting reductions in cash and cash equivalents, receivables net of allowances, and inventory.

Unrestricted cash and cash equivalents of the Authority decreased by a total of $5,020 (9.0%) from June 30, 2023 to June 30, 2024 as described below.

The Authority's CSWS Tip Fee Stabilization Fund declined by $3,939 (35.4%). Other CSWS funds and accounts declined by a net $85 (0.6%) including the CSWS deposit account and its operating, risk, legal, debt service, general and major maintenance funds. These funds are used to support the Authority's Connecticut Solid Waste System and its associated properties and facilities pursuant to applicable municipal service agreements and Authority policy.

The Authority's Property Division funds and accounts declined by a net $610 (2.3%) after being supplemented by a $500 transfer of surplus funds from the Authority's severance fund. These Property Division funds and accounts include its deposit account, operating and general funds, improvement and maintenance funds, decommissioning and South Meadows transition funds. These funds are primarily used to support operation and maintenance of the Authority's South Meadows Site following closure of the WTE Facility and Jet Peaking Units as well as payment of the Payment in Lieu of Tax to the City of Hartford pursuant to applicable agreements and Authority policy.

All other funds and accounts comprising unrestricted cash and cash equivalents declined by a net $386. These include funds and accounts associated with Authority landfills (which increased a net $229 (8.2%), Authority administrative accounts including checking, petty cash, severance and general fund which decreased a net $608 (30.6%) and remaining Mid Ct. Project funds which decreased $7 (17.0%).

Restricted cash and cash equivalents increased by $30 (12.9%) from June 30, 2023 to June 30, 2024. This increase is directly associated with the increase of certain waste hauler customer cash guarantee of payments in accordance with Authority policy.

The $556 (7.3%) reduction in receivables, net of allowances, is primarily attributed to reductions in lease receivables which declined by $431 (6.0%) consistent with the terms of the Authority's leases and its previous implementation of GASB 87. Accounts receivable for use of the CSWS declined by $116 (14.2%). Other receivables declined a net $9 (100.0%) which was attributed to the reduction in electric sales due to shut down of the WTE Facility and Jet Peaking Units.

The $6,403 (100.0%) reduction in inventory is primarily due to the reclassification of the Authority's inventory of spare parts from current to non-current capital assets (non-depreciable spare parts – plant). This reclassification is made pursuant to GASB 26 considering that all plants at the South Meadows Site were shut down at the time of the Authority's July 1, 2023 takeover, retired from regular use and held for sale pursuant to Public Act 23-170. In addition to the reclassification of inventory, the Authority sold its surplus jet fuel in fiscal year 2024 following shut down and delisting of the Authority's Jet Peaking Units.

From fiscal year 2022 to fiscal year 2023, the Authority's current assets decreased by $9,071 (11.5%) reflecting decreases in cash and cash equivalents, prepaid expenses and receivables net of allowances, partially offset by an increase in inventory. These changes were driven by significant reductions in Authority operations and revenue associated with the transition to waste transfer activities, facility closures and contract terminations.

The consolidated nature of the Authority's current assets summarized on Table 2 does not reflect amounts due from other funds. Amounts borrowed and used to supplement the CSWS operating and major maintenance accounts are recognized as due from other funds in the Authority's Combining Schedule of Statement of Net Position attached as Exhibit A to the Financial Statements.

Non-Current Assets

The $4,819 (16.7%) increase in depreciable assets reflects the $5,324 reclassification of inventory discussed above, partially offset by a $501 (18.7%) reduction in depreciable net capital assets. This reduction reflects fiscal year 2024 additional accumulated depreciation of $519 partially offset by additions to capital assets of $14. Additions to capital assets primarily included filtration system improvements for the coal pond used for South Meadows site water management. As of June 30, 2024, land and spare parts – plant comprise the only non-depreciable assets of the Authority.

From fiscal year 2022 to fiscal year 2023, the Authority's noncurrent assets declined by $1,280 (4.2%). This was primarily attributed to additional accumulated depreciation of $1,776, offset by additions to capital assets (scale system replacement) of $496.

TABLE 2
SUMMARY OF CURRENT AND NON-CURRENT ASSETS
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2024	2023	2024 Increase/ (Decrease) from 2023	2024 Percent Increase/ (Decrease)	2022	2023 Increase/ (Decrease) from 2022	2023 Percent Increase/ (Decrease)
CURRENT ASSETS							
Unrestricted Assets:							
Cash and cash equivalents	$ 50,860	$ 55,880	$ (5,020)	(9.0%)	$ 56,440	$ (560)	(1.0%)
Receivables, net of allowances	7,010	7,566	(556)	(7.3%)	14,170	$ (6,604)	(46.6%)
Inventory	-	6,403	(6,403)	(100.0%)	5,869	$ 534	9.1%
Prepaid expenses	-	-	-	-	2,331	$ (2,331)	(100.0%)
Total Unrestricted Assets	57,870	69,849	(11,979)	(17.1%)	78,810	$ (8,961)	(11.4%)
Restricted Assets:							
Cash and cash equivalents	263	233	30	12.9%	343	$ (110)	(32.1%)
TOTAL CURRENT ASSETS	58,133	70,082	(11,949)	(17.1%)	79,153	$ (9,071)	(11.5%)
NON-CURRENT ASSETS							
Capital Assets:							
Depreciable, net	2,195	2,700	(505)	(18.7%)	3,980	$ (1,280)	(32.2%)
Nondepreciable	31,563	26,239	5,324	-	26,239	$ -	0.0%
TOTAL NON-CURRENT ASSETS	33,758	28,939	4,819	16.7%	30,219	$ (1,280)	(4.2%)
TOTAL ASSETS	$ 91,891	$ 99,021	$ (7,130)	(7.2%)	$109,372	$ (10,351)	(9.5%)

Liabilities

The Authority's total liabilities including current liabilities, long term liabilities, and deferred inflows are further summarized on Table 3.

The $2,543 (40.3%) increase in current liabilities from fiscal year 2023 to fiscal year 2024 reflects a $2,655 (52.3%) increase in accrued expenses and other current liabilities offset by a $141 (14.1%) reduction in accounts payable from unrestricted assets, coupled with a $29 (13.0%) increase in accrued expenses payable from restricted assets.

The $2,655 (52.3%) increase in accrued expenses and other current liabilities is primarily associated with the accrual of Authority employee severance costs, Office of Policy and Management ("OPM") costs associated with the Authority's wind down and costs to undertake the South Meadows Redevelopment Considerations Study as described below.

- Pursuant to Public Act 23-170, the Department of Administrative Services becomes the Authority's successor effective July 1, 2025 and the Authority terminates July 1, 2026. The Authority has accordingly developed a plan for the separation of employees in accordance with applicable Authority policy, resolutions and employment contracts. The total severance accrual for all Authority employees is $814.

- Pursuant to Public Act 23-170, the sum of $2,000 shall be transferred from the resources of the Authority and deposited into a non-lapsing account of the General Fund established by

OPM. Moneys in the account are to be allocated as determined by the Secretary of OPM to fund activities related to the provisions of sections 8 to 15, inclusive, of Public Act 23-170. Accordingly, the Authority has accrued $2,000 for this purpose.

- Pursuant to Public Act 23-170, the Authority is to identify the immediate environmental needs and knowledge necessary for future redevelopment of the South Meadows Site and engage representatives of the City of Hartford and other stakeholders, as appropriate, with respect to the future of the site. Accordingly, the Authority has developed and awarded a contract to conduct a South Meadows Redevelopment Considerations Study to fulfill these obligations. The full $636 “not to exceed” cost of the contract has been accrued.

In addition to these new accruals associated with Public Act 23-170, the Authority’s remaining accrued expenses and other current liabilities declined by $793 (15.6%). This is primarily related to payment of previously accrued contractor management and incentive fees including “true up” of operating and maintenance expenses associated with termination of operating contracts for the WTE Facility and Jet Peaking Units.

The $141 (14.1%) reduction in accounts payable from unrestricted assets is primarily associated with reductions in accounts payable to CSWS transfer station operating contractors, waste and recycling processing contractors and utility services which declined by $255 (25.6%). This was offset by a $95 increase in property division accounts payable primarily associated with South Meadows Site utilities, property maintenance and security and conduct of Phase One Environmental Assessments associated with real property sales. Accounts payable within the Authority general fund and landfill division also increased by a net $19 mostly associated with Authority auditing services, landfill division expenses and Mid Ct. Project legal services.

From fiscal year 2022 to fiscal year 2023, the Authority’s current liabilities decreased by $7,185 (53.3%). This included a $5,826 (53.4%) decrease in accrued expenses payable from unrestricted assets which was driven by the Authority’s transition to waste transfer activity. It also included a $1,249 (55.5%) decrease in accounts payable from unrestricted assets also driven by the transition to waste transfer activity. Accrued expenses and other current liabilities payable from restricted assets also declined by $110 (33.0%).

The long term liabilities and deferred inflows shown on Table 3 as of June 30, 2022, June 30, 2023 and June 30, 2024 are due to the Authority’s capitalization of leases undertaken to implement GASB 87 as further described in Note 9 to the Financial Statements. The Authority has no other long-term liabilities.

The consolidated nature of the Authority’s current liabilities summarized on Table 3 does not reflect amounts due to other funds. Amounts due to other funds increased by 4,002 (14.4%) within the CSWS from fiscal year 2023 to fiscal year 2024 due to draws from the CSWS tip fee stabilization fund. Amounts borrowed and used to supplement the CSWS operating and major maintenance accounts are recognized as due to other funds in the Authority’s Combining Schedule of Statement of Net Position attached as Exhibit A to the Financial Statements.

TABLE 3
SUMMARY OF CURRENT AND LONG-TERM LIABILITIES
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2024	2023	2024 Increase/ (Decrease) from 2023	2024 Percent Increase/ (Decrease)	2022	2023 Increase/ (Decrease) from 2022	2023 Percent Increase/ (Decrease)
CURRENT LIABILITIES							
Payable from unrestricted assets:							
Accounts payable	$ 862	$ 1,003	$ (141)	(14.1%)	$ 2,252	$ (1,249)	(55.5%)
Acccrued expenses and other current liabilities	7,736	5,081	2,655	52.3%	10,907	$ (5,826)	(53.4%)
Unearned revenue		-	-	n/a	-	$ -	n/a
Total payable from unrestricted assets	8,598	6,084	2,514	41.3%	13,159	(7,075)	(53.8%)
Payable from restricted assets:							
Acccrued expenses and other current liabilities	252	223	29	13.0%	333	(110)	(33.0%)
Total payable from restricted assets	252	223	29	13.0%	333	(110)	(33.0%)
TOTAL CURRENT LIABILITIES	8,850	6,307	2,543	40.3%	13,492	(7,185)	(53.3%)
LONG-TERM LIABILITIES							
Payable from unrestricted assets:							
Closure and post-closure care of landfills	-	-	-	n/a	-	-	n/a
Leaase payable	44	58	(14)	(24.1%)	71	(13)	(18.3%)
Total payable from unrestricted assets	44	58	(14)	(24.1%)	71	(13)	(18.3%)
Payable from restricted assets:							
Closure and post-closure care of landfills	-	-	-	n/a	-	-	n/a
Other liabilities	-	-	-	n/a	-	-	n/a
Total payable from restricted assets			-	n/a		-	n/a
TOTAL LONG-TERM LIABILITIES	44	58	(14)	(24.1%)	71	(13)	(18.3%)
TOTAL DEFERRED INFLOWS	3,276	3,496	(220)	(6.3%)	3,721	(225)	(6.0%)
TOTAL LIABILITIES & DEFERRED INFLOWS	$ 12,170	$ 9,861	$ 2,309	23.4%	$ 17,284	$ (7,423)	(42.9%)

Statements of Revenues, Expenses and Changes in Net Position

The decrease in the Authority's net position from June 30, 2023 to June 30, 2024 shown on Table 1 was generated from the change in net position shown on Table 4, Statements of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2024. Changes in net position represent the results of operations of the Authority (i.e. its net income or loss).

The $9,439 decrease in net position reflects total operating and non-operating revenues of $10,492 as shown on Table 5 being exceeded by total operating and non-operating expenses of $19,931 as shown on Table 6. The Authority incurred a $11,219 loss before depreciation and before certain net non-operating revenues. Depreciation and amortization expenses totaled $519 and the Authority generated net non-operating revenue of $2,299.

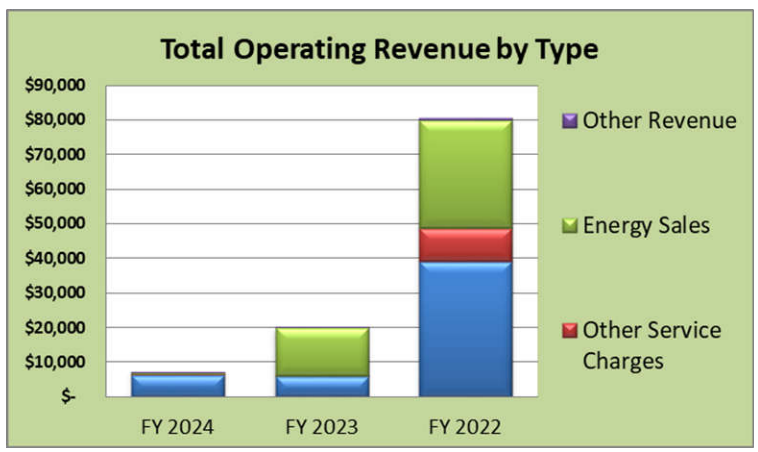
From fiscal year 2022 to fiscal year 2023, the Authority's net position decreased by $2,928. This primarily resulted from actual shutdown of the WTE Facility in July 2022 and the associated reduction in the Authority's base of municipal customers.

TABLE 4
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2024	2023	2022
Operating revenues	$ 7,368	$ 20,208	$ 80,709
Operating expenses	18,587	23,746	61,281
Income before depreciation and amortization and other non-operating revenues and (expenses), net	(11,219)	(3,538)	19,428
Depreciation and amortization	519	1,777	2,036
Loss before other non-operating revenues and (expenses), net	(11,738)	(5,315)	17,392
Non-operating revenues (expenses), net	2,299	2,387	290
Change in net position	(9,439)	(2,928)	17,682
Total net position, beginning of year	89,160	92,088	74,406
Total net position, end of year	$ 79,721	$ 89,160	$ 92,088

Revenues

Table 5 summarizes total revenue (operating and non-operating) for the three prior fiscal years ended June 30, 2024. Total operating and non-operating revenue decreased by $12,108 (53.6%) from fiscal year 2023 to fiscal year 2024 as discussed below.



As indicated in Table 5, operating revenue decreased by $12,840 (63.5%) from fiscal year 2023 to fiscal year 2024.

The Authority's energy sales decreased by $13,270 (95.8%) from fiscal year 2023 to fiscal year 2024. The majority of this decrease is attributed to energy sales within the Property Division which decreased by $10,128 (100.0%) with shut down and delisting of the Authority's Jet Peaking Units effective May 31, 2023. Energy sales within the CSWS decreased by $3,131 (86.7%). While the WTE Facility stopped combusting waste on July 19, 2022, the Authority continued to receive energy sales revenue in the form of net ISO New England capacity payments through May 31, 2024. Energy sales within the Landfill Division, derived from operation of the Hartford Landfill solar array, decreased by $11 (9.2%).

The Authority's member service charges increased by $513 (8.8%) from fiscal year 2023 to fiscal year 2024. All member service charges are associated with operation of the CSWS. The tip fee paid by Tier 1 Short Term participating municipalities that amended their service agreement increased by 4.5% from $111.00 per ton to $116.00 per ton. The tip fee paid by Tier 1 Long Term participating municipalities increased by 1.7% from $116.00 per ton to $118.00 per ton. In addition to increased tip fees, deliveries of municipal solid waste by participating municipalities increased by 4.4% from fiscal year 2023 to fiscal year 2024.

The Authority's other service charges decreased by $97 (44.7%) from fiscal year 2023 to fiscal year 2024. All other service charges are associated with operation of the CSWS and reflect MSW deliveries by non-participating municipalities. Overall the volume of these deliveries decreased by 53.5% from fiscal year 2023 to fiscal year 2024. The average price per ton was unchanged at $75 per ton. Net per ton revenue received for these deliveries increased due to fiscal year 2023 customer credits for resolved delivery fees.

The Authority's other operating revenue increased by $14 (5.1%) from fiscal year 2023 to fiscal year 2024. This is nearly entirely attributed to other operating revenue associated with the Property Division which increased by $29 (14.5%) due to increases in lease and concession agreement income recognized in accordance with GASB 87. This increase was offset by a $14 (60.9%) reduction in CSWS other operating revenue which was mostly due to the absence of metal sales in fiscal year 2024. Other operating revenue in the Landfill Division declined by $1.

Table 5 also indicates that non-operating revenue increased by $732 (30.6%) from fiscal year 2023 to fiscal year 2024. Investment income increased by $766 (35.8%) with improved interest rates. Settlement income decreased by $250 as there was no settlement activity or income in fiscal year 2024. Other income increased substantially by $216 primarily representing the sale of surplus jet fuel following shut down of the Authority's Jet Peaking Units.

From fiscal year 2022 to fiscal year 2023, operating revenue decreased by $60,501 (75.0%). All categories of operating revenue decreased substantially with shut down of the WTE Facility, the transition to waste transfer activities and reduced base of municipal customers. Non-operating revenue increased by $2,102 (724.8%) primarily due to improved interest earnings and settlement of WTE Facility claims.

TABLE 5
SUMMARY OF OPERATING AND NON-OPERATING REVENUES
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2024	2023	2024 Increase/ (Decrease) from 2023	2024 Percent Increase/ (Decrease)	2022	2023 Increase/ (Decrease) from 2022	2023 Percent Increase/ (Decrease)
Operating Revenues:							
Member service charges	$ 6,373	$ 5,860	$ 513	8.8%	$ 39,060	$ (33,200)	(85.0%)
Other service charges	120	217	(97)	(44.7%)	9,815	$ (9,598)	(97.8%)
Energy sales	587	13,857	(13,270)	(95.8%)	31,081	$ (17,224)	(55.4%)
Other operating revenues	288	274	14	5.1%	753	$ (479)	(63.6%)
Total Operating Revenues	7,368	20,208	(12,840)	(63.5%)	80,709	$ (60,501)	(75.0%)
Non-Operating Revenues:							
Investment income	2,905	2,139	766	35.8%	272	1,867	686.4%
Settlement income	-	250	(250)	n/a	-	250	n/a
Other income	219	3	216	7200.0%	18	(15)	(83.3%)
Total Non-Operating Revenues	3,124	2,392	732	30.6%	290	2,102	724.8%
Total Revenues	$ 10,492	$ 22,600	$ (12,108)	(53.6%)	$ 80,999	$ (58,399)	(72.1%)

Expenses

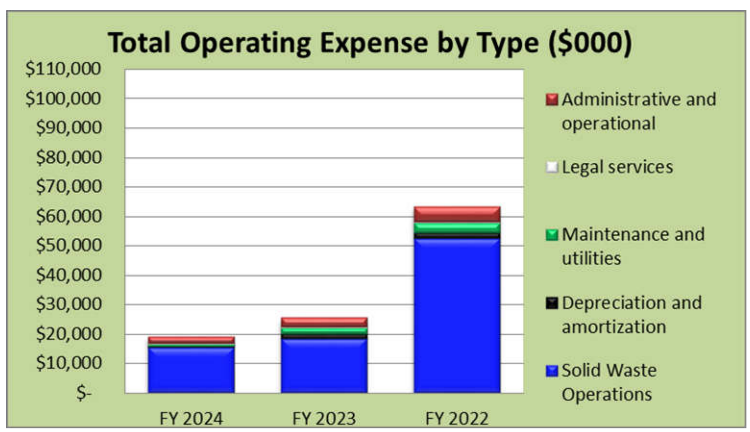


Table 6 summarizes total expenses (operating expenses, depreciation and amortization, and non-operating expenses) for the three prior fiscal years ended June 30, 2024. As indicated, operating expenses decreased by $5,159 (21.7%) from fiscal year 2023 to fiscal year 2024. Depreciation and amortization decreased by $1,258 (70.8%) and non-operating expenses increased substantially by $820 during this same period. Total expenses decreased by $5,597 (21.9%) as discussed below.

The $5,159 (21.7%) decrease in Operating expenses (before depreciation and amortization) reflects significant reductions in all categories of operating expense as described below:

- The $3,126 (16.9%) reduction in solid waste operations expense is entirely due to reductions within the CSWS where solid waste operations expense declined by $5,679 (37.0%). The decline in CSWS solid waste operations expense is due to the timing of shut down of the WTE Facility. The WTE Facility stopped receiving and processing waste on July 11, 2022, combustion stopped on July 19, 2022 and shipments of ash out of the facility stopped on August 5, 2022. Contractor employee layoffs were staged through the end of September as proper shut down protocols were undertaken. Accordingly, fiscal year 2023 solid waste operations expense included WTE Facility operations for several months while FY 2024 included no such costs. This reduction was partially offset by a $2,555 (84.1%) increase in solid waste operations expense associated with the Property Division. This is the result of the transition to waste transfer operations completed early in fiscal year 2023. As this transition was completed, the South Meadows Site, the recycling facility in Hartford, and the Watertown and Ellington transfer stations were surplus to the needs of the CSWS and transferred to the Property Division along with all associated operating expenses including the $1,500 payment in lieu of tax to the City of Hartford. Solid waste operations expense in the Landfill Division declined by $2 (2.3%).

- The $1,194 (61.2%) decrease in maintenance and utilities expense is also entirely due to reductions within the CSWS where maintenance and utilities declined by $2,143 (97.9%). This reduction was partially offset by a $949 increase in Property Division maintenance and utilities. As noted above, the WTE Facility was shut down at the beginning of fiscal year 2023 resulting in a reduction in maintenance and utilities expense, and all closed CSWS facilities were then transferred to the Property Division.

- The $41 (28.1%) decrease in legal services reflects changes in resources needed to address such matters as outside counsel review of contractor and Authority workforce reductions, contractor settlements and general Authority administrative matters.

- The $798 (25.1%) decrease in administrative and operational services expense is the continuing effect of the Authority's workforce reductions implemented in response to the transition to waste transfer activity. Severance and related expenses of $1,236 for these reductions were accrued in fiscal year 2022. Workforce reductions were then implemented in mid fiscal year 2023 (in stages from September 2022 through February 2023). Accordingly, savings were partially realized in fiscal year 2023 and fully realized in fiscal year 2024.

Depreciation and amortization expenses decreased by $1,258 (70.8%) from fiscal year 2023 to fiscal year 2024. In fiscal year 2024, the Authority's depreciation and amortization expenses totaled $519. This primarily included depreciation on Authority equipment which totaled $477 for such items as solar panels, loaders, scales and computer equipment. Additional depreciation charges included $29 in plant depreciation (roadways and buildings) and $13 associated with right of use assets established in the Authority's implementation of GASB 87 as described further in Note 9 to the Financial Statements. Substantial components of the WTE Facility began reaching the end of their useful life on June 30, 2019 and have not been extended.

Non-operating expenses increased by $820 from fiscal year 2023 to fiscal year 2024. The vast majority of this increase ($814) is directly attributed to the accrual of Authority employee severance costs in anticipation of the Department of Administrative Services succeeding the Authority effective July 1, 2025. Legal fees associated with closure of the Mid CT. Project increased by $6.

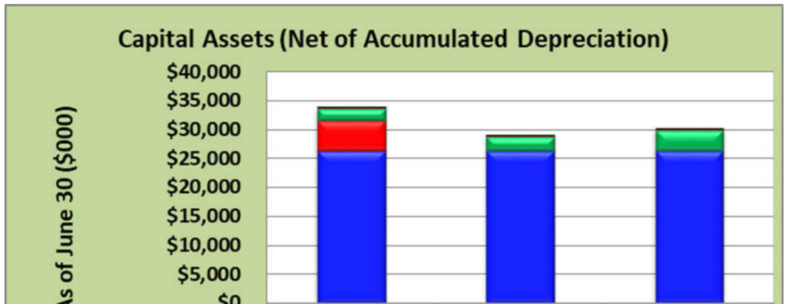
From fiscal year 2022 to fiscal year 2023, operating expenses decreased by $37,535 (61.3%). Due to closure of the WTE Facility, the transition to waste transfer activity and reduced base of municipal customers. Depreciation and amortization decreased by $259 (12.7%) following substantial reductions in the prior year associated with major components of the WTE Facility reaching the end of their useful life. There were no non-operating expenses in fiscal year 2022 which increased to $5 in fiscal year 2023 reflecting Mid CT. Project closure legal fees. Total expenses decreased by $37,789 (59.7%) from fiscal year 2022 to fiscal year 2023.

TABLE 6
SUMMARY OF OPERATING AND NON-OPERATING EXPENSES
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2024	2023	2024 Increase/ (Decrease) from 2023	2024 Percent Increase/ (Decrease)	2022	2023 Increase/ (Decrease) from 2022	2023 Percent Increase/ (Decrease)
Operating Expenses:							
Solid waste operations	$ 15,339	$ 18,465	$ (3,126)	(16.9%)	$ 52,532	$ (34,067)	(64.8%)
Maintenance and utilities	756	1,950	(1,194)	(61.2%)	3,330	$ (1,380)	(41.4%)
Legal services - external	105	146	(41)	(28.1%)	176	$ (30)	(17.0%)
Administrative and operational services	2,387	3,185	(798)	(25.1%)	5,243	$ (2,058)	(39.3%)
Total Operating Expenses	18,587	23,746	(5,159)	(21.7%)	61,281	(37,535)	(61.3%)
Depreciation and amortization	519	1,777	(1,258)	(70.8%)	2,036	(259)	(12.7%)
Operating Exenses Including Depreciation and Amortization	19,106	25,523	(6,417)	(25.1%)	63,317	(37,794)	(59.7%)
Non-Operating Expenses:							
Settlement expenses			-	n/a	-	-	n/a
Distribution to SCRRRA			-	n/a	-	-	n/a
Distribution to Towns			-	n/a	-	-	n/a
Other expenses	825	5	820	16400.0%	-	5	n/a
Total Non-Operating Expenses	825	5	820	16400.0%	-	5	(99.4%)
Total Expenses	$ 19,931	$ 25,528	$ (5,597)	(21.9%)	$ 63,317	$ (37,789)	(59.7%)

Capital Assets

The Authority's investment in capital assets (net of accumulated depreciation) as of June 30, 2024 totaled $33,758. This represents a $4,819 (16.7%) increase from net capital assets as of June 30, 2023 which totaled $28,939. The Authority's investment in capital assets includes land, spare parts – plant, plant, equipment and right of use assets established in the Authority's implementation of GASB 87.



	FY 2024	FY 2023	FY 2022
Right of Use	39	52	220
Plant	$105	$134	$170
Equipment	$2,051	$2,514	$3,590
Spare Parts - Plant	$5,324	$0	$0
Land	$26,239	$26,239	$26,239

The Authority owns land used for waste management, energy and related purposes in Bridgeport, Ellington, Hartford, Shelton, Torrington, Wallingford, Waterbury and Watertown. The right of use assets include the leased transfer station in Essex and the leased corporate office in Rocky Hill (through its April 30, 2023 expiration) as described in Note 9 to the Financial Statements. Its plants primarily include the WTE Facility in Hartford, four transfer stations and a recycling facility. Equipment includes vehicles and machinery used in the Authority's waste processing and recycling operations. The majority of the Authority's plant and equipment is fully depreciated leaving its net capital assets dominated by land and the inventory of spare parts reclassified with the retirement from regular use of all plants at the South Meadows Site which are held for sale pursuant to Public Act 23-170 as of July 1, 2023.

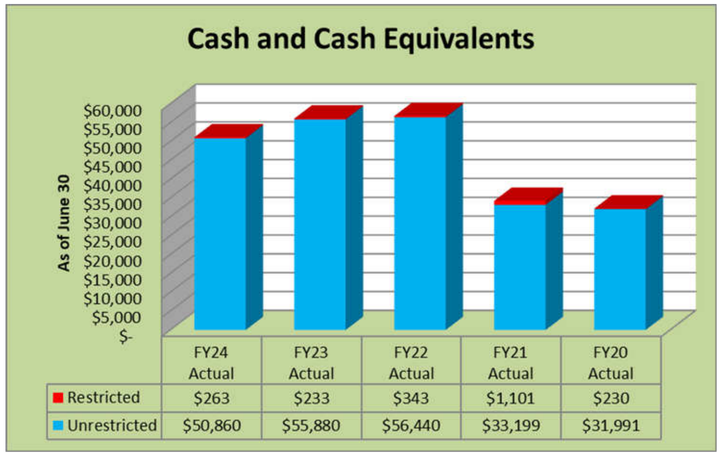
The Authority's investment in net capital assets as of June 30, 2023 totaled $28,939. This represented a $1,280 (4.2%) reduction from June 30, 2022 primarily rooted in additional accumulated depreciation.

The reduction in net capital assets is described more fully in Note 3.

Long-Term Debt Issuance, Administration and Credit Ratings

As of June 30, 2024, the Authority had no outstanding long-term debt carried on its books.

Economic Factors and Outlook



The most significant economic factors adversely affecting the Authority have historically been reported as the challenging CSWS business model, the pending loss of surplus revenue from the Authority's Jet Peaking Units used to support the CSWS business model, the age and serviceability of the CSWS WTE Facility and the unsuccessful conclusion of DEEP's proposed redevelopment of the CSWS. These factors, chronicled in the Authority's prior Annual Financial Reports, culminated at the close of fiscal year 2023 in the adoption of Public Act 23-170 establishing the MIRA Dissolution Authority as successor to the Authority. Going forward effective July 1, 2023, the MIRA Dissolution Authority is charged statutorily with identifying the immediate environmental needs and knowledge necessary for future redevelopment of the South Meadows Site, continuing to operate the CSWS transfer stations until acceptable alternatives are identified, and winding down the Authority's activities in an orderly and responsible manner including the marketing and sale of its surplus real and personal property. Pursuant to Public Act 23-170, the Department of Administrative Services becomes the Authority's successor on July 1, 2025.

The Authority's transition to waste transfer activity and the adoption of Public Act 23-170 fundamentally alter the economic factors that have historically challenged it. Moving forward, the most significant economic factors with the potential to adversely affect the MIRA Dissolution Authority will be retaining qualified and motivated personnel through completion of the dissolution process while utilizing its finite resources, in terms of reserves and lifespan, to advance competing interests embedded in its new mission. ***Since the Authority's new Board of Directors first met on September 27, 2023, these interests have been effectively balanced through adoption of fiscal year 2025 budgets that dedicate certain existing resources to supporting the CSWS as contemplated within the CSWS Municipal Service Agreements while dedicating other and future resources, attained through the sale of real and personal property, to advancing the future redevelopment of the South Meadows Site***. The Authority's employees have consistently demonstrated their professionalism in this challenging environment and made great progress toward achieving the objectives of Public Act 23-170 as highlighted below:

<u>Future Redevelopment of the South Meadows Site</u>

The Authority, through its predecessor agencies, acquired the South Meadows site subject to Connecticut's "Transfer Act" in 2001 triggering the need to investigate and remediate prior environmental contamination to commercial / industrial standards. There were 44 areas of concern identified through thousands of soil samples taken, and the site went through 12 years of active remediation work including removal of 60,000 tons of impacted soil, pumping and treatment of ground water, installation of engineered controls, imposition of deed restrictions and environmental land use restrictions. A ***Verification Report*** (that the required remediation was complete) was initially submitted to the Department of Energy and Environmental Protection (DEEP) in June 2018. However, additional contaminants were discovered in January 2019 causing rejection of the Verification Report. In fiscal year 2024, the final stage of remediation to commercial / industrial standards was completed. The "Final Engineered Control Completion Statement" was submitted to DEEP in June 2024. An updated Environmental Land Use Restriction (ELUR) was then drafted and submitted to DEEP for review and approval in July 2024. Once the updated ELUR is approved by DEEP and recorded on the Hartford land records, an updated Verification Report will be finalized and submitted to DEEP (expected in the fall of 2024). Once the Verification Report is accepted by DEEP, remediation of the South Meadows Site to commercial / industrial standards will be deemed complete. In addition to finalizing remediation to commercial and industrial standards:

- During fiscal year 2024, the Authority developed and contracted for the conduct of a ***South Meadows Redevelopment Considerations Study*** that addresses the requirement under Public Act 23-170 to identify the immediate environmental needs and knowledge necessary for future redevelopment of the South Meadows Site and to engage relevant stakeholders with respect to the future of the Site. This study examines existing environmental conditions and conceptual site considerations in order to assess environmental needs and knowledge necessary for a range of potential future uses including, but not limited to, commercial / industrial, residential, currently permitted and mixed uses. The study commenced in June 2024 and will be completed by February 2025 (prior to DAS succeeding the Authority) for consideration in the 2025 legislative session. The Authority's role is to develop the range of environmental requirements and costs for potential future uses, not to decide a future course of redevelopment for the Site.

- During fiscal year 2022, the Authority developed and submitted to DEEP a ***WTE Facility Closure Plan*** as required by regulation to document the specific steps to be undertaken to clean the facility of waste and ash residue and other environmentally sensitive materials as part of its shut down and closure. The plan has been through several rounds of comments and responses between DEEP and the Authority. During fiscal year 2024, DEEP stated their intention to await completion of the South Meadows Redevelopment Considerations Study before approving the Closure Plan (which the Authority welcomed). Accordingly, the Authority will seek to finalize the Closure Plan beginning in March 2025.

- ***Major Salvage Operations RFP*** –During fiscal year 2024, DEEP concurred with the removal and recycling / scrapping of non-structural equipment installed in the WTE Facility as described in the Authority's prior correspondence concerning the Closure Plan. DEEP also concurred with cleaning building surfaces to a visual standard pending completion of the South Meadows Redevelopment Considerations Study. Based on these developments, the Authority is positioned to move forward with an additional RFP process for major salvage / scrap operations for the WTE Facility's installed equipment. The Authority currently anticipates completing this RFP process in time for award of a contract by the end of calendar year 2024.

Continued Operations and Orderly Wind Down Activities

The Authority has continued to provide its waste management services to 23 remaining CSWS participating municipalities through operation of its Torrington and Essex transfer stations while it actively seeks to identify acceptable alternatives to its operations. The Authority has also developed a Master Schedule and Plan for its Orderly Wind Down as discussed below:

- Conceptual Structure of CSWS Transition - The Authority has worked to identify and assist in forming local governing structures to assume control of the CSWS transfer stations through the work of its CSWS Transition Committee and working groups focused specifically on each Transfer Station. These efforts will continue until acceptable alternatives are identified and become available as determined by the DEEP Commissioner pursuant to Public Act 23-170. In addition, as part of its fiscal year 2025 adopted budgets, the Authority identified and approved certain transfer station "Projects Required in Advance of Transfer" including the conduct of Phase One Environmental Assessments, roof, tip floor and drainage system repairs presently in various stages of implementation. The Authority has also prepared a draft proposed transfer station transition structure including estimates of the reserves required to comply with current Municipal Service Agreement provisions concerning the adoption of tip fees, assignment of relevant contracts and transferring control of each transfer station to local governing entities once identified and ready. Training and instruction opportunities for hauler permitting, scale and enforcement operations, reporting requirements, contractor oversight, waste inspections, storm water testing and permit compliance have been identified and will be made available at the times indicated in the Master Schedule and Plan for the Orderly Wind Down Activities of the Authority discussed below. In the event that alternative entities other than the Authority are not identified and ready, the Department of Administrative Services will become responsible for operation of the CSWS transfer stations effective July 1, 2025.

The Authority has also recently completed a comprehensive "Master Schedule and Plan for the Orderly Wind Down Activities of the Authority" based on a July 1, 2025 effective date of DAS succeeding the Authority and future operators assuming control of the CSWS Transfer Stations (either DAS and/or local authorities currently not defined). The master schedule addresses the conduct of Authority routine business, Authority wind down activity and DAS stand up activity that may reasonably be accomplished by the July 1, 2025 succession date:

- Authority Routine Business - The Authority will continue all routine business and operations uninterrupted through the DAS succession date as detailed in the Master Schedule and Plan. As the succession date approaches, the Authority will provide DAS with template reports, upcoming due dates, customer and vendor account information and status, contracts and opportunities to observe and train on all relevant routine business and operations as further described in the plan.

- Authority Wind Down Activity - The Authority will seek to complete major initiatives concerning the South Meadows Site including the Verification Report, the South Meadows Redevelopment Considerations Study, WTE Facility Closure Plan and RFP for major salvage operations described above prior to the DAS succession date. This will include the development of additional operating and maintenance plans specific to the South Meadows Site. The Authority will also complete the marketing and sale of real and personal property described below before the DAS succession date. The Authority will further complete projects identified as needed in advance of the transfer of the remaining CSWS transfer stations, and seek to complete a transfer to local government by the succession date. Lastly, the Authority will implement employee separations effective June 30, 2025 in accordance with relevant policies outlined in its Employee Handbook, prior Board resolutions and employment agreements.

- DAS Stand Up Activity - The Authority will provide DAS with its existing organizational structure, job descriptions and incumbent information and request similar information from DAS for its staff that will be involved in this transition and future operations. All current contracts and vendor / utility arrangements will be documented and provided to DAS (or the future transfer station operators as applicable) for all property. Permits will also be documented and provided. As the succession date approaches, bank account and reserve information will be provided, the Authority will set up DAS (or the future transfer station operators as the case may be) with access to its IT systems they may need for future operations, fiscal authority of DAS to control Authority funds will be established and access to all real and personal property not sold will be provided.

Marketing and Sale of Real and Personal Property

The Authority has been actively engaged in the marketing and sale of its surplus real and personal property since its inception including the following initiatives.

- Sale of Surplus Jet Fuel – Early in fiscal year 2024, the Authority bid, awarded and completed the sale and removal of approximately 200,000 gallons of surplus jet fuel associated with operation of the Jet Peaking Units.
- Sale and Recycling of Inoperable Heavy Equipment and Scrap – During fiscal year 2024, the Authority also bid and awarded the sale and removal of 22 inoperable heavy equipment units, and 26 lots of scrap metals located at the South Meadows Site. The sale and removal of all items was completed shortly after the close of fiscal year 2024.
- Auctioning of Operable Heavy Equipment - During fiscal year 2024, the Authority also bid and awarded the marketing, brokerage, sale and removal of 46 operable heavy equipment units located at the South Meadows Site. The sale and removal of all items is anticipated in the first quarter of fiscal year 2025.
- Real Property Sales – During fiscal year 2024, the Authority identified five properties with the potential to attract buyers including its Watertown and Ellington transfer stations and its recycling facility located in Hartford which are no longer used in operation of the CSWS, a warehouse adjacent to the recycling facility, and a developed parcel adjacent to the Shelton landfill. These properties were appraised and listed for sale where applicable during fiscal year 2024 and the first closing (for the Watertown Transfer Station) was completed shortly after the close of fiscal year 2024.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the President and Chief Financial Officer or Comptroller, 300 Maxim Road, Hartford CT 06114.

MIRA Dissolution Authority
A Component Unit of the State of Connecticut
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2024 AND JUNE 30, 2023
(Dollars in Thousands)

	2024	2023
ASSETS		
CURRENT ASSETS		
Unrestricted Assets:		
Cash and cash equivalents	**$ 50,860**	$ 55,880
Accounts receivable, net of allowances	**7,010**	7,566
Inventory	**-**	6,403
Prepaid expenses	**-**	-
Total Unrestricted Assets	**57,870**	69,849
Restricted Assets:		
Cash and cash equivalents	**263**	233
TOTAL CURRENT ASSETS	**58,133**	70,082
NON-CURRENT ASSETS		
Capital Assets:		
Depreciable, net	**2,195**	2,700
Nondepreciable	**31,563**	26,239
Total Capital Assets	**33,758**	28,939
TOTAL NON-CURRENT ASSETS	**33,758**	28,939
TOTAL ASSETS	**91,891**	99,021

The accompanying notes are an integral part of these financial statements

MIRA Dissolution Authority
A Component Unit of the State of Connecticut
STATEMENTS OF NET POSITION (Continued)
AS OF JUNE 30, 2024 AND JUNE 30, 2023
(Dollars in Thousands)

	2024	2023
LIABILITIES		
CURRENT LIABILITIES		
Payable from Unrestricted Assets:		
Accounts payable	**$ 862**	$ 1,003
Acccrued expenses and other current liabilities	**7,736**	5,081
Unearned revenue	**-**	-
Total Payable from Unrestricted Assets	**8,598**	6,084
Payable from Restricted Assets:		
Acccrued expenses and other current liabilities	**252**	223
TOTAL CURRENT LIABILITIES	**8,850**	6,307
LONG-TERM LIABILITIES		
Payable from Unrestricted Assets:		
Lease payable	**44**	58
Other liabilities	**-**	-
Total Payable from Unrestricted Assets	**44**	58
TOTAL LONG-TERM LIABILITIES	**44**	58
DEFERRED INFLOWS	**3,276**	3,496
TOTAL LIABILITIES AND DEFERRED INFLOWS	**12,170**	9,861
NET POSITION		
Net investment in capital assets	**25,114**	28,881
Restricted		
Town of Ellington-Trust	**11**	10
Unrestricted	**54,596**	60,269
TOTAL NET POSITION	**$ 79,721**	$ 89,160

The accompanying notes are an integral part of these financial statements

MIRA Dissolution Authority **EXHIBIT II**

A Component Unit of the State of Connecticut
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023
(Dollars in Thousands)

	2024	2023
Operating Revenues		
Service charges:		
Members	**$ 6,373**	$ 5,860
Others	**120**	217
Energy sales	**587**	13,857
Other	**288**	274
Total Operating Revenues	**7,368**	20,208
Operating Expenses		
Solid waste operations	**15,339**	18,465
Maintenance and utilities	**756**	1,950
Legal services - external	**105**	146
Administrative and Operational services	**2,387**	3,185
Total Operating Expenses	**18,587**	23,746
Operating Income before depreciation and amortization	**(11,219)**	(3,538)
Depreciation and amortization	**519**	1,777
Operating Profit	**(11,738)**	(5,315)
Non-Operating Revenues (Expenses)		
Investment income	**2,905**	2,139
Settlement income	**-**	250
Settlement expenses, net	**-**	-
Distributions to towns	**-**	-
Other revenues (expenses), net	**(606)**	(2)
Total Non-Operating Revenues (Expenses), Net	**2,299**	2,387
Change in Net Position	**(9,439)**	(2,928)
Total Net Position, beginning of year	**89,160**	92,088
Total Net Position, end of year	**$ 79,721**	$ 89,160

The accompanying notes are an integral part of these financial statements

MIRA Dissolution Authority

EXHIBIT III

A Component Unit of the State of Connecticut
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023
(Dollars in Thousands)

	2024	2023
Cash Flows Provided by (Used in) Operating Activities		
Payments received from providing services	**$ 7,758**	$ 26,639
Payments to suppliers and employees	**(15,044)**	(29,205)
Payments to other Funds	**-**	-
Distributions to towns	**-**	-
Settlement income (expenses)	**219**	250
Net Cash Provided by Operating Activities	**(7,067)**	(2,316)
Cash Flows Provided by Investing Activities		
Interest on investments	**2,905**	2,142
Net Cash Provided by Investing Activities	**2,905**	2,142
Cash Flows Provided by (Used in) Capital and Related Financing Activities		
Proceeds from sales of equipment	**(14)**	(496)
Payment of principal on lease liability	**-**	-
Interest paid on long-term debt	**-**	-
Principal paid on long-term debt	**-**	-
Net Cash Used in Capital and Related Financing Activities	**(14)**	(496)
Cash Flows Used by Non-Capital Financing Activities		
Other interest and fees	**(814)**	-
Net Cash Used by Non-Capital Financing Activities	**(814)**	-
Net Increase in Cash and Cash Equivalents	**(4,990)**	(670)
Cash and Cash Equivalents, beginning of year	**56,113**	56,783
Cash and Cash Equivalents, end of year	**$ 51,123**	$ 56,113
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	**$ (11,738)**	$ (5,315)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation of capital assets	**519**	1,777
Other income (expenses), net	**208**	245
Changes in assets and liabilities, net of transfers:		
(Increase) decrease in:		
Accounts receivable, net	**555**	4,369
Inventory	**1,078**	(534)
Prepaid expenses	**-**	2,331
Increase (decrease) in:		
Accounts payable, accrued expenses and other liabilities	**2,311**	(5,189)
Net Cash Provided by Operating Activities	**$ (7,067)**	$ (2,316)

The accompanying notes are an integral part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Entity and Services

The MIRA Dissolution Authority (the "Authority") was created by the State of Connecticut (the "State") under Public Act 23-170 (the "Act"). The Authority constitutes a successor authority to the Materials Innovation and Recycling Authority ("MIRA") which was created in 2014 under Public Act 14-94. The Authority is a public instrumentality and political subdivision of the State and is included as a component unit in the State's Annual Comprehensive Financial Report.

The Authority became MIRA's successor effective July 1, 2023 when it assumed control over all of MIRA's assets, rights, duties and obligations and continued MIRA's ongoing business. The Act and related statutes outlined below specified the transfer of responsibilities from MIRA to the Authority in a manner that assured continuity.

- The Authority's designation as MIRA's successor did not represent a grant of new authority by the State. The Authority replaced MIRA and MIRA no longer exists;
- Any effective orders or regulations of MIRA remain effective under the governance of the Authority;
- To the extent that MIRA was a party to any action or proceeding (civil or criminal), the Authority was substituted for MIRA in that action or proceeding;
- Any contract, right of action or matter undertaken or commenced by MIRA is now being undertaken and completed by the Authority;
- The officers and employees of MIRA have been transferred to the Authority; and
- All property of MIRA was delivered to the Authority.

Pursuant to Public Act 14-94, MIRA was originally created as successor to the Connecticut Resources Recovery Authority ("CRRA") created in 1973 under Chapter 446e of the State Statutes. MIRA succeeded CRRA in the same manner that the Authority has now succeeded MIRA. Accordingly, the Authority, as an entity and its services, are discussed below in the context of their original establishment under CRRA, their assumption by MIRA and ultimately the Authority.

The Authority is authorized to have a board consisting of eleven directors. The Governor, or the Governor's designee, is a named director who serves as Chairperson. The Secretary of the Office of Policy and Management, Commissioner of Administrative Services and Commissioner of Energy and Environmental Protection, or their designees, are also named directors. An additional six directors are appointed by various state legislative leaders including i) the President Pro Tempore of the Senate, ii) Speaker of the House of Representatives, iii) Majority Leader of the House of Representatives, iv) Majority Leader of the Senate , v) Minority leader of the Senate and vi) Minority leader of the House of Representatives. An additional director is appointed by the Mayor of the City of Hartford. In addition to the eleven named and appointed directors, the Hartford City Council may appoint not more than five "members" to the board, each of whom serve a term that is coterminous with that of the applicable appointing authority. Members do not constitute directors for purposes establishing quorums or approving resolutions of the Board.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

A. Entity and Services *(Continued)*

The Authority's board included two directors who are officials from municipalities that received solid waste disposal services from the Authority during fiscal year 2024. It also includes one director appointed by a municipality who is a party to other agreements with the Authority. The Authority is a component unit of the State of Connecticut and its board also includes agencies that regulate Authority activities and are parties to agreements with the Authority. The foregoing results in transactions with related parties and related organizations that occur in the ordinary course of operations.

Effective July 1, 2023, the Act charges the Authority to continue to operate the Connecticut Solid Waste System (CSWS) transfer stations until acceptable alternatives are identified, to wind down the Authority's activities in an orderly and responsible manner including the marketing and sale of its surplus real and personal property and to identify the immediate environmental needs and knowledge necessary for future redevelopment of the site of the now closed resource recovery a/k/a Waste to Energy (WTE) Facility and Jet Peaking Units in the South Meadows section of Hartford (the South Meadows Site). The Act establishes the Department of Administrative Services as the Authority's successor, and repeals the Authority's underlying legislation, effective July 1, 2025. The Act terminates the Authority effective July 1, 2026.

Pursuant to its core underlying legislation, the Authority is charged with the planning, design, construction, financing, management, ownership, operation and maintenance of solid waste disposal, volume reduction, recycling, intermediate processing, resource recovery and related support facilities necessary to carry out the State's Solid Waste Management Plan. The Authority is charged with providing solid waste management services to municipalities, regions and persons within the State by receiving solid wastes at Authority facilities, recovering resources from such solid wastes, and generating revenues from such services sufficient for the Authority to operate on a self-sustaining basis.

Accordingly, CRRA's original core mission dating to 1973 was to develop a network of resource recovery and related facilities within the State to move the State away from the process of landfilling its municipal solid waste. Facilities were ultimately constructed in Preston, Hartford, Bridgeport and Wallingford, Connecticut, which have historically been known as the Southeast, Mid Connecticut, Bridgeport and Wallingford projects, respectively. CRRA secured financing, facility developer, operator and customer contracts, and administered these projects throughout their various stages for over four decades. While the initial underlying contracts for the Southeast Project remained in effect at the time MIRA succeeded CRRA in 2014, MIRA fully concluded its role in the Southeast Project during fiscal year 2018. Underlying contracts for the Mid Connecticut, Bridgeport and Wallingford projects expired prior to MIRA's creation. With the exception of the Mid Connecticut Project, the developed facilities transferred to the private sector upon expiration and payment of underlying contracts and bonds.

The State Treasurer approved the issuance of all Authority bonds and notes. The State has been contingently liable to restore deficiencies in debt service reserves established for certain Authority bonds. However, with maturity of the Authority's 2010 Series A Southeast Project Refunding Bonds on November 15, 2015, there is no longer any contingent liability of the State associated with the Authority. The Authority has no taxing power.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

A. Entity and Services *(Continued)*

At the time of MIRA's creation in 2014, Public Act 14-94 established a consultative partnership between MIRA and the State's Department of Energy and Environmental Protection ("DEEP") specifically for redevelopment of the Connecticut Solid Waste System ("CSWS") which concluded unsuccessfully in fiscal year 2021, and generally for the development of new waste management industries, technologies and commercial enterprises on property owned by MIRA. Public Act 14-94 charged DEEP with revising the State's solid waste management plan and undertaking these consultative efforts consistent with the revised plan. It also transferred responsibility for statewide recycling education to a newly created "Recycle CT Foundation". MIRA therefore ceased providing educational facilities and services to its customers as of June 30, 2016.

Connecticut Solid Waste System - CRRA retained title to the WTE Facility in Hartford, all support facilities and land upon expiration and payment of underlying contracts and bonds for the Mid Connecticut Project on November 15, 2012. No property transferred to the private sector. CRRA assigned these assets to its Property Division and put them into service in the form of the **Connecticut Solid Waste System**. Assets originally in service to the CSWS included the WTE Facility, four transfer stations and a major recycling facility in Hartford. However, following the unsuccessful conclusion of efforts to redevelop the CSWS, MIRA closed the WTE Facility and the Watertown transfer station and transitioned to providing waste transfer services to its remaining base of 23 municipal customers through operation of the Torrington and Essex transfer stations. The Hartford recycling facility initially was operated as a recycling transfer facility and ultimately closed as well.

The remaining CSWS transfer stations are the primary operating division of the Authority as it undertakes the dissolution process outlined in the Act. All operating revenues and expenses of the CSWS, other than depreciation and amortization of assets, are assigned to the CSWS division. Prior Mid Connecticut Project assets not in service to the CSWS include the now closed WTE Facility, recycling facility including its education and trash museum, the Watertown and Ellington transfer stations and the Jet Peaking Units also located at the South Meadows Site. All revenues and expenses associated with the assets not in service to CSWS are assigned to the Property Division. The Mid Connecticut Project remains active administratively only for project close out activities primarily including completion of the Verification Report that the South Meadows Site has been remediated to commercial / industrial standards (pending identification of immediate environmental needs and knowledge necessary for future redevelopment of the site required by the Act).

Property Division - All Capital Assets retained by CRRA upon expiration of the Mid Connecticut and Bridgeport projects including those no longer in service to the CSWS, other than those associated with landfills, have been assigned to this division. The division derives operating income primarily from the lease of property and the sale of Jet Peaking Unit capacity in various ISO New England energy markets through delisting of these assets on May 31, 2023.

Landfill Division - As of June 6, 2014, MIRA assumed CRRA's ownership interests in three closed landfills in the State, and certain adjoining properties, which were assigned to the Landfill Division. Certain plant and equipment installations associated with these landfills, and the leased Hartford landfill, were also assigned to this division. The Authority has assumed MIRA's interests and obligations pursuant to State statute, and pursuant to an agreement with DEEP concerning the transfer of landfill post

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

A. Entity and Services *(Continued)*

closure care obligations to DEEP and the transfer of funds reserved for post closure care activities to the State. See Note 4 for additional information.

During fiscal year 2016 MIRA's lease and subsequent Short Term Access Agreement for the Hartford Landfill expired resulting in the transfer of associated plant and equipment to the City of Hartford. However, ownership of the solar array installed on top of the Hartford landfill remained with MIRA subject to a Long Term Site Access and Revenue Sharing Agreement with the City of Hartford. The Authority has assumed all interests and obligations concerning this solar array from MIRA which continue to be recognized within the Landfill Division. The Authority has also assumed all interests and obligations concerning an additional solar project installed and operating at the Wallingford landfill which are also recognized with the Landfill Division.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government entities. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Authority is considered to be an Enterprise Fund. The Authority's activities are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses.

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The Authority's financial statements are prepared using an economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the disposal of solid waste. The principal operating revenues of the Authority are charges to customers for user services, through May 31, 2023 and sales of electricity including energy generation and participation in forward capacity and reserve markets managed by ISO New England. Operating expenses include the cost of solid waste operations, maintenance and utilities, administrative expenses, rebates and distribution of funds associated with active Authority projects and divisions (CSWS, Property and Landfill divisions) and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses including distribution of funds associated with the closeout of inactive projects.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

C. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheets and the reported amounts of revenues and expenses during the reporting period. Such estimates are subsequently revised as deemed necessary when additional information becomes available. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

All unrestricted and restricted highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

E. Receivables, Net

Receivables are shown net of an allowance for the estimated portion that is not expected to be collected. The Authority performs ongoing credit evaluations and generally requires a guarantee of payment form of collateral from non-municipalities. The Authority has established an allowance for the estimated portion that is not expected to be collected of $204,810 and $204,579 at June 30, 2024 and 2023 respectively.

	Fiscal Year	
	2024	2023
Receivables, net of allowances	($000)	($000)
Leases	6,305	6,735
Contractor	3	139
Electricity	-	13
Disposal & Commodity Sales	702	679
Total	$ 7,010	$ 7,566

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

F. Inventory

The Authority's spare parts inventory is stated at the lower of cost or net realizable value using the weighted-average costing method. The Authority's fuel inventory is stated at the lower of cost or net realizable value using a first-in first-out (FIFO) method. Inventories at June 30, 2024 and 2023 are summarized as follows:

	Fiscal Year	
	2024	2023
Inventories	($000)	($000)
Spare Parts	$ -	$ 5,325
Fuel	-	1,078
Total	$ -	$ 6,403

Surplus spare parts and fuel inventory were secured upon plant closures and are subject to marketing and sale pursuant to Authority obligations under Public Act 23-170. Due to plant retirement from regular use, spare parts inventory was transferred to non-current capital assets as non depreciable spare parts-plant, effective July 1, 2023 pursuant to GASB 26. Fuel inventory was sold during Fiscal Year 2024. Any gains or losses from the sales or disposal of inventory will be recognized at the time of sale or disposal.

G. Investments

Investments are reported at fair value (generally based on quoted market prices), except for investments in certain external investment pools that are permitted to be reported at the net asset value per share as determined by the pool. Interest on investments is recorded as revenue in the year the interest is earned.

H. Restricted Assets

Restricted assets consists of cash and cash equivalents restricted for use by enabling legislation or by externally imposed restrictions by creditors, grantors or laws and regulations. The Authority's restricted assets consist of customer guarantees of payment and trust–pooled funds.

I. Development Costs

Costs incurred during the development stage of an Authority project, including, but not limited to, initial planning and permitting are capitalized. When the project begins commercial operation, the development costs are amortized using the straight-line method over the estimated life of the project. Costs incurred during the preliminary project states, including certain legal fees, are expensed as incurred.

The Authority has no unamortized development costs that have been capitalized as of June 30, 2024 and 2023.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

J. Capital Assets

Capital assets with a useful life in excess of one year are capitalized at historical cost. Depreciation of exhaustible capital assets is charged as an expense against operations. Depreciation is charged over the estimated useful life of the asset using the straight-line method. The estimated useful lives of capital assets are as follows:

Capital Assets	Years
Resources Recovery Buildings	30
Other Buildings	20
Resources Recovery Equipment	30
Gas and Steam Turbines	10-20
Recycling Equipment	10
Rolling Stock and Automobiles	5
Office and Other Equipment	3-5
Roadways	20

The Authority's capitalization threshold for property, plant, and equipment is $5,000 and for office furniture and equipment is $1,000. Improvements, renewals, and significant repairs that extend the useful life of a capital asset are capitalized; other repairs and maintenance costs are expensed as incurred. When capital assets are retired or otherwise disposed of, the related asset and accumulated depreciation is written off and any related gains or losses are recorded.

The Authority reviews its capital assets used in operations for impairment when prominent events or changes in circumstances that may be indicative of impairment of a capital asset has occurred. The Authority records impairment losses and reduces the carrying value of a capital asset when both the decline in service utility of the capital asset is large in magnitude and the event or a change in circumstances is outside the normal life cycle of the capital asset. During the years ended June 30, 2024 and 2023, no impairment losses were recognized. Substantial components of the Connecticut Solid Waste System's waste to energy facility began reaching the end of their useful life on June 30, 2019. The facility has been fully depreciated. The facility operated in fiscal year 2022 and was shut down shortly after the close of fiscal year 2022 in favor of more reliable waste transfer operations. The Authority is contractually committed to process waste for twenty-three Connecticut municipalities through June 30, 2027. The Authority's Jet Peaking Units have also been fully depreciated as of June 30, 2023.

Construction in progress includes all associated cumulative costs of a constructed capital asset and deposits held by third parties for capital purchases. Construction in progress is relieved at the point at which an asset is placed in service for its intended use.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

K. Compensated Absences

The Authority's liability for vested accumulated unpaid vacation and personal amounts is included in accrued expenses and other current liabilities in the accompanying statements of net position. The liability for compensated absences at June 30, 2024 and 2023 and the related changes for the years ended June 30, 2024 and 2023 are presented in the following table. Compensated absences include accruals for salaries, employer taxes, employer's 401K retirement plan contributions and employer's matching contributions:

Compensated Absences	Balance at July 1, 2022 ($000)	Increases ($000)	(Decreases) ($000)	Balance at June 30, 2023 ($000)	Increases ($000)	(Decreases) ($000)	Balance at June 30, 2024 ($000)
Accrued vacation and personal time	$ 576	$ 109	$ (262)	$ 423	$ 81	$ (21)	$ 483
Total	$ 576	$ 109	$ (262)	$ 423	$ 81	$ (21)	$ 483

Compensated absences do not include estimates of the Authority's liability pursuant to its severance policies applicable in the event of any employee separation without cause as a result of position elimination, reorganization, restructuring and reduction in force. The Authority separately accrued $813,602 in employee severance liability in Fiscal Year 2024 in recognition of its dissolution responsibilities under Public Act 23-170.

L. Net Position

The Authority's net position is reported in one of the following three components:

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets totaled approximately $28.4 million and $29.0 million as of June 30, 2024 and 2023.

Restricted net position, consists of the portion of net position that has been either restricted by enabling legislation or that contain various externally imposed restrictions by creditors, grantors or laws and regulations. Restricted net position totaled approximately $11,000 and $10,000 as of June 30, 2024 and 2023. None of the Authority's net position has been restricted by enabling legislation. However, Public Act 23-170 establishing the MIRA Dissolution Authority effective July 1, 2023 states:

> Sec. 11. (NEW) (*Effective from passage*) The funds possessed by the Materials Innovation and Recycling Authority, established pursuant to section 22a-260a of the general statutes, shall not constitute surplus revenues and shall be deemed necessary to provide support for the authority's properties systems and facilities, including any environmental remediation of such properties, systems and facilities. Such funds shall not be distributed or redistributed to the

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

L. Net Position *(Continued)*

users of the authority's services. Users of the authority's services shall be liable for the environmental remediation costs of the authority's properties, systems and facilities if, and to the extent, any funds were distributed or redistributed by the authority to such users on or after January 1, 2023.

For the period commencing upon the effective date of this section and ending on June 30, 2026, not more than six million dollars of any such funds expended for the purpose of tipping fee stabilization shall be reimbursed through the issuance of state bonds, provided the total issuance of state bonds for such funds shall not exceed thirteen million five hundred thousand dollars. On and after July 1, 2026, no such funds shall be utilized for the purpose of tipping fee stabilization.

Unrestricted net position, consists of the portion of net position not included in the other components of net position and has been divided into designated and undesignated portions. Designated net position represent the Authority’s self-imposed limitations on the use of otherwise unrestricted net position. Unrestricted net position has been designated by the Board of Directors of the Authority for various purposes. Such designations totaled approximately $34.3 million and $39.3 million as of June 30, 2024 and 2023, respectively.

Unrestricted net position at June 30, 2024 and 2023 are summarized as follows:

	2024	2023
	($000)	($000)
Undesignated	$ 20,260	$ 20,834
Designated:		
Authority:		
Severance Fund	943	1,372
Property Division:		
General Fund	11,988	12,918
PD Improvement Fund	145	145
Jets major maintanence	799	799
CSWS Improvement Fund	320	320
CSWS Tip fee stabilization	7,182	11,121
CSWS Decommissioning	3,606	3,417
South Meadows Transition Conting	5,490	5,500
Mid-Connecticut:		
Post project closure	34	40
CSWS:		
Debt Service Fund	4	4
Future Loss Contingencies	987	935
General Fund	1	1
Legal Fund	446	445
CSWS Major Maintenance	2,022	1,929
Landfill Division:		
Hartford solar reserve	369	349
	34,336	39,295
Total Unrestricted Net Position	$ 54,596	$ 60,129

2. CASH DEPOSITS AND INVESTMENTS

Cash and cash equivalents consist of the following as of June 30, 2024 and 2023:

	2024	2023
Cash and Cash Equivalents	($000)	($000)
Unrestricted:		
Cash deposits	$ 625	$ 1,428
Cash equivalents:		
STIF *	50,235	54,452
	50,860	55,880
Restricted – current:		
Cash deposits	263	233
	263	233
Total	$ 51,123	$ 56,113

* STIF = Short-Term Investment Fund of the State of Connecticut

Cash Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

2. CASH DEPOSITS AND INVESTMENTS *(Continued)*

Cash Deposits – Custodial Credit Risk *(Continued)*

As of June 30, 2024 and 2023, approximately $0.6 million and $1.4 million, respectively, of the Authority's bank balance of cash deposits were exposed to custodial credit risk as follows:

	2024	2023
Custodial Credit Risks	($000)	($000)
Uninsured but collateralized with securities held by the pledging bank's trust department or agent but not in the Authority's name	$ 127	$ 236
Uninsured and Uncollateralized	499	1,165
Total	$ 626	$ 1,401

Total represents uninsured Bank of America account balance as of June 30, 2024. Uninsured but collateralized equals 14.6% of total per Bank of America reporting. Balance represents uninsured and uncollateralized.

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

Investments

Investments in the State of Connecticut Short-Term Investment Fund ("STIF") as of June 30, 2024 and 2023 are included in cash and cash equivalents in the accompanying statements of net position. For purposes of disclosure, such amounts are considered investments and have been included in the investment disclosures that follow.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

2. CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Interest Rate Risk

As of June 30, 2024, the Authority's investments consisted of the following debt securities:

		Investment Maturities (In Years)			
Investment Type	Net Asset Value ($000)	Less than 1	1 to 5	6 to 10	More than 10
STIF	$ 50,235	$ 50,235	$ -	$ -	$ -
Total	$ 50,235	$ 50,235	$ -	$ -	$ -

As of June 30, 2023, the Authority's investments consisted of the following debt securities:

		Investment Maturities (In Years)			
Investment Type	Net Asset Value ($000)	Less than 1	1 to 5	6 to 10	More than 10
STIF	$ 54,452	$ 54,452	$ -	$ -	$ -
Total	$ 54,452	$ 54,452	$ -	$ -	$ -

STIF is an investment pool of short-term money market instruments that may include adjustable-rate federal agency and foreign government securities whose interest rates vary directly with short-term money market indices and are generally reset daily, monthly, quarterly, and semi-annually. The adjustable-rate securities have similar exposures to credit and legal risks as fixed-rate securities from the same issuers. The fair value of the position in the pool is the same as the value of the pool shares.

As of June 30, 2024 and 2023, STIF had a weighted average maturity of 33 and 41 days respectively.

The Authority's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Authority is limited to investment maturities as required by specific bond resolutions or as needed for immediate use or disbursement. Those funds not included in the foregoing may be invested in longer-term securities as authorized in the Authority's investment policy. The primary objectives of the Authority's investment policy are the preservation of principal and the maintenance of liquidity.

2. CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Credit Risk

Connecticut state statutes permit the Authority to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

As of June 30, 2024, the Authority's investments were rated as follows:

Security	Fair Value ($000)	Standard & Poor's	Moody's Investor Service	Fitch Ratings
STIF	$ 50,235	AAAm	Not Rated	Not Rated

As of June 30, 2023, the Authority's investments were rated as follows:

Security	Fair Value ($000)	Standard & Poor's	Moody's Investor Service	Fitch Ratings
STIF	$ 54,452	AAAm	Not Rated	Not Rated

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy does not include provisions for custodial credit risk, as the Authority does not invest in securities that are held by counterparties. None of the Authority's investments require custodial credit risk disclosures. STIF is not subject to regulatory oversight nor is it registered with the Securities and Exchange Commission as an investment company.

Concentration of Credit Risk

The Authority's investment policy places no limit on the amount of investment in any one issuer, but does require diversity of the investment portfolio if investments are made in non-U.S. government or U.S. agency securities to eliminate the risk of loss of over-concentration of assets in a specific class of security, a specific maturity and/or a specific issuer. The asset allocation of the investment portfolio should, however, be flexible enough to assure adequate liquidity for Authority needs. As of June 30, 2024 and 2023, all of the Authority's investments are in STIF, which is rated in the highest rating category by Standard & Poor's and provides daily liquidity, thereby satisfying the primary objectives of the Authority's investment policy.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

3. CAPITAL ASSETS

The following is a summary of changes in capital assets for the years ended June 30, 2024 and 2023 (see Note 1F for disposition of spare parts):

	Balance at June 30, 2023 ($000)	Additions ($000)	Transfers ($000)	Sales and Disposals ($000)	Balance at June 30, 2024 ($000)
Depreciable assets:					
Plant	$ 213,529	$ -	$ -	$ (82)	$ 213,447
Equipment	248,740	14	-	(1,019)	247,735
Right of Use Asset	1,501	-	-	-	1,501
Total at cost	463,770	14	-	(1,101)	462,683
Less accumulated depreciation for:					
Plant	(213,395)	(29)	-	82	(213,342)
Equipment	(246,226)	(477)	-	1,019	(245,684)
Right of Use Asset	(1,449)	(13)	-	-	(1,462)
Total accumulated depreciation	(461,070)	(519)	-	1,101	(460,488)
Total depreciable assets, net	**2,700**	**(505)**	**-**	**-**	**2,195**
Nondepreciable assets:					
Land	26,239	-	-	-	26,239
Spare Parts - Plant	-	5,324	-	-	5,324
Construction-in-progress	-	-	-	-	-
Total nondepreciable assets	**26,239**	**5,324**	**-**	**-**	**31,563**
Total depreciable and nondepreciable assets	**$ 28,939**	**$ 4,819**	**$ -**	**$ -**	**$ 33,758**

	Balance at June 30, 2022 ($000)	Additions ($000)	Transfers ($000)	Sales and Disposals ($000)	Balance at June 30, 2023 ($000)
Depreciable assets:					
Plant	$ 213,616	$ -	$ -	$ (87)	$ 213,529
Equipment	249,307	496	-	(1,063)	248,740
Right of Use Asset	1,501	-	-	-	1,501
Total at cost	464,424	496	-	(1,150)	463,770
Less accumulated depreciation for:					
Plant	(213,419)	(63)	-	87	(213,395)
Equipment	(245,744)	(1,545)	-	1,063	(246,226)
Right of Use Asset	(1,281)	(168)			(1,449)
Total accumulated depreciation	(460,444)	(1,776)	-	1,150	(461,070)
Total depreciable assets, net	**3,980**	**(1,280)**	**-**	**-**	**2,700**
Nondepreciable assets:					
Land	26,239	-	-	-	26,239
Spare Parts - Plant	-	-	-	-	-
Construction-in-progress	-	-	-	-	-
Total nondepreciable assets	**26,239**	**-**	**-**	**-**	**26,239**
Total depreciable and nondepreciable assets	**$ 30,219**	**$ (1,280)**	**$ -**	**$ -**	**$ 28,939**

4. LONG-TERM LIABILITIES FOR CLOSURE AND POST-CLOSURE CARE OF LANDFILLS

The Authority has historically operated five landfills located within the State. Three landfills (located in Ellington, Waterbury and Shelton) are owned in fee simple by the Authority and two landfills (located in Hartford and Wallingford) were leased by the Authority.

Federal, State and local regulations required the Authority to place final cover on its landfills when it stopped accepting waste at them (closure obligations), and to perform certain maintenance and monitoring functions for periods that may extend thirty years after closure (post closure obligations). Accordingly, the Authority has previously estimated its liability for closure and post-closure care costs and recorded any increases or decreases to the liability as an operating expense.

During the year ended June 30, 2014, pursuant to the State of Connecticut's Public Act 13-247 and Section 99 of Public Act 13-184, the Authority transferred $35.8 million in post closure care obligations for all of its landfills to the State's Department of Energy and Environmental Protection (DEEP) and concurrently transferred $31.0 million of its landfill reserve accounts and trust funds to the State's General Fund. The Authority's closure obligation for the Hartford landfill was not transferred to DEEP. As of June 30, 2014, all five of the Authority's landfills had no capacity available since 100% of their capacity had been used, and all landfills other than Hartford had been closed in compliance with applicable Federal, State and local regulations.

During the year ended June 30, 2015, the Authority completed closure of the Hartford landfill in compliance with applicable Federal, State and local regulations. Accordingly, the Authority no longer includes liabilities associated with the post closure or closure care of any Authority landfills as these obligations were either assumed by DEEP during the year ended June 30, 2014 or have been completed by the Authority.

There were no capital assets transferred pursuant to these statutes. While the Authority retains fee simple ownership of the Ellington, Waterbury and Shelton landfills and related assets, the associated post closure care obligations have been assumed by DEEP. The Hartford landfill lease expired during the year ended June 30, 2015 (upon completion of the Authority's closure obligations) and its surviving post closure care obligations have been assumed by DEEP. The Wallingford Landfill lease previously expired and its surviving post closure care obligations have been assumed by DEEP.

The Authority had no liabilities for landfill closure and post-closure care of landfills as of June 30, 2024 and 2023.

5. MAJOR CUSTOMERS

Nextera Energy Power Marketing has been the Authority's customer for fixed price (hedged) energy sales and certain Class II renewable energy credits from the Connecticut Solid Waste System (CSWS) and represented 0.0% and 7.8% of total operating revenues for the years ended June 30, 2024 and 2023, respectively.

5. MAJOR CUSTOMERS *(Continued)*

ISO New England has been the Authority's customer for non-hedged energy sales, as well as forward capacity and reserve market sales, from the Connecticut Solid Waste System and the Property Divisions Peaking Units and represented 6.5% and 60.2% of total operating revenues for the years ended June 30, 2024 and 2023, respectively.

Nextera Energy Power Marketing also has acted as the Authority's designated Lead Market Participant and Generation Asset Owner for ISO New England to provide scheduling, bidding and marketing services with respect to all CSWS and Property Division energy described above.

Service charge revenues from All Waste, Inc. totaled 29.1% and 9.6% of the Authority's operating revenues for the years ended June 30, 2024 and 2023, respectively.

The transition to waste transfer activity, and closure of the CSWS Waste to Energy Facility, and Property Division Jet Peaking Units diminished the prominence of Nextera and ISO New England as major customers, while enhancing the prominence of All Waste between the years ended June 30, 2024 and June 30, 2023.

6. RETIREMENT BENEFIT PLAN

The Authority is the Administrator of its 401(k) Employee Savings Plan. This defined contribution retirement plan covers all eligible employees.

Under the Amended and Restated 401(k) Employee Savings Plan, effective July 1, 2000, Authority contributions are five percent of payroll plus a dollar for dollar match of employees' contributions up to five percent of employee wages. Authority contributions for the years ended June 30, 2024 and 2023 amounted to approximately $146,000 and $227,000, respectively. Employees contributed approximately $138,000 to the plan during the year ended June 30, 2024 and $194,000 to the plan during the year ended June 30, 2023.

In addition, the Authority is a participating employer in the State of Connecticut's defined contribution 457(b) Plan, which allows Authority employees to participate in the State of Connecticut's deferred compensation plan created in accordance with Internal Revenue Code Section 457. All amounts of compensation deferred under the 457(b) plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The Authority holds no fiduciary responsibility for the plan; rather, fiduciary responsibility rests with the State Comptroller's office.

The Authority has no other post-employment benefit plans as of June 30, 2024 and 2023.

7. RISK MANAGEMENT

The Authority is exposed to various risks of loss. The Authority endeavors to purchase commercial insurance for all insurable risks of loss that can be done so at reasonable expense. This includes insurance coverage for property, general liability, pollution, auto, umbrella, workers comp, public officials, crime

7. RISK MANAGEMENT *(Continued)*

and fiduciary. The CSWS waste-to-energy facility has historically been the Authority's highest valued single facility. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years. However, there have been significant reductions in insurance coverage from the prior three years.

During fiscal year 2019 the Authority sustained property damage to its two steam turbines associated with operation of the CSWS Waste to Energy Facility and recognized insurance proceeds of $11.6 million from related business interruption, extra expense and property damage insurance coverages. The amounts were reported as settlement income for the year ended June 30, 2019. As a result of these claims, certain deductibles increased effective January 1, 2019. The Authority's business interruption and extra expense deductible period on these turbines was extended from 45 days to 75 days by insurance carriers providing fifty percent (50%) of this coverage. An additional insurance carrier providing fifteen percent (15%) of the business interruption and extra expense coverage on these turbines extended the deductible period from 45 days to 60 days. Property damage deductibles on these turbines were increased from $250,000 to $3 million by insurance carriers providing fifty percent (50%) of this coverage. An additional insurance carrier providing fifteen percent (15%) of this coverage increased the deductible from $250,000 to $1.5 million. Property damage deductibles on the Authority's Jet Peaking Units were also increased effective January 1, 2019. This deductible was increased from $250,000 to $1.0 million by insurance carriers providing fifty percent (50%) of this coverage, and from $250,000 to $1.5 million by insurance carriers providing fifteen percent (15%) of this coverage.

During fiscal year 2020, due to the Authority's prior claims, and the insurance industry's increased reluctance to accept the risk profile of waste to energy facilities generally, the Authority was unable to renew its property damage coverage as initially modified in response to the steam turbine claims noted above. A prominent insurance carrier that historically held 50% of the Authority's property damage coverage declined to renew at all and had to be replaced by multiple carriers in a tiered coverage approach. The Authority was forced to eliminate business interruption and extra expense, and increase its deductibles to $10 million, as part of it efforts to secure continued property damage coverage. These changes were effective January 1, 2020. As of January 1, 2020, the Authority possessed approximately 94% coverage for a total loss pursuant to this tiered approach subject to these deductibles and excluding business interruption and extra expense. The percentage of coverage varied based on the amount of claim from a low of approximately 80% to a high of 100%.

This structure for the Authority's property insurance was maintained in place through expiration in March 2021. However, during fiscal year 2021, the property insurance market for waste to energy facilities worsened, and DEEP's Resource Rediscovery initiative to redevelop the CSWS Waste to Energy Facility concluded unsuccessfully, prompting the Authority to commence planning and contracting activity to transition to waste transfer operations, and the CSWS Recycling Facility was converted into a recycling transfer operation. Accordingly, effective March 30, 2021 through July 1, 2022 the Authority renewed property insurance for the CSWS transfer stations, Hartford solar array, 171 Murphy Road and its home office. Excluded from the renewal due to lack of market participation and other noted factors was the CSWS Waste to Energy Facility, CSWS Recycling Facility and the Jet Peaking Units. This change resulted in a substantial reduction to the Authority's schedule of values, deductibles and premiums. The CSWS Recycling Facility was subsequently added to this policy following its conversion to a recycling transfer operation in July 2021. This same general program of property insurance including general liability, auto, umbrella, worker's comp, public officials, crime and fiduciary coverage was then bound

7. RISK MANAGEMENT *(Continued)*

for additional years commencing July 1, 2022 through July 1, 2024 with certain locations and schedules updated, and carriers replaced. The Authority has renewed its Pollution Legal Liability generally consistent with historic coverage amounts effective July 1, 2023 through July 1, 2024.

8. COMMITMENTS

The Authority has various operating leases for its office equipment which totaled approximately $800 and $1,600 for the years ended June 30, 2024 and 2023, respectively.

The Authority also has agreements with various municipalities for payments in lieu of taxes ("PILOT") for personal and real property. For each of the years ended June 30, 2024 and 2023, the PILOT payments, which are included as a cost of solid waste totaled $1,548,000 and $1,546,000, respectively. The City of Hartford PILOT agreement ends as of June 30, 2024. The City of Hartford PILOT payment totals $1,500,000 for each year ending June 30, 2024 and June 30, 2023.

Future minimum payments under non-cancelable operating leases and future contracted PILOT payments as of June 30, 2024 are as follows:

Fiscal Year	Lease Amount ($000)	PILOT Amount ($000)
2025	1	48
2026	-	48
2027	-	48
Thereafter	-	-
Total	$ 1	$ 144

The Authority has executed contracts with the operators/contractors of the resources recovery facilities, regional recycling centers, transfer stations, and landfills containing various terms and conditions. Major operators/contractors and their contract expiration dates are as follows:

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

8. COMMITMENTS *(Continued)*

Operator/Contractor	Contract expiration date
Murphy Road Recycling	6/30/2027
Enviro Express	6/30/2027
CWPM, LLC	6/30/2027
Covanta	6/30/2027

Operating charges paid by the Authority are derived from various factors such as tonnage processed, management fees and certain pass-through costs.

The approximate amount of contract operating charges paid by the Authority, and included in solid waste operations, and maintenance and utilities expense for the years ended June 30, 2024 and 2023 were as follows:

Project	2024 ($000)	2023 ($000)
Connecticut Solid Waste System	$ 9,106	$ 12,687
Property Division	1,148	2,781
Landfill Division	(8)	8
Total	$ 10,246	$ 15,476

9. GASB 87

During fiscal year 2022, the Authority implemented the requirements of Government Accounting Standards Board Statement 87 (GASB 87) which requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract. To quantify and recognize applicable assets and liabilities, the present value of monthly lease payments over the term of the lease is calculated and then assessed as of the reporting period in which GASB 87 is implemented. The Authority implemented GASB 87 during its fiscal year 2022 with an effective date of July 1, 2020 for purposes of comparatively restating its prior reporting period.

9. GASB 87 *(Continued)*

For purposes of the present value calculation, the Authority used the Incremental Borrowing Rate method calling for use of a discount rate based on the interest rate it would pay to borrow lease payments during the lease term. Since the Authority adopted GASB 87 effective July 1, 2020 for purposes of restating its fiscal year 2021, high grade municipal bond rates available at this time were assessed. For long term leases, the rate of 2.001% was used. For mid-term leases, the rate of 1.748% was used and for short term leases, 0.632%.
Under the criteria of GASB 87, the Authority was the lessee under its short term main office lease, and is the lessee under its long term Essex Transfer Station lease, and therefore recognized the associated lease liability and right of use asset for its fiscal year 2022 and for purposes of restating its fiscal year 2021.

Landlord	Discount Rate	Current Lease Payable at 6/30/2022	Long Term Lease Payable at 6/30/2022	Right of Use Asset at 6/30/2022
100-200 Corporate Place	0.632%	$171,086	$0	$155,578
Town of Essex CT	2.001%	$0	$71,314	$64,745
Total		$171,086	$71,314	$220,323

The Authority's short term main office lease subsequently expired in Fiscal Year 2023 and is no longer recognized as a lease liability and right of use asset. The long term lease payable to the Town of Essex is the Authority's only long term liability reflected on its Statement of Net Position. The beginning of year balances, increases, decreases and end of year balances for this long term liability follow:

Long Term Liabilities	Balance at July 1, 2022 ($000)	Increases ($000)	(Decreases) ($000)	Balance at June 30, 2023 ($000)	Increases ($000)	(Decreases) ($000)	Balance at June 30, 2024 ($000)
Lease Liability	71	-	(13)	58	-	(14)	44
Total	$ 71	$ -	$ (13)	$ 58	$ -	$ (14)	$ 44

The Right of Use Asset reflects the present value of these lease payments at lease inception amortized over the term of the lease on a straight-line basis. The Lease Payable reflects the declining principle balance of the same present value of these lease payments.

The Authority's Essex Transfer Station lease provides for the consolidation and transfer of up to 90,000 tons of municipal solid waste and 10,000 tons of recycling annually. The lease dates to May 1987 but was amended and restated November 2012 to be effective through June 30, 2027. The Authority pays a fixed rent without escalation plus utility expenses. The associated lease payable and right of use asset was depreciated on the schedule established for FY24.

Right of Use Assets are further addressed in Note 3 to the Financial Statements concerning changes in capital assets.

9. GASB 87 *(Continued)*

The Authority is the lessor under multiple leases providing for the development and / or use of waste, energy or compatible ancillary facilities and therefore initially recognized the associated lease receivable and deferred inflow for its fiscal year 2022, and for purposes of restating its fiscal year 2021, and the associated lease receivables and deferred inflows were amortized on the established schedule for FY24.

- Wheelabrator Technologies, Inc. – A long term site lease providing for the development, operation and removal upon expiration of the waste to energy facility in Bridgeport, CT. This lease dates to December 1985 and its initial term expired December 31, 2008. The lease includes an additional six consecutive renewal terms totaling 30 years. Renewal terms are subject to CPI adjustment. Renewal terms have been exercised through June 30, 2029 which amounts are recognized through June 30, 2034 as Lease Receivable and Deferred Inflow.
- Ultimate Family Golf Centers, LLC – A long term lease providing surface rights at 784 River Road in Shelton for the development, operation and removal of a golf course and driving range facility adjacent to the Shelton Landfill. This ten year lease commenced May 1, 1998 and included a fifteen year option commencing May 1, 2008 which was exercised. The option period expires April 30, 2023. Base rent was fixed for the base term and subjected to CPI adjustment in the first, sixth and eleventh year of the option term which amounts were initially recognized as Lease Receivable and Deferred Inflow when the Authority implemented GASB 87 in Fiscal Year 2022. These are no longer recognized as the lease has expired. The facility is operated by a permitted subtenant on a month to month hold out tenancy.
- City of Shelton, CT – A mid-term lease providing for the use of a transfer station for residential drop off activities located within the boundaries of the Shelton Landfill and including a wheel wash building, maintenance garage and scale house trailer. This five-year lease commenced January 1, 2009 and included three options of five years each commencing January 1, 2014, January 1, 2019 and January 1, 2024. All three options have been exercised. The lease pays the greater of a fixed rental amount which is recognized as Lease Receivable and Deferred Inflow, or the Authority's annual insurance cost for the transfer station.
- Wallingford Renewable Energy (project acquired by NextEra) – a long term lease providing for the development, operation and removal upon expiration of a solar energy facility at the Wallingford Landfill. This 22 year lease commenced March 2020 and includes three additional options extending the total term to 34 years and 11 months. Rent includes a fixed portion plus a per acre portion reflecting acreage developed. Rent escalates at a fixed 2.5% annually. Fixed and per acre rents as escalated for the full term of the lease are recognized as Lease Receivable and Deferred Inflow.
- Outfront Media LLC – a long term lease providing for the installation, operation and removal upon expiration of outdoor advertising at the Hartford waste to energy facility site. This 20-year lease agreement commenced August 1, 2021 and pays a minimum annual rent recognized as Lease Receivable and Deferred Inflow, or 25% of annual net advertising revenue.

9. GASB 87 *(Continued)*

Tenant	Discount Rate	Lease Receivable at 6/30/2024	Deferred Inflow at 6/30/2024
Wheelabrator	2.00%	$ 4,107,045.00	$ 1,266,790.00
City of Shelton	1.75%	$ 34,746.00	$ 24,861.00
NextEra	2.00%	$ 1,514,756.00	$ 1,354,506.00
Outfront Media	2.00%	$ 648,011.00	$ 630,027.00
Total		$ 6,304,558.00	$ 3,276,184.00

The Deferred Inflow reflects the present value of these lease payments at lease inception amortized over the term of the lease on a straight-line basis. The Lease Receivable reflects the declining principle balance of the same present value these lease payment.

10. CONTINGENCIES

Effective July 1, 2023, pursuant to Public Act 23-170 and Section 4-38d of the Connecticut General Statutes, the MIRA Dissolution Authority (the "Authority") became successor to the Materials Innovation and Recycling Authority (MIRA). Any outstanding claims against, liabilities or contingencies of MIRA were transferred to the Authority effective July 1, 2023 and are incorporated herein. Any such claims, liabilities or contingencies noted as closed in the financial statements of MIRA as of June 30, 2023 are no longer incorporated herein.

Alleged Violations of the Freedom of Information Act (FOIA)

Eight allegations were docketed by the CT Freedom of Information Commission during 2020 and 2021 to initiate an administrative proceeding to address several complaints alleging MIRA violated the Freedom of Information Act. The allegations primarily involve claims that MIRA failed to properly provide notice in certain of its monthly agendas of certain Executive Sessions or that insufficient notice was provided at the time the Executive Session was initiated or that certain matters discussed in Executive Session were not appropriate for Executive Session, and the complainant sought penalties for such violations. In addition, an allegation was presented relating to MIRA's request for fees for copying documents.

As of the date of the Annual Financial Report of MIRA for Fiscal Years ended June 30, 2023 and 2022, administrative hearings had been conducted as to six of the eight complaints. A Final Decision had been issued in four cases in which a violation of the FOIA was found for insufficient notice of the purpose of the Executive Session in the meeting at issue, but no civil penalties were assessed. A Final Decision was issued in a fifth case in which no violation of FOIA was found and a sixth case, with similar facts, was withdrawn.

During Fiscal Year ending June 30, 2024, hearings were held on the seventh and eighth complaints. Pursuant to the Connecticut General Statutes § 1-206(b)(2) civil fines / penalties could range from $20.00-$1000.00 per violation for these two allegations.

As to these seventh and eight cases, on April 3, 2024, the FOIC issued a notice of its Final Decision as to each case. In brief, as to one case, the Commission found a violation of the FOIA's open meeting requirements relating to MIRA convening an executive session to discuss compensation issues regarding

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

10. CONTINGENCIES *(Continued)*

individuals who were not employed by MIRA; however, the Commission did not impose civil penalties. As to the final case, the dispute involved the appropriate per page charge for copies of MIRA records and that MIRA inadvertently indicated it would charge $.50 per page, which was more than the $.25 per page statutory amount set forth in Connecticut General Statutes § 1-212(a). Given the facts of the case, the testimony involving the error, and that it appears no documents were copied and/or provided, the FOIC found a "technical" violation involving the communication and refused to consider the imposition of civil penalties.

With these last two decisions, all the Hennessey FOIA Claims are now concluded and no penalties ordered. No appeals from any of these decisions were filed by Mr. Hennessy and the appeal period has run.

Other Issues; Unasserted Claims and Assessments

On March 31, 2009, the Authority submitted a timely water discharge renewal application seeking the re-issuance of the Authority's National Pollutant Discharge Elimination System ("NPDES") Permit to the Connecticut Department of Environmental Protection, now known as the Connecticut Department of Energy and Environmental Protection ("DEEP"). Since the Authority has suspended operation of the Facility indefinitely, it is unlikely that any further action on this permit renewal matter will be required or undertaken. This matter will have to be re-evaluated in the future if there are any proposed future uses of the Facility that include re-activating the existing cooling water intake structures, including whether the current location, design, construction and capacity of the cooling water intake structures represent best technology available ("BTA") for minimizing adverse environmental impacts. Given that the application to renew the NPDES Permit was timely filed, pursuant to Conn. Gen. Stat. § 4-182(b) and 22a-430(i)(2), the Permit remains in effect until the actions specified in the Facility's "Closure Plan" are approved by DEEP for implementation, and then subsequently completed.

In connection with acquisition of the South Meadows real estate in December, 2000, the Authority assumed responsibility for the remediation of pre-existing pollution conditions at the site. At the same time, the Authority entered into an Exit Strategy Contract with TRC Companies, Inc. ("TRC"), where under TRC assumed the obligation for such remediation and agreed to be the Certifying Party pursuant to the Connecticut Transfer Act. On May 7, 2018, TRC submitted a Verification (i.e., final sign-off) for the site to DEEP, certifying that the site has been fully remediated in accordance with applicable environmental requirements. DEEP rejected the Verification on June 24, 2019, due to the discovery of PCBs on the site during work to relocate underground utilities by Eversource Energy. DEEP has required that TRC perform further investigation and remediation work at the site. TRC is in the process of doing so – TRC has completed the remedial investigation of the area of concern, developed, secured approval and implemented a remedial action plan including removal and proper off-site disposal of contaminated soil, construction of an engineered control and updating the Environmental Land Use Restriction (ELUR – a type of institutional control) associated with the South Meadows site. The updated ELUR is pending approval by DEEP. Once approved, the ELUR will be recorded in the land records of the City of Hartford, and TRC will develop a revised Verification for submission to DEEP.

Coverage under the insurance policy issued by AIG Corporation that was the source of funds to perform the remediation under the Exit Strategy Contract expired on March 30, 2016. TRC may demand payment from the Authority for the additional costs to finalize the Verification of the Site for the period from

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

10. CONTINGENCIES *(Continued)*

March 31, 2016 to the date on which the Verification is resubmitted, because the source of funding has expired. Additionally, if the resubmitted Verification is audited and deficiencies are found that require correction, and/or the Verification is rejected again, TRC may demand payment for those costs as well. TRC and the Authority have submitted a claim under the AIG policy, which includes coverage for cleanup of previously unknown pre-existing conditions. The claim has been acknowledged by AIG, but the Authority has not received a formal coverage determination. TRC has performed investigatory, engineering and remediation work over the past three years, but has not informed the Authority regarding costs to date; however, it is the Authority's understanding that AIG has been paying claims that TRC has submitted for the costs of the remedial investigation and remedial action plan development. Additional costs may accrue. The Authority's deductible under the applicable coverage provision of the AIG policy is $100,000.

The Exit Strategy Contract excluded TRC from liability for pollution conditions retained by CL&P (now, Eversource), including but not limited to liability regarding river sediment, which are not yet known to exist. In the event any investigation of river sediments is pursued by any governmental authority or third party against the Authority as the owner of the South Meadows real estate, MIRA shall pursue any claims it may have against CL&P as the party responsible for such conditions. No such claims have been asserted.

The Authority has entered into certain Tier 1 Long Term and Short Term Amended Municipal Solid Waste Management Services Agreements with Connecticut municipalities which expire June 30, 2027. These Tier 1 long term and short term amended agreements provide that the municipality may terminate the agreement within thirty days after receiving notice that the Authority has adopted a disposal fee that exceeds the opt out disposal fee established in the agreement. For fiscal year 2024, the Authority adopted a Tier 1 Long Term disposal fee of $118.00 per ton which exceeded the Tier 1 Long Term opt out disposal fee. For fiscal year 2024, the Authority also adopted a Tier 1 Short Term disposal fee of $116.00 per ton which did not exceed the Tier 1 Short Term opt out disposal fee. In fiscal year 2024, Tier 1 Long Term and Tier 1 Short Term agreements represented 10% and 87%, respectively, of total waste delivered to the Connecticut Solid Waste System. For fiscal year 2025, the Authority further increased its adopted Tier 1 Long Term disposal fee to $133.00 per ton which again is well in excess of the opt out disposal fee. For fiscal year 2025, the Authority further increased its adopted Tier 1 Short Term disposal fee to $131.00 per ton which does not exceed the opt-out disposal fee.

The Authority is subject to numerous federal, state and local environmental and other laws and regulations and management believes it is in substantial compliance with all such governmental laws and regulations.

11. NEW ACCOUNTING PRONOUNCEMENTS ISSUED AND NOT YET ADOPTED

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements related to GASB 102 are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. Governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows. Additionally, This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements related to GASB 102 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter

EXHIBIT A
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MIRA Dissolution Authority
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF STATEMENT OF NET POSITION
AS OF JUNE 30, 2024
(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	**Total**
ASSETS							
CURRENT ASSETS							
Unrestricted Assets:							
Cash and cash equivalents	$ 1,379	$ 13,617	$ 34	$ 32,810	$ 3,020	$ -	**$ 50,860**
Accounts receivable, net of allowances	-	702	-	4,759	1,549	-	**7,010**
Inventory	-	-	-	-	-	-	**-**
Prepaid expenses	-	-	-	-	-	-	**-**
Due from other funds	272	-	-	31,589	-	(31,861)	**-**
Total Unrestricted Assets	1,651	14,319	34	69,158	4,569	(31,861)	**57,870**
Restricted Assets:							
Cash and cash equivalents	-	252	-	11	-	-	**263**
TOTAL CURRENT ASSETS	1,651	14,571	34	69,169	4,569	(31,861)	**58,133**
NON-CURRENT ASSETS							
Capital Assets:							
Depreciable:							
Plant	1	-	-	188,093	25,353	-	**213,447**
Equipment	621	-	-	242,629	4,485	-	**247,735**
Right of Use Asset	1,307	194					**1,501**
	1,929	194	-	430,722	29,838	-	**462,683**
Less: Accumulated depreciation	(1,924)	(155)	-	(430,225)	(28,184)	-	**(460,488)**
Total Depreciable, net	5	39	-	497	1,654	-	**2,195**
Nondepreciable:							
Land	-	-	-	10,130	16,109	-	**26,239**
Spare Parts-Plant	-	4,866	-	458	-	-	**5,324**
Construction in progress	-	-	-	-	-	-	**0**
Total Nondepreciable	-	4,866	-	10,588	16,109	-	**31,563**
Total Capital Assets	5	4,905	-	11,085	17,763	-	**33,758**
TOTAL NON-CURRENT ASSETS	5	4,905	-	11,085	17,763	-	**33,758**
TOTAL ASSETS	1,656	19,476	34	80,254	22,332	(31,861)	**91,891**

See Independent Auditor's Report

MIRA Dissolution Authority
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF STATEMENT OF NET POSITION (Continued)
AS OF JUNE 30, 2024
(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	**Total**
LIABILITIES							
CURRENT LIABILITIES							
Payable from Unrestricted Assets:							
Accounts payable	$ 24	$ 743	$ 2	$ 90	$ 3	$ -	**$ 862**
Acccrued expenses and other current liabilities	1,362	198	1	5,947	228	-	**7,736**
Due to other funds	-	31,779	-	76	6	(31,861)	**-**
Unearned revenue	-	-	-	-	-	-	**-**
Total Payable from Unrestricted Assets	1,386	32,720	3	6,113	237	(31,861)	**8,598**
Payable from Restricted Assets:							
Acccrued expenses and other current liabilities		252	-	-	-	-	**252**
TOTAL CURRENT LIABILITIES	1,386	32,972	3	6,113	237	(31,861)	**8,850**
LONG-TERM LIABILITIES							
Payable from Unrestricted Assets:							
Lease payable	-	-	-	-	-	-	**-**
Due to other funds	-	-	-	-	-	-	**-**
Lease Payable	-	44	-	-	-	-	**44**
Total Payable from Unrestricted Assets	-	44	-	-	-	-	**44**
TOTAL LONG-TERM LIABILITIES	-	44	-	-	-	-	**44**
DEFERRED INFLOWS	-	-	-	1,897	1,379	-	**3,276**
TOTAL LIABILITIES	1,386	33,016	3	8,010	1,616	(31,861)	**12,170**

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MIRA Dissolution Authority
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF STATEMENT OF NET POSITION (Continued)
AS OF JUNE 30, 2024
(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	**Total**
NET POSITION							
Net investment in capital assets	$ 5	$ (5)	$ -	$ 8,730	$ 16,384	$ -	**$ 25,114**
Restricted	-	-	-	11	-	-	**11**
Unrestricted	265	(13,535)	31	63,503	4,332	-	**54,596**
TOTAL NET POSITION	$ 270	$ (13,540)	$ 31	$ 72,244	$ 20,716	$ -	**$ 79,721**

See Independent Auditor's Report

MIRA Dissolution Authority **EXHIBIT B**

A Component Unit of the State of Connecticut

SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2024

(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	**Total**
Operating Revenues							
Service charges:							
Members	$ -	$ 6,373	$ -	$ -	$ -	$ -	**$ 6,373**
Others	-	120	-	-	-	-	**120**
Energy sales	-	479	-	(1)	109	-	**587**
Other	-	9	-	229	50	-	**288**
Total Operating Revenues	-	6,981	-	228	159	-	**7,368**
Operating Expenses							
Solid waste operations	-	9,661	-	5,593	85	-	**15,339**
Maintenance and utilities	-	47	-	709	-	-	**756**
Legal services - external	-	71	-	34	-	-	**105**
Administrative and Operational services	-	1,757	-	600	30	-	**2,387**
Total Operating Expenses	-	11,536	-	6,936	115	-	**18,587**
Operating Income (Loss) before depreciation and amortization	-	(4,555)	-	(6,708)	44	-	**(11,219)**
Depreciation and amortization	8	13	-	361	137	-	**519**
Operating Income (Loss)	(8)	(4,568)	-	(7,069)	(93)	-	**(11,738)**
Non-Operating Revenues (Expenses)							
Investment income		1,017	2	1,703	183	-	**2,905**
Settlement income	-	-	-	-	-	-	**-**
Settlement expenses, net	-	-	-	-	-	-	**-**
Distributions to towns	-	-	-	-	-	-	**-**
Other revenues (expenses), net	(814)	-	(11)	219	-	-	**(606)**
Total Non-Operating Revenues (Expenses), net	(814)	1,017	(9)	1,922	183	-	**2,299**
Income (Loss) before Transfers	(822)	(3,551)	(9)	(5,147)	90	-	**(9,439)**
Transfers	(500)	7	-	493	-	-	**-**
Change in Net Position	(1,322)	(3,544)	(9)	(4,654)	90	-	**(9,439)**
Total Net Position, beginning of year	1,592	(9,996)	40	76,898	20,626	-	**89,160**
Total Net Position, end of year	$ 270	$ (13,540)	$ 31	$ 72,244	$ 20,716	$ -	**$ 79,721**

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MIRA Dissolution Authority
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	**Total**
Cash Flows Provided by (Used in) Operating Activities							
Payments received from providing services	$ -	$ 7,110	$ -	$ 460	$ 188	$ -	**$ 7,758**
Payments to suppliers and employees	885	(12,194)	(8)	(3,580)	(147)	-	**(15,044)**
Payments to other funds	(179)	4,004	-	(3,830)	5	-	**-**
Distributions to towns	-	-	-	-	-	-	**-**
Distribution to SCRRRA	-	-	-	-	-	-	**-**
Settlement income	-	-	-	219	-	-	**219**
Settlement expenses	-	-	-	-	-	-	**-**
Net Cash Provided by (Used in) Operating Activities	706	(1,080)	(8)	(6,731)	46	-	**(7,067)**
Cash Flows Provided by Investing Activities							
Interest on investments	-	1,017	2	1,703	183	-	**2,905**
Net Cash Provided by Investing Activities	-	1,017	2	1,703	183	-	**2,905**
Cash Flows Provided by (Used in) Capital and Related Financing Activities							
Proceeds from sales of equipment	-	-	-	(14)	-	-	**(14)**
Payment of principal on lease liability	-	-	-	-	-	-	**-**
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-	-	(14)	-	-	**(14)**
Cash Flows Provided by (Used in) Non-Capital Financing Activities							
Other interest and fees	(814)	-	-	-	-	-	**(814)**
Transfers	(500)	7	-	493	-	-	**-**
Net Cash Provided by (Used in) Non-Capital Financing Activities	(1,314)	7	-	493	-	-	**(814)**
Net Increase (Decrease) in Cash and Cash Equivalents	(608)	(56)	(6)	(4,549)	229	-	**(4,990)**
Cash and Cash Equivalents, beginning of year	1,987	13,925	40	37,370	2,791	-	**56,113**
Cash and Cash Equivalents, end of year	$ 1,379	$ 13,869	$ 34	$ 32,821	$ 3,020	$ -	**$ 51,123**

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MIRA Dissolution Authority
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF CASH FLOWS (Continued)
FOR THE YEAR ENDED JUNE 30, 2024
(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	**Total**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	$ (8)	$ (4,568)	$ -	$ (7,069)	$ (93)	$ -	**$ (11,738)**
Adjustments to reconcile operating income (loss)							**$ -**
to net cash provided by (used in) operating activities:							**$ -**
Depreciation of capital assets	8	13	-	361	137	-	**519**
Other income (expenses), net	-	-	(11)	219	-	-	**208**
Changes in assets and liabilities, net of transfers:							
(Increase) decrease in:							
Accounts receivable, net	-	129	-	397	29	-	**555**
Inventory	-	-	-	1,078	-	-	**1,078**
Prepaid expenses	-	-	-	-	-	-	**-**
Increase (decrease) in:							
Accounts payable, accrued expenses and other liabilities	885	(658)	3	2,113	(32)	-	**2,311**
Due to/from other funds	(179)	4,004	-	(3,830)	5	-	**-**
Net Cash Provided by (Used in) Operating Activities	$ 706	$ (1,080)	$ (8)	$ (6,731)	$ 46	$ -	**$ (7,067)**

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MIRA Dissolution Authority
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2024
(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	**Total**
NET POSITION							
Net Investment in Capital Assets	$ 5	$ (5)	$ -	$ 8,730	$ 16,384	$ -	**$ 25,114**
Restricted Net Position:							
Current restricted cash and cash equivalents:							
Customer guarantee of payment	-	252	-	-	-	-	**252**
Town of Ellington trust - pooled funds	-	-	-	11	-	-	**11**
Total current restricted cash and cash equivalents	-	252	-	11	-	-	**263**
Less liabilities to be paid with current restricted assets:							
Other liabilities	-	252	-	-	-	-	**252**
Total Restricted Net Position	-	-	-	11	-	-	**11**

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MIRA Dissolution Authority
A Component Unit of the State of Connecticut
SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF NET POSITION (Continued)
AS OF JUNE 30, 2024
(Dollars in Thousands)

	Authority General Fund	Connecticut Solid Waste System	Mid-Connecticut Project	Property Division	Landfill Division	Eliminations	**Total**
NET POSITION							
Unrestricted Net Position:							
Board Designated Reserves:							
Debt service	$ -	$ 4	$ -	$ -	$ -	$ -	**$ 4**
Future loss contingencies	-	987	-	-	-	-	**987**
General fund	-	1	-	11,988	-	-	**11,989**
Improvements	-	-	-	465	-	-	**465**
Legal	-	446	-	-	-	-	**446**
CSWS Tip fee stabilization	-	-	-	7,182	-	-	**7,182**
Jets major maintanence	-	-	-	799	-	-	**799**
CSWS major maintenance	-	2,022	-	-	-	-	**2,022**
Litigation	-	-	-	-	-	-	**0**
Project/Post-project closure	-	-	34	-	-	-	**34**
Severance	943	-	-	-	-	-	**943**
Hartford Solar	-	-	-	-	369	-	**369**
Pollution insurance	-	-	-	-	-	-	**0**
CSWS Decommissioning	-	-	-	3,606	-	-	**3,606**
South Meadows Contingency Reserve				5,490			**5,490**
Total Board Designated Reserves	943	3,460	34	29,530	369	-	**34,336**
Undesignated	(678)	(16,995)	(3)	33,973	3,963	-	**20,260**
Total Unrestricted Net Position	265	(13,535)	31	63,503	4,332	-	**54,596**
Total Net Position	$ 270	$ (13,540)	$ 31	$ 72,244	$ 20,716	$ -	**$ 79,721**

See Independent Auditor's Report

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of the
MIRA Dissolution Authority

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 MIRA Dissolution Authority (the Authority) (a component unit of the State of Connecticut), which comprise the statement of net position as of June 30, 2024 and the related statement of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September XX, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness the Authority'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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hartford, Connecticut
September XX, 2024