



NAUGATUCK VALLEY COUNCIL of GOVERNMENTS

49 Leavenworth Street, 3rd Floor, Waterbury, CT 06702 • 203-757-0535 • 203-735-8688 • nvcogct.gov

AGENDA

Naugatuck Valley Council of Governments and

Central Naugatuck Valley MPO

Hybrid Meeting

49 Leavenworth Street, 3rd Floor

Waterbury, CT 06702

10 a.m., Friday, January 13, 2023

1. Commencement of Meeting
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Public Comment
2. CNVMPO Meeting (*Voting members for these items are limited to the 15 CEOs in the CNVMPO area*)
 - a. Approval of CNVMPO Resolution 2023-06, TIP Amendments – Project No. 0170-3648, Project No. 0151-XXXX (*Kevin Ellis, attachment, motion*)
 - b. Approval of CNVMPO Resolution 2023-07, Request for TMA Status (*Mark Nielsen, attachment, motion*)
3. NVCOG Administrative Items
 - a. Approval of the Minutes of the December 9, 2022 CNVMPO and NVCOG meeting (*attachment, motion*)
 - b. Approval of Agency Financial Reports and Summaries for the period ending 11/30/22 (*Michael Szpryngel, attachment, motion*)
 - c. Review of FY 2022 Audit Report (*Michael Szpryngel, attachment*)
 - d. Approval of FY 2023 Mid-year Budget Adjustments (*Michael Szpryngel, attachment motion*)
 - e. Approval of FY 2024 Preliminary Budget Estimates (*Michael Szpryngel, attachment, motion*)
 - f. Approval of NVCOG Meeting Schedule for 2023 (*Rick Dunne, attachment, motion*)
 - g. Director's Report
 - Legislative Update
 - RSG Formula
 - Kinneytown Dam Funding Award
4. Emergency Management (*Joanna Rogalski*)
 - a. Regional Emergency Planning Team Update
 - b. Community Emergency Response Team Update
5. NVCOG Planning/Transportation
 - a. Metropolitan Transportation Plan Update (*Rich Donovan*)
 - b. LOTCIP Update (*Rich Donovan*)
 - c. RAISE 2023 NOFO (*Elliot Wareham*)
 - d. Regional Vision Zero Update (*Rich Donovan, attachment*)

6. Environmental Planning
 - a. Brownfields Update (*Ricardo Rodriguez, attachment*)
 - b. Sustainable Materials Management Update
 - i. Ansonia, Woodbury, and Seymour program updates (*Katie Schlick*)
 - ii. Country Disposal Tour (*Christine O'Neill*)
 - iii. Waste Crisis Storymap Update (*Christine O'Neill*)
 - c. DEEP Recreational Trails Grant Program (*Aaron Budris*)
7. Other
8. Adjournment

Called by
Neil O'Leary, Chairman

Any member of the public wishing to address the board at a CNVMPO/NVCOG virtual and hybrid meeting should fill out the public comment form on the website or send an email to info@nvcoqct.gov with the following information:

- *Your name, address, and any professional affiliation (for the public record)*
- *Your phone number (only if you are using the phone dial-in option)*
- *The item number on the agenda you plan to address in your comments*

Your Information must be received by 4:30 pm on the day before the meeting and you will be sent credentials to log-in to the meeting.

Because of the need for stable meetings and public security, anyone who does not provide the above information cannot be admitted to our meetings.

If you do not plan to address the board, you may instead watch the meeting on the NVCOG YouTube channel:

<https://www.youtube.com/channel/UCVWq1tjA3T17sPHTk5ETVaQ>

For language assistance or other accommodations, contact NVCOG at least five business days prior to the meeting at info@nvcoqct.gov

Para asistencia con el idioma y otras adaptaciones, por favor póngase en contacto con NVCOG por lo menos cinco días hábiles antes de la reunión al info@nvcoqct.gov

W przypadku pomocy językowej lub innej pomocy, skontaktuj się z NVCOG co najmniej pięć dni roboczych przed wydarzeniem w info@nvcoqct.gov



January 13, 2023

MEMORANDUM: 20230113-TIP Amendments for Projects 0170-3648, 0151-XXXX

To: Central Naugatuck Valley MPO Board Members and Alternates
From: Elliot Wareham, Transportation Planner
Subject: Amendment to the 2021-2024 Transportation Improvement Program

The CT DOT is requesting a change to the CNV MPO 2021-24 TIP. This includes the addition of one new project.

Project No. 0170-3648 – Concrete Sealer on Various NBI Bridges I-84

New project 0170-3848 is a concrete sealing program that includes approximately 235 NBI bridges either carrying or spanning over I-84 Eastbound and Westbound. This is a statewide program intended to extend the service life of existing concrete structural elements of bridges exposed by deicing salts and maintain their components in a state of good repair. This preservation project is being programmed using additional reauthorization funds from IJA.

This project is expected to have a total cost of \$9,000,000, with the federal contribution totaling \$7,200,000 and a state match of \$1,800,000.

Funding Code	Phase	Year	Total (\$000)	Federal (\$000)	State (\$000)	Local (\$000)	Comments
BRFP	CON	2023	\$9,000	\$7,200	\$1,800	\$0	New Project

Project No. 0151-XXXX WATER Phase II

Through the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary funding program, The City of Waterbury received a grant of \$23,100,000 to complete phase II of the TIGER funded WATER project. Phase II of this project will extend the Naugatuck River Greenway north from its current terminus at Eagle Street, along South Main Street and the Naugatuck River, to a new access point at West Main Street. Additionally, this project will implement aspects of the West Main Street Corridor Study, aiming to reduce roadway widths, vehicle speeds, and provide better facilities for cyclists and pedestrians. These items, along with several smaller pieces including installing additional EV charging stations at the Waterbury Train Station, aim to further Waterbury’s ongoing revitalization efforts, particularly within the Freight Street district.

This project is expected to have a total cost of \$23,100,000, completely funded by the RAISE grant. There is no state or local match required.

Funding Code	Phase	Year	Total (\$000)	Federal (\$000)	State (\$000)	Local (\$000)	Comments
RAISE	PD	2023	\$768	\$768	\$0	\$0	ADD AIR QUALITY CODE, REMOVE LOCAL FUNDING, ADD FD
RAISE	FD	2025	\$1,792	\$1,792	\$0	\$0	ADD AIR QUALITY CODE, REMOVE LOCAL FUNDING, ADD FD
RAISE	ROW	2025	\$640	\$640	\$0	\$0	ADD AIR QUALITY CODE, REMOVE LOCAL FUNDING, ADD FD
RAISE	CON	2026	\$19,900	\$19,900	\$0	\$0	ADD AIR QUALITY CODE, REMOVE LOCAL FUNDING, ADD FD



RESOLUTION 2023-06

AMENDMENT

**FFY 2021-2024 TRANSPORTATION IMPROVEMENT PROGRAM
CENTRAL NAUGATUCK VALLEY MPO**

WHEREAS, the Central Naugatuck Valley MPO is authorized by the *Fixing America’s Surface Transportation Act (FAST Act)* and related US Department of Transportation regulations to prepare, endorse, and periodically amend a short-range Transportation Improvement Program for the 15-town MPO within the Waterbury Urbanized Area and is required to maintain a fiscally constrained program of priority projects; and

WHEREAS, the CNVMPO endorsed the *FFY 2021-2024 Transportation Improvement Program for the Central Naugatuck Valley Planning Region (TIP)* at its October 9, 2020, meeting; and the US Department of Transportation (Federal Highway Administration and Federal Transit Administration) have approved the *State FFY 2021-2024 Transportation Improvement Program (STIP)*; and

WHEREAS, the Connecticut Department of Transportation is requesting amendment of the FFY 2021-2024 TIP as shown in the attached page; and

WHEREAS, the proposed projects do not necessitate a new Air Quality Conformity Determination; and

WHEREAS, the public notification and review of these amendments was consistent with and followed the procedures set forth in the MPO’s public involvement guidelines, and the proposed amendments are consistent with the Metropolitan Transportation Plan for the Central Naugatuck Valley planning region;

BE IT RESOLVED that Central Naugatuck Valley MPO approves the amendment of the FFY 2021-2024 TIP to allocate funding to the attached project.

This resolution shall become effective as of January 13, 2023.

I do hereby certify that the resolution adopted by the Central Naugatuck Valley MPO at a public meeting held on January 13, 2023, at which a quorum was present and that the same is a correct and true transcript from the original thereof.

N. Warren Hess, III, Secretary

January 13, 2023

Date



January 13, 2023

MEMORANDUM: 20230113-TMA Status

To: Central Naugatuck Valley MPO Board Members and Alternates
From: Mark Nielsen, Assistant Director
Subject: Request for TMA Status – Waterbury Urban Area

The US Department of Transportation (USDOT) designates Census-defined urban areas with more than 200,000 in population living in the urban area as a Transportation Management Area or TMA. The determination of TMA status is based on the population of only the individual urban area as opposed to the urban population within the entire metropolitan planning area. The urban population numbers resulting from the 2020 Census were released on December 29, 2022. Based on these numbers, the urban population of the Waterbury urban area is 199,317, just below the 200,000-population threshold needed to be designated as a TMA. Because parts of other urban areas are within the metropolitan planning area of the Central Naugatuck Valley MPO, the total urban population of the CNVMPO is 331,564, significantly more than the minimum TMA threshold. Because of its size, complexity, diversity, and transportation infrastructure, the CNVMPO conducts its metropolitan transportation program more commensurate with large urban areas. However, because of the way the USDOT designates TMAs, the CNVMPO is considered a small urban area and is not allocated federal transportation funds dedicated to the Waterbury urban area and is unable to select and program transportation improvement projects.

The federal regulations also permit the governor of a state, with endorsement of the MPO, to request the Secretary of the USDOT to designate an MPO as a TMA.

Action: Staff recommends that the CNVMPO Board initiate efforts to pursue designation as a Transportation Management Area under federal regulations (23 USC §134 (k)(1)(B)). Designation as a TMA would permit the CNVMPO to have a greater role in selecting and programming transportation improvements within the planning area (23 USC §134 (k)(5)(A)). While designation as a TMA requires a more comprehensive planning process, the CNVMPO currently functions in compliance with TMA-related planning regulations.

Motion: To approve CNVMPO Resolution 2023-07 endorsing the request for designation as a Transportation Management Area, in accordance with federal regulations, to the Secretary of the US Department of Transportation.



RESOLUTION 2023-07

**ENDORSEMENT
REQUEST FOR TRANSPORTATION MANAGEMENT AREA DESIGNATION
CENTRAL NAUGATUCK VALLEY MPO**

WHEREAS, the Central Naugatuck Valley MPO is the federally-designated metropolitan planning organization for the Waterbury Urban Area.

WHEREAS, federal regulations under 23 USC §134 (k)(1)(A) stipulate that the Secretary of the US Department of Transportation (USDOT) shall identify urban areas with a population over 200,000 individuals as a Transportation Management Area.

WHEREAS, the urban population of the Waterbury Urban Area, as of the 2020 Census, is 199,317, which is slightly below the threshold required for TMA status.

WHEREAS, federal regulations under 23 USC §134 (k)(1)(B) permit the Governor of the state and MPO to request designation as a TMA to the Secretary of the USDOT.

NOW, THEREFORE BE IT RESOLVED that Central Naugatuck Valley MPO has determined that it is in the best interests of the Central Naugatuck Valley metropolitan planning area to be designated as a Transportation Management Area and endorses the request to the Secretary of the US Department of Transportation for such a designation.

FUTHERMORE, the CNVMPO authorizes its Executive Director to work with the Connecticut Department of Transportation, USDOT and the Governor's office on such a request.

This resolution shall become effective as of January 13, 2023.

I do hereby certify that the resolution adopted by the Central Naugatuck Valley MPO at a public meeting held on January 13, 2023, at which a quorum was present and that the same is a correct and true transcript from the original thereof.

N. Warren Hess, III, Secretary

January 13, 2023

Date



MINUTES

Naugatuck Valley Council of Governments

Hybrid Meeting

NVCOG Conference Room

49 Leavenworth Street, 3rd Floor

Waterbury, CT 06702

10 a.m., Friday, December 9, 2022

NVCOG Representatives: Sheila O'Malley, Alternate, Ansonia (virtual); Gerry Smith, First Selectman, Beacon Falls (virtual); Stephen Sordi, First Selectman, Bethlehem (in-person); Jeff Caggiano, Mayor, Bristol (in-person); Andrew Martelli, Alternate, Cheshire (virtual); Rich Dziekan, Mayor, Derby (in-person); Ed St. John, First Selectman, Middlebury (in-person); Pete Hess, Mayor, Naugatuck (in-person); George Temple, First Selectman (in-person), Kristyn Rosa, Alternate (virtual) Oxford; Joe Kilduff, Mayor, Plymouth (in-person); Annmarie Drugonis, First Selectwoman, Seymour (virtual); Mark Lauretti, Mayor, Shelton (in-person); Ed Mone, First Selectman, Thomaston (in-person); Mark Raimo, Alternate, Watertown (virtual); Tom Dunn, Mayor, Wolcott (in-person); William Agresta, Alternate, Woodbury (virtual).

Guests/Other: Sara Radacsi, CTDOT (virtual); Tommy Hyde, Naugatuck Valley Regional Development Corp. (virtual); Betty Bajak, GWTD (virtual); John Field, DEMHS Region 5 (virtual); John Wardzala, The Kennedy Collective (in-person); John Monteleone (in-person); Fred Sell (in-person); Sarah Wall, Avangrid (in-person); Margaret Haffner, The Kennedy Collective (in-person).

Staff: Rick Dunne, Mark Nielsen, Glenda Prentiss, Lauren Rizzo, Ken Byron, Karen Svetz, Richard Crowther, Jr., Ricardo Rodriguez, Christine O'Neill, Josh Lecar, Kevin Ellis, Elliot Wareham, Savannah-Nicole Villalba, Drew Baklik (all in-person), Aaron Budris, Joanna Rogalski, Michael Szpryngel, Keith Rosenfeld, Richard Donovan, Katie Schlick (all virtual).

1. Commencement of Meeting

Secretary Pete Hess called the meeting to order at 10:03 a.m. Those in attendance recited the Pledge of Allegiance and the roll was called. There was no public comment.

2. CNVMPO Meeting

- a. *Approval of CNVMPO Resolution 2023-05 – TIP Amendment – Project No. 0304-XXXX, Waterbury Branch Line ADA Accessible – ASAP Award* – Kevin Ellis said this project would install accessible, high-level platforms with related amenities in Beacon Falls, Seymour, and Ansonia. The project year has been changed from 2023 to FYI, which means the project is being moved from outside of the TIP. The project has a total cost of \$37 million, with a federal contribution of \$29.6 million and state match of \$7.4 million. The project was previously endorsed two meetings ago. Mr. Ellis said that this project being moved from outside the TIP means the project will not be done in 2023, but sometime after that. On a motion by Ed Mone, seconded by Tom Dunn, it was unanimously

VOTED: To adopt CNVMPO Resolution 2023-05.

3. NVCOG Administrative Items

- a. *Approval of the Minutes of the November 4, 2022 CNVMPO and NVCOG Meeting* – On a motion by Rich Dziekan, seconded by Ed St. John, it was unanimously

VOTED: To approve the minutes of the November 4, 2022 CNVMPO and NVCOG meeting.

- b. *Approval of Agency Financial Reports and Summaries for the Period Ending 10/31/22* – Michael Szpryngel said NVCOG is four months through the fiscal year with a net position of \$193,000. A balanced budget was passed and NVCOG is on target to balance out towards the end of the year. There will be a budget revision for next month's meeting. NVCOG is on target for all its major funds. 100% of RSG funding was received in October and there are no unexpected funding cuts. Legal expenses are still high for the Kinneytown Dam. Some cost recovery may come through via a grant. On a motion by Ed Mone, seconded by Rich Dziekan, it was unanimously

VOTED: To adopt the NVCOG financial reports and summaries as presented.

- c. *Approval of NVCOG Meeting Schedule for 2023* – Ed Mone noted that NVCOG meetings are held on the second Friday of the month which does not provide adequate time to prepare an analysis of the prior month's budget, meaning the financials are always one month in arrears. He asked Mr. Szpryngel if changing the meeting dates out by one week would make it possible for the budget analysis to be more current. Mr. Szpryngel affirmed this would be so. Rick Dunne said the decision to change the meeting schedule was up to the board. Ed St. John said he had no objection, but suggested NVCOG reach out to the board to make sure an adjusted schedule would cause no conflicts for the CEOs. He suggested a survey be done after the meeting to poll the CEOs. On a motion by Jeff Caggiano, seconded by Tom Dunn, it was unanimously

VOTED: To establish January 13, 2023 as the next regular CNVMPO/NVCOG meeting, with the remainder of the meeting schedule to be determined.

- d. *Approval of NVCOG Holiday Schedule for 2023* – On a motion by Ed Mone, seconded by Rich Dziekan, it was unanimously

VOTED: To approve, as presented, the 2023 NVCOG and CNVMPO holiday schedule.

- e. *Director's Report* – Rick Dunne recognized Savannah-Nicole Villalba as a returning employee who will be specializing in housing and land use, and Drew Baklik who will be picking up the municipal shared service duties previously performed by John DiCarlo.

Mr. Dunne also spoke about restoring funding to the OPM Regional Service Grant. The funds already exist. A new formula had been adopted, and NVCOG will be petitioning to increase the per capita distribution by one dollar, increasing the total amount of funding to all the COGs by formula. Per capita distribution favors the urban regions. The adopted new formula reduced the amount of funding NVCOG has been receiving for the last few years.

Mr. Dunne also said the COGs are expecting an increase in bonded debt for the LOTCIP program.

Mr. Dunne noted that he would be having surgery in early 2023. Although he hopes not to be out of commission for very long, he is confident staff will capably run the agency in his absence.

4. **Authorization for Executive Director Rick Dunne to Execute an MOU with the Western CT Council of Governments and the Northwest Hills Council of Governments regarding Functions and Responsibilities for DEMHS Region 5 under FFY 2022 Homeland Security REPT Grant Program**

Mr. Dunne explained this an annual MOU concerning income and expenditures for the Homeland Security grant. On a motion by Tom Dunn, seconded by Ed Mone, it was unanimously

VOTED: To authorize Executive Director Rick Dunne to execute the MOU with the Western CT Council of Governments and the Northwest Hills Council of Governments, as noted above.

5. **Emergency Management**

Joanna Rogalski introduced John Field, Regional Coordinator for Region 5. Mr. Field said cold weather protocol is being updated and will be shared with the municipalities and emergency management directors. A CEO training session was held in Litchfield. Additional training sessions are being planned and one of them will focus on legal training. A multi-year exercise and training plan is also being developed for the region. November 1 was the deadline for school plan submittals. A number of schools are doing upgrades this year. Tabletop exercises and school security assessments will be held. DEMHS is also working on an EMPG grant. The grants unit is looking at processes and procedures to expedite funding. He also noted it is important that municipalities return their MOAs as soon as possible so as not to delay funding. DEMHS is also working on mutual aid planning for public works. Additional radios are being purchased. Cybersecurity assessments are being conducted through the National Guard. Next week, Eversource is having a webinar with regard to rolling blackouts.

Joanna Rogalski added that in September 2022 the Division of Emergency Management announced the release of Building Resilient Infrastructure and Communities and flood mitigation assistance grants. The deadline for these grants has been extended to December 19. Ms. Rogalski is not aware of any towns that have submitted applications for these two grant programs through FEMA, but some of the culvert projects that were noted in the Regional Hazard Mitigation Plan were incorporated into the DEEP regional application. Ms. Rogalski also said that snow removal is part of the Region 5 public works mutual aid plan mentioned earlier by Mr. Field. Region 2 has seen an increase in residential fires and the Red Cross is encouraging all renters to purchase renter's insurance.

- a. *Regional Emergency Planning Team Update* – There were no REPT updates.
 - b. *Community Emergency Response Team Update* – Ms. Rogalski said DEMHS will be issuing a quarterly newsletter regarding the contributions of the CERT teams. The first issue is expected on January 15, 2023.
6. **NVCOG Planning/Transportation**
- a. *Metropolitan Transportation Plan Update* – Rich Donovan said this plan is a federally mandated long-term vision and goal for the region's transportation system. A portion of

the public engagement component has been completed, with just under 700 responses to a multi-regional survey conducted in conjunction with MetroCOG. The plan must be completed by April 2023. Mr. Donovan expects initial draft documents for public comment will be put forth in mid-January. In February or March, a complete MTP, including air quality analysis, will be brought before the board for adoption by the CNVMPO.

- b. *LOTICIP Update* – Mr. Donovan anticipates CTDOT will be requesting additional funding for each region next year. Additionally, he congratulated the Town of Beacon Falls on its authorization to award the Burton Road project. Mark Nielsen added that NVMCOG is working with CTDOT concerning extra funds left over from completed projects. These funds will be returned to the program.
- c. *Route 8 and Waterbury Branch Line TOD and Alternate Modes Assessment – Public Comment Schedule* – Mark Nielsen said this project is wrapping up. The final report is being released and a public information meeting will be held on December 15 at the Valley Transit District. It will be a hybrid meeting.

7. Environmental Planning

a. *Sustainable Materials Management Update*

- i. *Waste Crisis Story Map* – Christine O’Neill explained the waste crisis Connecticut is experiencing. CT DEEP has funded waste production pilot programs for towns across Connecticut including Ansonia, Seymour, and Woodbury. The pilots consist of unit-based pricing and organics diversion. NVMCOG received its own grant to help educate the region about the waste crisis. The Waste Crisis Story Map brings together a narrative, images, video, and maps. The story map is available on the NVMCOG website. Informational flyers about the waste crisis story map were distributed to the CEOs in their agenda packets. Ms. O’Neill asked that the towns publicize and distribute the flyers.

Mayor Caggiano said he thinks the story map is a great idea, but he would not be able to share it due to text on the flyer that states “incineration causes toxic pollution.” He noted that continuous emission monitoring programs are in place. He suggested that a revision be made that explains that incineration plants are being closed which accounts for Connecticut not having room for its trash. He believes the negative environmental impacts of incineration may or may not be true, but in its current format, he would be unable to promote the story map or flyer. Mayor Dunn and First Selectman St. John agreed, saying testing has proven the incineration plants are safe. Mayor Hess offered that the plants are monitored by EPA and are regularly inspected. Ms. O’Neill said the text would be adjusted and clarified accordingly, based on the feedback received, and the story map would be taken offline for the time being.

- ii. *Ansonia Pilot Program Launch* – Katie Schlick said Ansonia’s pilot program launched on December 5. Color coded trash and food scrap bags were distributed to Ansonia residents. Separating food scraps from trash is one way to reduce the amount of trash that must be hauled away by municipalities. The food scraps will be turned into clean energy at an industrial composter. Ms.

Schlick said these pilot programs have been successful throughout the country and the world. Woodbury and Seymour will have program launches in February.

- b. *Household Hazardous Waste Update* – Christine O’Neill said the household hazardous waste selection committee went through an RFP process to identify a vendor. The apparent low bidder is MXI, the company that currently runs the collections.
- c. *CT DEEP Climate Resilience Regional Application* – Aaron Budris reminded everyone of the new CT DEEP climate resilience fund grant program that is intended to create a project pipeline of resilience projects. The project will not fund design or construction but will fund all the steps needed to create a successful application for federal programs. NVCOG submitted a regional application intended to advance nine culvert replacement and storm water projects that were previously identified in the hazard mitigation plans. If awarded, NVCOG would contract with a consultant who would work with municipalities to develop preliminary plans, target funding sources, and develop applications to state and federal funding sources to implement them. Consolidating the contracting and project management for these nine projects at NVCOG will save the municipalities substantial time and effort. The work completed under the project will lead to successful applications to implement them.
- d. *Recreational Trails Program* – Mr. Budris said he had sent a memo to the CEOs concerning the new round of DEEP recreational trails funding. It will fund an array of trail projects including planning and construction of new trails or maintenance and restoration of existing trails. The deadline for applications is March 1. NVCOG can assist with applications and support letters.

Before moving to executive session, Mr. Hess asked if there was any other business. Mayor Dunn advised that there is an antagonistic group visiting town halls filming and advocating for freedom of information, first amendment, and other rights.

- e. *Kinneytown Dam Update (Executive Session)* – At 11:08 a.m., on a motion by Ed Mone, seconded by Rich Dziekan, it was unanimously

VOTED: To enter into executive session subject to adjournment.

Respectfully submitted by
Lauren Rizzo, Administrative Services Coordinator
for
Pete Hess, Secretary



**CENTRAL NAUGATUCK VALLEY
METROPOLITAN PLANNING ORGANIZATION**

49 Leavenworth Street, 3rd Floor, Waterbury, CT 06702 - 203-757-0535 - 203-735-8688

RESOLUTION 2023-05

**AMENDMENT
FFY 2021-2024 TRANSPORTATION IMPROVEMENT PROGRAM
CENTRAL NAUGATUCK VALLEY MPO**

WHEREAS, the Central Naugatuck Valley MPO is authorized by the *Fixing America's Surface Transportation Act (FAST Act)* and related US Department of Transportation regulations to prepare, endorse, and periodically amend a short-range Transportation Improvement Program for the 15-town MPO within the Waterbury Urbanized Area and is required to maintain a fiscally constrained program of priority projects; and

WHEREAS, the CNVMPO endorsed the *FFY 2021-2024 Transportation Improvement Program for the Central Naugatuck Valley Planning Region (TIP)* at its October 9, 2020, meeting; and the US Department of Transportation (Federal Highway Administration and Federal Transit Administration) have approved the *State FFY 2021-2024 Transportation Improvement Program (STIP)*; and

WHEREAS, the Connecticut Department of Transportation is requesting amendment of the FFY 2021-2024 TIP as shown in the attached page; and

WHEREAS, the proposed projects do not necessitate a new Air Quality Conformity Determination; and

WHEREAS, the public notification and review of these amendments was consistent with and followed the procedures set forth in the MPO's public involvement guidelines, and the proposed amendments are consistent with the Metropolitan Transportation Plan for the Central Naugatuck Valley planning region;

BE IT RESOLVED that Central Naugatuck Valley MPO approves the amendments of the FFY 2021-2024 TIP to allocate ASAP discretionary funding to the attached project.

This resolution shall become effective as of December 9, 2022.

I do hereby certify that the resolution adopted by the Central Naugatuck Valley MPO at a public meeting held on December 9, 2022, at which a quorum was present and that the same is a correct and true transcript from the original thereof.

N. Warren Messeri, Secretary

December 9, 2022

Date

BRITAINVILLE COLCHESTER DANBURY DANVILLE FARMINGTON GEE GREENWICH HARTFORD MERIDEN MIDDLETOWN NEW BRITAIN NORTH BRITAIN NORTH HAVEN NORTH STAMFORD ROSSFORD WATERBURY WATERBURY CONNECTICUT WATERBURY CONNECTICUT



January 13, 2023

MEMORANDUM: 1132023-FIN-01

To: NVCOG Board Members
 From: Michael P. Szpryngel, Finance Director
 Subject: Financial Report for Period Ending November 30, 2022

Financial Statements

**NVCOG
 Balance Sheet
 For Period Ending November 30, 2022**

Assets	
Checking Account [1]	1,201,747
Accounts Receivable	1,027,089
Other Assets	725,199
Total Assets	2,954,035
Liabilities & Equity	
Liabilities	
Accounts Payable	213,685
Accruals	-49,505
Deferred Revenue	1,093,954
Other Current Liabilities	689,704
Total Liabilities	1,947,838
Equity	
General Fund - Unrestricted	878,785
Net Position	127,412
Total Equity	1,006,197
Total Liabilities & Equity	2,954,035

NVCOG
Bank Balances
For Period Ending November 30, 2022

Bank Account	Beginning Balance	Increase (Decrease)	Ending Balance
Checking	83,461	(39,212)	44,249
Money Market	549,790	46,149	595,939
RLF	564,656	3,396	568,052
Total	1,197,906	10,334	1,208,240

NVCOG
Deferred Revenue
For Period Ending November 30, 2022

Fund	Beginning Bal FY 2023	Decrease	Increase	Ending Bal Nov, 2022
RLF Program Income	567,049	(22,414)	17,090	561,725
PL Carry Over Funds	15,044	-	-	15,044
Transportation Projects	124,330	(13,364)	-	110,966
EPA	11,030	-	-	11,030
LOTICIP-NVCOG	44,733	(54,338)	-	(9,604)
DECD Projects	1,891	-	-	1,891
DEMHS/Homeland Sec	22,624	(3,892)	-	18,733
CERT Citiz Emerg Resp	3,049	(1,106)	-	1,944
FEMA	-	-	-	-
Reg Incentive Gt Programs	6,734	-	-	6,734
OPM/RSG 2022 [1]	-	(192,110)	491,756	299,645
DEEP Greenway	1,707	(444)	-	1,263
LOCAL Projects	47	-	-	47
SHEL-GIS	6,630	-	-	6,630
Hazardous Waste	14,112	(6,781)	15,001	22,332
Regional Planner Town Split	6,516	(44,936)	58,883	20,463
General Fund Total	14,913	-	10,200	25,113
Total	840,409	(339,384)	592,929	1,093,954

NVCOG
Budget vs. Actual | Operating Budget
For July 1, 2022 – November 30, 2022

Funding	Operating Budget		
	FY 2023 Adopted Budget	Actual	% to Target
PL Funding	1,353,238	592,160	44%
Transportation Projects	45,146	7,735	17%
EPA - RLF 2020	69,055	51,315	74%
EPA - Program Income	61,100	5,099	8%
EPA - Assessment	25,600	14,903	58%
FTA	180,180	52,525	29%
LOTICIP	150,000	42,688	28%
DEHMS	20,790	3,892	19%
CERT	4,000	1,106	28%
RSG	490,027	190,983	39%
DEEP	9,600	444	5%
Regional Election Monitor	-	-	0%
Regional Municipal Services	98,645	32,787	33%
Fish & Wild Life	6,000	2,441	41%
Landbank	41,580	20,012	48%
Shelton GIS	-	-	0%
Household Hazardous Waste	25,410	7,204	28%
Municipal Dues	231,998	231,122	100%
Brownfield Dues	25,000	20,772	83%
Capital Purchasing Program	-	-	0%
Non-Recurring Grants	-	-	0%
Interest / Misc. [1]	1,000	611	61%
Total Funding	2,838,370	1,277,798	45%
Expenses			
Salaries	1,724,585	607,743	35%
Payroll Taxes	131,931	51,283	39%
Pension	119,539	62,611	52%
Medical/Life/Disability	513,877	199,302	39%
G&A - Schedule 1	348,439	229,447	66%
Direct Pass Through - Schedule 1	-	-	0%
Total Expenses	2,838,370	1,150,386	41%
Fund Balance Increase (Decrease)	-	127,412	

Expenses	Operating / Indirect		
	FY 2023 Adopted Budget	Actual	% to Target
Advertisement	5,000	2,414	48%
Capital Equipment			
IT Equipment	20,000	7,077	35%
Office Equipment	4,000	-	0%
Computer Software & Maintenance			
Software & Service	56,000	22,788	41%
IT Maintenance Contracts	24,000	17,668	74%
Contractors / Subcontractors	-	447	100%
Professional Dues & Subscriptions	3,000	2,521	84%
Insurance			
Business / Office	14,000	8,461	60%
Workers Comp	4,000	652	16%
Lease Expense	1,000	-	0%
Professional Services			
Accounting	24,100	14,500	60%
Legal	10,000	80,553	806%
Printing	2,000	4,105	205%
Office Supplies	20,924	10,895	52%
Rent	84,315	35,131	42%
Repairs / Renovations	8,000	-	0%
Telephone/Internet Service	14,000	6,175	44%
Training / Professional Development	16,000	-	0%
Travel / Meetings / Conferences	15,000	6,037	40%
Utilities			
Leavenworth	15,000	5,903	39%
Derby Train Station	2,000	486	24%
Website	6,000	3,634	61%
Bank Fees	100	2	2%
Miscellaneous	-	-	0%
Contingency	-	-	0%
Total	348,439	229,447	66%
Direct Expenses <Contractors/Subs>	-	-	0%
Total Expenses	348,439	229,447	66%

NVCOG
Profit & Loss | Budget vs. Actual
For July 1, 2022 – November 30, 2022

Funding	Total Budget			Operating Budget			Direct Pass Through		
	FY 2023 Adopted Budget	Actual	% to Target	FY 2023 Adopted Budget	Actual	% to Target	FY 2023 Adopted Budget	Actual	% to Target
PL Funding	1,469,664	655,213	45%	1,353,238	592,160	44%	116,426	63,053	54%
Transportation Projects	445,146	94,468	21%	45,146	7,735	17%	400,000	86,733	22%
EPA - RLF 2020	469,055	155,962	33%	69,055	51,315	74%	400,000	104,647	26%
EPA - Program Income	361,100	22,414	6%	61,100	5,099	8%	300,000	17,315	6%
EPA - Assessment	75,600	103,404	137%	25,600	14,903	58%	50,000	88,500	177%
FTA	780,180	102,121	13%	180,180	52,525	29%	600,000	49,595	8%
LOTICIP	170,000	54,338	32%	150,000	42,688	28%	20,000	11,650	58%
DEHMS	20,790	3,892	19%	20,790	3,892	19%	-	-	0%
CERT	4,000	1,106	28%	4,000	1,106	28%	-	-	0%
RSG	490,642	192,110	39%	490,027	190,983	39%	615	1,128	183%
DEEP	13,600	444	3%	9,600	444	5%	4,000	-	0%
Regional Election Monitor	2,000	-	0%	-	-	0%	2,000	-	0%
Regional Municipal Services	99,645	33,862	34%	98,645	32,787	33%	1,000	1,075	108%
Fish & Wild Life	66,000	2,463	4%	6,000	2,441	41%	60,000	21	0%
Landbank	41,580	20,012	48%	41,580	20,012	48%	-	-	0%
Shelton GIS	3,000	-	0%	-	-	0%	3,000	-	0%
Household Hazardous Waste	125,410	57,560	46%	25,410	7,204	28%	100,000	50,356	50%
Municipal Dues	241,339	241,338	100%	231,998	231,122	100%	9,341	10,216	109%
Brownfield Dues	25,000	24,000	96%	25,000	20,772	83%	-	3,228	100%
Capital Purchasing Program	7,000	8,000	114%	-	-	0%	7,000	8,000	114%
Non-Recuring Grants	-	-	0%	-	-	0%	-	-	0%
Interest / Misc. [1]	1,000	18,717	1872%	1,000	611	61%	-	18,106	100%
Total Funding	4,911,751	1,791,421	36%	2,838,370	1,277,798	45%	2,073,382	513,624	25%
Expenses									
Salaries	1,724,585	607,743	35%	1,724,585	607,743	35%	-	-	0%
Payroll Taxes	131,931	51,283	39%	131,931	51,283	39%	-	-	0%
Pension	119,539	62,611	52%	119,539	62,611	52%	-	-	0%
Medical/Life/Disability	513,877	199,302	39%	513,877	199,302	39%	-	-	0%
G&A - Schedule 1	527,777	267,691	51%	348,439	229,447	66%	179,338	38,243	21%
Direct Pass Through - Schedule 1	1,894,044	475,380	25%	-	-	0%	1,894,044	475,380	25%
Total Expenses	4,911,752	1,664,009	34%	2,838,370	1,150,386	41%	2,073,382	513,624	25%
Fund Balance Increase (Decrease)	-	127,412		-	127,412		-	-	

NVCOG
Profit & Loss | Schedule 1 G&A
For July 1, November 30, 2022 –November 30, 2022

Schedule 1 G & A Expenses	Total			Operating / Indirect			Direct		
	FY 2023 Adopted Budget	Actual	% to Target	FY 2023 Adopted Budget	Actual	% to Target	FY 2023 Adopted Budget	Actual	% to Target
Advertisement	7,327	3,797	52%	5,000	2,414	48%	6,000	1,384	23%
Capital Equipment									
IT Equipment	8,926	19,659	220%	20,000	7,077	35%	16,738	12,583	75%
Office Equipment	4,000	-	0%	4,000	-	0%	-	-	0%
Computer Software & Maintenance									
Software & Service	174,320	22,788	13%	56,000	22,788	41%	78,000	-	0%
IT Maintenance Contracts	32,556	17,668	54%	24,000	17,668	74%	9,000	-	0%
Contractors / Subcontractors	-	447	100%	-	447	100%	-	-	0%
Professional Dues & Subscriptions	3,000	3,116	104%	3,000	2,521	84%	-	595	100%
Insurance									
Business / Office	14,000	8,461	60%	14,000	8,461	60%	-	-	0%
Workers Comp	3,000	652	22%	4,000	652	16%	-	-	0%
Lease Expense	1,000	-	0%	1,000	-	0%	-	-	0%
Professional Services									
Accounting	23,550	14,500	62%	24,100	14,500	60%	-	-	0%
Legal	69,000	81,761	118%	10,000	80,553	806%	29,000	1,208	4%
Printing	4,000	5,256	131%	2,000	4,105	205%	2,000	1,151	58%
Office Supplies	23,000	16,386	71%	20,924	10,895	52%	3,000	5,490	183%
Rent	84,315	35,131	42%	84,315	35,131	42%	-	-	0%
Repairs / Renovations	4,000	-	0%	8,000	-	0%	-	-	0%
Telephone/Internet Service	14,000	6,175	44%	14,000	6,175	44%	600	-	0%
Training / Professional Development	10,000	-	0%	16,000	-	0%	2,000	-	0%
Travel / Meetings / Conferences	38,162	16,896	44%	15,000	6,037	40%	26,000	10,859	42%
Utilities									
Leavenworth	13,000	5,903	45%	15,000	5,903	39%	-	-	0%
Derby Train Station	8,000	2,429	30%	2,000	486	24%	6,000	1,943	32%
Website	5,000	3,634	73%	6,000	3,634	61%	-	-	0%
Bank Fees	100	2	2%	100	2	2%	-	-	0%
Miscellaneous	-	2,881	100%	-	-	0%	-	2,881	100%
Contingency	1,000	150	15%	-	-	0%	1,000	150	15%
Total	545,256	267,691	49%	348,439	229,447	66%	179,338	38,243	21%
Direct Expenses <Contractors/Subs>	2,209,894	475,380	22%	-	-	0%	1,894,044	475,380	25%
Total Expenses	2,755,150	743,071	27%	348,439	229,447	66%	2,073,382	513,624	25%

Finance Report

NVCOG is 5 months through Fiscal Year 2023 – 42%

∞ Bottom Line: \$127,412

Revenue:

- On Target for Major Funds
- No Unexpected Funding Cuts
- Possible Anticipation of additional Funding Sources

Expenses:

- Legal – Kinneytown Dam – Submitted Request to Reimburse Expenses September – December 2022.
- Printing – NVision, Costs originally anticipated in FY 2022, have funds to cover overage.

Notes to Financial Statements

Balance Sheet

[1] There is a difference in the cash balances from the bank statements and the cash balance from the Balance Sheet due to checks to vendors that have not been cashed.

Deferred Revenue

[1] Received full RSG payment for FY 2023.

Budget to Actual

[1] Non-Recurring Grants – 1 Year No-Cost Grant Extension | UCONN-Resilient CT Grant.

[2] Interest / Misc. – Includes Sponsorships for NVision expenses, not billable to grants.

December 22, 2022

To Neil O'Leary
Chairman of the Board of Directors
Naugatuck Valley Council of Governments,
Waterbury, CT

We have audited the financial statements of the governmental activities, and each major fund of the Naugatuck Valley Council of Governments for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 2, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Naugatuck Valley Council of Governments are described in Note 1 to the financial statements. As described in Note 5 of the Financial Statements, the Council adopted GASB Statement No. 87, *Leases*, during 2022. We noted no transactions entered into by the Naugatuck Valley Council of Governments during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Management's estimates of the useful lives of capital assets is based on past experience. We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: Adjusted year-end deferred revenue, accounts receivable and accounts payable.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 22, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Naugatuck Valley Council of Government's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Naugatuck Valley Council of Governments auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

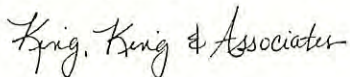
We applied certain limited procedures to Management Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on The Statement of Connecticut Department of Transportation Project Expenditures, which accompany the financial statements but are not RSI. With respect to this supplemental information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors, and management of the Naugatuck Valley Council of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



King, King & Associates, CPAs

Naugatuck Valley Council of Governments

Annual Financial Statements

For the Year Ended June 30, 2022

Naugatuck Valley Council of Governments

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June 30, 2022

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Naugatuck Valley Council of Governments

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Naugatuck Valley Council of Governments

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Naugatuck Valley Council of Governments (the "Council"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Council, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council'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 Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

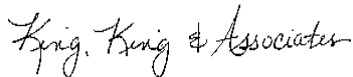
information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying Statement of Connecticut Department of Transportation Project Expenditures is presented for purposes of additional analysis and is 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 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 Statement of Connecticut Department of Transportation Project Expenditures is 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 December 22, 2022, on our consideration of the Council's internal control over financial reporting and or tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, CT
December 22, 2022

Naugatuck Valley Council of Governments
Management Discussion and Analysis
June 30, 2022

As management of the Naugatuck Valley Council of Governments (the Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended June 30, 2022.

Financial Highlights

- The assets of the Council exceeded its liabilities at the close of the most recent fiscal year by \$576,307 (*net position*). Of this amount, \$710,600 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$83,624. The decrease is attributable in part to timing of project completions.
- As of the close of the current fiscal year, the NVCOG governmental funds reported combined ending fund balances of \$878,722.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements present functions of the Council that are principally supported by intergovernmental revenues (governmental activities).

The governmental activities of the Council include regional planning, highway planning and administration of various regional programs, e.g. EPA and FTA. The government-wide financial statements can be found on pages 9-10 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Council can be divided into two categories: governmental funds and fiduciary funds.

Naugatuck Valley Council of Governments
Management Discussion and Analysis
June 30, 2022

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Council maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Planning UPWP Fund, Highway Projects Fund, FTA Fund, and the OPM Fund, which are considered to be major funds. The remaining eleven funds are combined into a single aggregated presentation in the financial statements. Individual fund data for each of these nonmajor funds is reported as supplementary information to the financial statements.

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

The basic governmental fund financial statements can be found on pages 11-14 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to provide services to the Council. The Council maintains one pension trust fund.

The basic fiduciary fund financial statements can be found on pages 15-16 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-25 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Council, assets exceeded liabilities by \$576,307 at the close of the most recent fiscal year.

Naugatuck Valley Council of Governments
Management Discussion and Analysis
June 30, 2022

Net Position

	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 2,074,385	\$ 2,376,555
Capital Assets	<u>703,182</u>	<u>787,385</u>
Total Assets	<u>\$ 2,777,567</u>	<u>\$ 3,163,940</u>
 Deferred Outflows of Resources	 <u>-</u>	 <u>-</u>
 Long-Term Liabilities	 \$ 802,546	 \$ 870,460
Other Liabilities	<u>1,398,804</u>	<u>1,633,550</u>
Total Liabilities	<u>2,201,350</u>	<u>2,504,010</u>
 Deferred Inflows of Resources	 <u>-</u>	 <u>-</u>
 Net Position:		
Invested in capital assets, net of related debt	(134,293)	(83,076)
Unrestricted	<u>710,600</u>	<u>743,007</u>
Total Net Position	<u>\$ 576,307</u>	<u>\$ 659,931</u>

Unrestricted net position may be used to meet the government's ongoing obligations to citizen and creditors.

At the end of the current fiscal year, the Council is reporting a positive balance in unrestricted net position, for the government as a whole, as well as for its separate governmental activities. For the prior fiscal year, all activities had a positive balance.

The government's net position decreased by \$83,624 during this fiscal year.

Governmental activities. Governmental activities decreased the Council net position by \$83,624. Key elements of this decrease are as follows:

- Timing of project completions.
- Actual revenues in PL Carry Over, FTA, and FEMA were lower than what was expected.

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Management Discussion and Analysis
June 30, 2022

Change in Net Position

Revenues	<u>2022</u>	<u>2021</u>
<i>Program Revenues:</i>		
Operating grants and contributions	\$ 3,432,936	\$ 4,564,264
<i>General Revenues:</i>		
Municipal Assessments	266,532	266,532
Miscellaneous	800	200
Interest Income	<u>308</u>	<u>690</u>
Total Revenues	<u>3,700,576</u>	<u>4,831,686</u>
Expenses		
Regional Planning	2,073,706	3,040,387
Highway Planning	1,659,164	1,893,081
Interest on Long-term Debt	<u>51,330</u>	<u>-</u>
Total Expenses	<u>3,784,200</u>	<u>4,933,468</u>
Change in net position	(83,624)	(101,782)
Beginning Net position, as restated	<u>659,931</u>	<u>761,713</u>
Ending Net position	<u>\$ 576,307</u>	<u>\$ 659,931</u>

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Council governmental fund reported ending fund balance of \$878,722, an increase of \$30,749 in comparison with the prior year. 100% of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the Council. At the end of the current fiscal year, total fund balance of the general fund was \$878,722.

The fund balance of the Council's general fund increased by \$30,749 during the current fiscal year. A key factor in this increase is:

- Current year grant activity.

General Fund Budgetary Highlights

Actual results produced a budget surplus of \$30,749 compared to a budget deficit of \$117,746 in the prior year. The budget was approved with a budgeted revenues of \$4,924,019 and expenditures each totaling \$5,027,550. In addition:

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 Management Discussion and Analysis
 June 30, 2022

- Actual revenues for PL Carry Over, FEMA, and FTA were lower than what was budgeted.
- Unanticipated project completion.

Capital Assets and Debt Administration

Capital Assets. The Council's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$703,182 (net of accumulated depreciation). The investment in capital assets includes computers, office furniture and equipment, and vehicles.

Capital Assets

	2022	2021
Office Equipment	\$ 90,722	\$ 90,722
Computer Equipment	223,665	221,363
Leasehold Improvements	205,646	205,646
Website	38,385	38,385
Right of Use Building	981,337	981,337
Total Assets to be Depreciated	1,539,755	1,537,453
Total Accumulated Depreciation	(836,573)	(750,068)
Total	\$ 703,182	\$ 787,385

Additional information on the Council's fixed assets can be found in Note 2 on Page 22 of this report.

Long-term Liabilities. At the end of the current fiscal year, the long-term liabilities the Council has are leases payable and compensated absences outstanding.

	2022	2021
Lease Payable	\$ 837,475	\$ 870,460
Compensated Absences	168,122	104,967
Total	\$ 1,005,597	\$ 975,427

Economic Factors and Next Year's Budgets and Rates

- Government uncertainty surrounding existing funding sources.
- Uncertainty in direct funding sources.

Request for Information

This financial report is designed to provide a general overview of the Council finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Naugatuck Valley Council of Governments, 49 Leavenworth St., 3rd Floor, Waterbury, CT 06702.

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

Statement of Net Position

June 30, 2022

	<u>Primary Government</u> <u>Governmental Activities</u>
Assets	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 939,573
Accounts Receivable	1,066,286
Prepaid Expenses	68,526
Total Current Assets	<u>2,074,385</u>
<i>Noncurrent Assets:</i>	
Capital Assets, Net of Depreciation	703,182
Total Noncurrent Assets	<u>703,182</u>
Total Assets	<u>\$ 2,777,567</u>
Deferred Outflows of Resources	<u>-</u>
Liabilities	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 355,254
Grant Prepayments	840,409
Accrued Expenses	168,122
Lease Payable - Current Portion	35,019
Total Current Liabilities	<u>1,398,804</u>
<i>Noncurrent Liabilities:</i>	
Lease Payable - Long-term Portion	802,456
Total Long-term Liabilities	<u>802,456</u>
Deferred Inflows of Resources	<u>-</u>
Net Position	
Net Investment in Capital Assets	(134,293)
Unrestricted	710,600
Total Net Position	<u>\$ 576,307</u>

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

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

Statement of Activities
For the Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Change in Net Position</u>
Primary Government:					<u>Primary Government</u>
					<u>Total</u>
Governmental Activities:					
Regional Planning	\$ 2,073,706	\$ -	\$ 1,773,772	\$ -	\$ (299,934)
Highway Planning	1,659,164	-	1,659,164	-	-
Interest on Long-term Debt	51,330	-	-	-	(51,330)
Total Governmental Activities	<u>3,784,200</u>	<u>-</u>	<u>3,432,936</u>	<u>-</u>	<u>(351,264)</u>
Total Primary Government	<u>\$ 3,784,200</u>	<u>\$ -</u>	<u>\$ 3,432,936</u>	<u>\$ -</u>	<u>\$ (351,264)</u>
General Revenues:					
Municipal assessments					266,532
Miscellaneous					800
Interest Income					<u>308</u>
Total general revenues					267,640
Change in net position					(83,624)
Beginning Net Position, as restated					<u>659,931</u>
Ending Net Position					<u>\$ 576,307</u>

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

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

Governmental Funds Balance Sheet

June 30, 2022

	General Fund	Planning UPWP Fund	Highway Projects Fund	FTA Fund	OPM Fund	Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 939,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 939,573
Accounts Receivable	45,523	321,949	160,038	-	-	538,776	1,066,286
Due From Other Funds	659,986	-	137,621	582,140	6,091	96,298	1,482,136
Prepaid Expenses	68,526	-	-	-	-	-	68,526
Total Assets	<u>\$ 1,713,608</u>	<u>\$ 321,949</u>	<u>\$ 297,659</u>	<u>\$ 582,140</u>	<u>\$ 6,091</u>	<u>\$ 635,074</u>	<u>\$ 3,556,521</u>
 LIABILITIES							
Accounts Payable	\$ 22,971	\$ 210	\$ 129,477	\$ -	\$ 6,091	\$ 196,505	\$ 355,254
Grant Prepayments	595,259	15,044	124,330	-	-	105,776	840,409
Due To Other Funds	216,656	306,695	43,852	582,140	-	332,793	1,482,136
Total Liabilities	<u>834,886</u>	<u>321,949</u>	<u>297,659</u>	<u>582,140</u>	<u>6,091</u>	<u>635,074</u>	<u>2,677,799</u>
 FUND BALANCES/NET POSITION							
Fund Balances:							
Unassigned	878,722	-	-	-	-	-	878,722
Total Fund Balances	<u>878,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>878,722</u>
Total Liabilities and Fund Balance	<u>\$ 1,713,608</u>	<u>\$ 321,949</u>	<u>\$ 297,659</u>	<u>\$ 582,140</u>	<u>\$ 6,091</u>	<u>\$ 635,074</u>	<u>\$ 3,556,521</u>

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (See Note 2)

703,182

Long-term liabilities, including compensated absences, are not due or payable in the current period and therefore are not reported in the funds

(1,005,597)

Net Position of governmental activities

\$ 576,307

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

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS
Statement of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Fund Types
For the Year Ended June 30, 2022

	General Fund	Planning UPWP Fund	Highway Projects Fund	FTA Fund	OPM Fund	Nonmajor Funds	Total Governmental Funds
REVENUES							
Federal Grants	\$ 174,944	\$ 995,849	\$ 342,209	\$ 142,247	\$ -	\$ 571,850	\$ 2,227,099
State Grants	2,207	123,914	4,109	30,029	490,642	262,401	913,302
Other Governmental Agencies	367,209	846	19,961	-	-	171,051	559,067
Miscellaneous	1,108	-	-	-	-	-	1,108
Total Revenue	<u>545,468</u>	<u>1,120,609</u>	<u>366,279</u>	<u>172,276</u>	<u>490,642</u>	<u>1,005,302</u>	<u>3,700,576</u>
EXPENDITURES							
Direct Costs:							
Salaries	8,433	568,896	17,802	57,241	222,960	188,964	1,064,296
Contractors/Subcontractors	144,590	68,567	328,996	45,369	16,800	607,980	1,212,302
Contingency	632	-	-	-	-	-	632
Other	8,869	13,445	920	9,978	18,344	19,764	71,320
Indirect Costs:	<u>220,236</u>	<u>593,274</u>	<u>18,561</u>	<u>59,688</u>	<u>232,470</u>	<u>197,048</u>	<u>1,321,277</u>
Total Expenditures	<u>382,760</u>	<u>1,244,182</u>	<u>366,279</u>	<u>172,276</u>	<u>490,574</u>	<u>1,013,756</u>	<u>3,669,827</u>
Excess (Deficiency) of Revenue Over Expenses	162,708	(123,573)	-	-	68	(8,454)	30,749
OTHER FINANCING SOURCES (USES)							
Transfers In	-	123,573	-	-	-	8,454	132,027
Transfers Out	<u>(131,959)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68)</u>	<u>-</u>	<u>(132,027)</u>
Total Other Financing Sources (Uses)	<u>(131,959)</u>	<u>123,573</u>	<u>-</u>	<u>-</u>	<u>(68)</u>	<u>8,454</u>	<u>-</u>
Revenues over/(under) Expenditures	30,749	-	-	-	-	-	30,749
Beginning of Year Fund Balance, As Restated	<u>847,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>847,973</u>
End of Year Fund Balance	<u>\$ 878,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 878,722</u>

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

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

Net change in fund balances-total governmental funds	\$ 30,749
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
<i>Capital Outlay</i>	2,302
<i>Depreciation Expense</i>	(86,505)
Changes in accrued compensated absences payable are not reflected in the governmental funds, but affect the expenses reported in the statement of activities.	(63,155)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
<i>Principal payments on long-term debt - leases payable</i>	<u>32,985</u>
Change in net position of governmental activities	<u>\$ (83,624)</u>

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

General Fund

Budgetary Comparison Statement

For the Year Ended June 30, 2022

REVENUES	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Over/ <u>(Under)</u>
PL Carry Over	\$ 1,244,022	\$ 1,158,227	\$ 1,120,609	\$ (37,618)
Transportation Projects	468,440	465,576	385,825	(79,751)
EPA	248,826	845,390	319,089	(526,301)
FTA	729,920	809,985	172,276	(637,709)
LOTICIP	156,192	168,073	151,825	(16,248)
DECD	-	-	660	660
DEHMS	13,216	26,387	11,160	(15,227)
CERT	6,272	4,000	2,418	(1,582)
FEMA	120,160	-	148,867	148,867
RSG	490,642	474,369	490,642	16,273
Resilient CT	-	-	2,207	2,207
DEEP	12,960	12,960	9,212	(3,748)
Regional Incentives	200,000	-	109,916	109,916
Regional Election Monitor	2,000	2,000	-	(2,000)
Regional Municipal Services	87,888	75,889	82,998	7,109
Fish & Wildlife	66,600	66,723	-	(66,723)
Landbank	26,880	24,398	-	(24,398)
Shelton GIS	3,000	3,000	-	(3,000)
Household Hazardous Waste	119,264	121,549	109,013	(12,536)
Municipal Dues	229,847	229,847	229,847	-
Brownfield Dues	25,000	25,000	25,000	-
Brownfield RLF	-	-	155,398	155,398
Capital Purchasing Program	7,000	7,000	6,500	(500)
CTB Land Bank	-	-	23,228	23,228
COVID Relief	80,745	-	130,905	130,905
HRR Hous. River Rest-O'Sullivan	-	-	11,873	11,873
Non-Recurring Funds	-	402,646	800	(401,846)
Interest	1,500	1,000	308	(692)
Total Revenues	<u>4,340,374</u>	<u>4,924,019</u>	<u>3,700,576</u>	<u>(1,223,443)</u>
 EXPENDITURES				
Salaries	1,531,894	1,590,097	1,229,203	(360,894)
Payroll Taxes	117,190	116,890	114,031	(2,859)
Pension	104,374	97,826	99,325	1,499
Benefits	490,589	467,587	633,910	166,323
Contractors	1,689,894	2,209,894	1,212,302	(997,592)
Advertising	7,327	7,327	10,479	3,152
Capital Equipment	13,925	12,926	2,570	(10,356)
Computer Software & Maintenance	92,766	206,876	53,585	(153,291)
Dues/Professional/Conferences	3,000	3,000	-	(3,000)
Insurance	18,000	17,000	11,305	(5,695)
Lease Expense	1,000	1,000	-	(1,000)
Professional Services	65,000	92,550	117,007	24,457
Printing	4,000	4,000	2,914	(1,086)
Office Supplies	24,000	23,000	20,099	(2,901)
Rent	84,315	84,315	84,315	-
Repairs/Renovations	8,000	4,000	-	(4,000)
Telephone/Internet Service	14,000	14,000	15,440	1,440
Training/Professional Development	3,000	10,000	16,447	6,447
Travel/Meetings	41,000	38,162	19,513	(18,649)
Utilities	21,000	21,000	23,733	2,733
Website	5,000	5,000	2,784	(2,216)
Bank Fees	100	100	124	24
Miscellaneous	-	-	741	741
Contingency	1,000	1,000	-	(1,000)
Total Expenditures	<u>4,340,374</u>	<u>5,027,550</u>	<u>3,669,827</u>	<u>(1,357,723)</u>
 Revenues and Other Financing Sources over/(under)				
Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (103,531)</u>	<u>\$ 30,749</u>	<u>\$ 30,749</u>

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

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

Statement of Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2022

	<u>Pension Trust Fund</u>
Assets	
Investments - Mutual Funds	<u>\$ 1,241,679</u>
Total Assets	<u>\$ 1,241,679</u>
Deferred Outflows of Resources	<u>-</u>
Liabilities	<u>\$ -</u>
Deferred Inflows of Resources	<u>-</u>
Net Position	
Restricted for Pension Benefits	<u>\$ 1,241,679</u>

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

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2022

	<u>Pension Trust Fund</u>
Additions	
Contributions	\$ 86,814
Investment Income	<u>(273,187)</u>
Total Additions	<u>(186,373)</u>
Deductions	<u>\$ -</u>
Change in Net Position	(186,373)
Net Position - Beginning	<u>1,428,052</u>
Net Position - Ending	<u>\$ 1,241,679</u>

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

Naugatuck Valley Council of Governments
Notes to Financial Statements

NOTE 1 – Summary of Significant Accounting Policies

The accounting policies of the Naugatuck Valley Council of Governments (the Council) conform to generally accepted accounting principles as applicable to governmental units. The Council prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in the Statement on Auditing Standards No. 69 of the American Institute of Certified Public Accountants and it complies with the requirements of contracts and grants of agencies from which it receives funds. The following is a summary of the more significant policies:

Governmental Reporting Entity

The Council is a non-taxable association of the municipalities of Ansonia, Beacon Falls, Bethlehem, Bristol, Cheshire, Derby, Middlebury, Naugatuck, Oxford, Plymouth, Prospect, Seymour, Shelton, Southbury, Thomaston, Waterbury, Watertown, Wolcott, and Woodbury. The Council's primary responsibility is to provide planning services for the region's land use management, and transportation planning under Connecticut State Statute Chapter 127 section 3-31 through 8-37B and Federal Transportation Legislation. There are no component units included with the reporting entity.

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are Government-Wide financial statements. They report information on all of the Council's non-fiduciary activities. Governmental activities include programs supported primarily by grants and local contributions. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The various funds included in the financial statements are described below:

Governmental Funds are those through which most governmental functions typically are financed. The major governmental funds are as follows:

The General Fund is the primary operating fund of the Council. It accounts for all financial resources of the Council, except those not accounted for and reported in another fund.

Planning UPWP Fund is used to account for revenues and expenditures incurred in providing comprehensive urban and rural transportation planning for its member municipalities.

Highway Project Fund is used to account for revenues and expenditures incurred in the development of contract plans, specifications and estimates for highway projects.

Naugatuck Valley Council of Governments
Notes to Financial Statements

FTA Projects Fund is used to account for revenues and expenditures incurred in providing comprehensive urban and rural transportation planning for its member municipalities.

The OPM Fund is used to account for revenues and expenditures incurred in for planning purposes and to achieve efficiencies in the delivery of municipal services by regionalizing such services, including, but not limited to, region-wide consolidation of such services.

Measurement focus, basis of accounting, and financial statements presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available. Available means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if collected within 60 days of the end of the current fiscal period. Exceptions to this general rule include: voluntary non-exchange transactions when all eligibility requirements have been met. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, and claims and judgements that are recorded only when payment is due. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

Revenues from local sources consist primarily of local dues. Local dues and revenues received from the state are recognized under the susceptible-to-accrual concept.

Investments – In general, State of Connecticut Statutes allow the Council to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund. Trust funds are able to invest in a wider range of investments. Investments are stated at fair value, based on quoted market prices. Certificates of Deposit are reported at cost.

Fair Value of Financial Instruments – In accordance with GASB Statement No. 72, the Council is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Naugatuck Valley Council of Governments
Notes to Financial Statements

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Investments carried at fair value are presented in Note 2.

Budgetary Data

The Naugatuck Valley Council of Governments budget is in conformity with Generally Accepted Accounting Principles (GAAP). The Council operates under a management budget that is approved by the Council prior to the beginning of the fiscal year. The Board may amend the budget during the year. Encumbrance accounting is not used.

The Statement of General Fund Revenues and Expenditures – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Capital Assets

Capital assets, which include a vehicle, leasehold improvements, furniture and equipment are reported in the applicable governmental activities column in the Council-wide financial statements. Capital assets are defined by the Council as assets with an initial, individual cost of more than \$1,000 or a related group of assets whose cost exceed the threshold and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Computer Equipment	3
Leasehold Improvements	3
Office Equipment	5

Naugatuck Valley Council of Governments
Notes to Financial Statements

Right of Use Lease Asset – The Council has recorded right of use lease assets as a result of implementing GASB 87, Leases. The right of use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line basis over the life of the related lease.

Liability for Compensated Absences

Employees may accrue vacation earned until termination of their employment, at which time they are paid for accumulated vacation. All employees can accrue up to 175 hours. Compensated absences are accrued when incurred in the government-wide financial statements. There are seven current employees grandfathered in from the agency merger in 2015 who are able to accrue up to 210 hours.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Net Position and Fund Balance

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

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Council, which is not restricted for any project or other purpose.

When both restricted and unrestricted net position are available, the Council first applies restricted resources when an expense is incurred.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including prepaid expenditures and permanent fund principal.

Restricted Fund Balance – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally

Naugatuck Valley Council of Governments
Notes to Financial Statements

imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Directors in accordance with provisions of the Connecticut General Statutes.

Assigned Fund Balance – Indicates amounts that are constrained by the Council's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by formal action of the Board of Directors.

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications.

The Council has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Council generally used restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Council has not formally enacted legislation or Board policies requiring it to maintain a minimum fund balance.

NOTE 2 – Assets, Liabilities, and Fund Equity

Cash

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Council does not have a deposit policy for custodial credit risk. At year-end, the Council's carrying amount of deposits was \$939,570, and the bank balance was \$862,833, of which the Federal Depository Insurance Corporation covered \$250,000. As of June 30, 2022, \$612,833 of the Council's bank balance of \$862,833 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 551,550
Uninsured and Collateral held by pledging bank's Trust department not in the Council's name	<u>61,283</u>
	\$ 612,833

Credit Risk – The Council has no investment policy that limits the investment choices further than the State Statutes.

Investments

The following is a summary of investments at June 30, 2022:

Mutual Funds	<u>\$ 1,241,679</u>
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Custodial Credit Risk – Investments – This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral

Naugatuck Valley Council of Governments
Notes to Financial Statements

securities that are in possession of an outside party. The Council's does not have a policy for custodial credit risk. The Pension Trust Fund investments consist of Mutual Funds and are not exposed to custodial credit risk because they are direct contractual investments and are not securities.

Credit Risk – The Council does not have an investment policy that limits investment choices further than the Connecticut General Statutes. Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. This is measured by assignment of a rating by a nationally recognized rating organization.

Concentrations of Credit Risk – The Council has no policy limiting an investment in any one issuer that is in excess of 5% of the Council's total investments.

Interest Rate Risk – The Council does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The following is a schedule of assets measured at Fair Value:

Description	June 30, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 1,241,679	\$ 1,241,679	\$ -	\$ -

Capital Assets

Capital Asset activity for the year ended June 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets being Depreciated:				
Office Equipment	\$ 90,722	\$ -	\$ -	\$ 90,722
Computer Equipment	221,363	2,302	-	223,665
Leasehold Improvements	205,646	-	-	205,646
Website	38,385	-	-	38,385
Right of Use Building	981,337	-	-	981,337
Total Capital Assets being Depreciated:	<u>\$ 1,537,453</u>	<u>\$ 2,302</u>	<u>\$ -</u>	<u>\$ 1,539,755</u>
Less Accumulated Depreciation for:				
Office Equipment	\$ 86,134	\$ 1,818	\$ -	\$ 87,952
Computer Equipment	154,074	26,784	-	180,858
Leasehold Improvements	199,785	1,159	-	200,944
Website	15,674	7,677	-	23,351
Right of Use Building	294,401	49,067	-	343,468
Total Accumulated Depreciation	<u>\$ 750,068</u>	<u>\$ 86,505</u>	<u>\$ -</u>	<u>\$ 836,573</u>
Total Capital Assets, being Depreciated, Net	<u>\$ 787,385</u>	<u>\$ (84,203)</u>	<u>\$ -</u>	<u>\$ 703,182</u>

Naugatuck Valley Council of Governments
Notes to Financial Statements

Depreciation expense for June 30, 2022 is \$86,505.

NOTE 3 – Interfund Receivables and Payables

Interfund receivable and payable balances at June 30, 2022 were as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds		
General Fund	Planning UPWP Fund	\$ 306,695
General Fund	Highway Projects Fund	43,852
General Fund	FTA Fund	582,140
General Fund	Nonmajor Funds	332,793
Total due from/to other funds		<u>\$ 1,265,480</u>

The above balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Interfund transfers at June 30, 2022 were as follows:

Transfers In	Transfers Out	Amount
Governmental Funds		
Planning UPWP Fund	General Fund	\$ 123,573
Non-major Funds	General Fund	8,454
General Fund	OPM Fund	68
		<u>\$ 132,095</u>

NOTE 4 – Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the government carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year.

NOTE 5 – Lease Agreement

The Council has entered into an agreement to lease office space. The lease qualifies as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of their inception.

The agreement was entered into in December 2015, to lease office space in Waterbury, Connecticut and requires monthly payments that change per annum. The Council has two options to renew the lease each for a term of five years. In 2020 the Council renewed the lease for another five year term. The lease liability is measured at a discount rate of 6%, which is the available rate determined by the Council if they were to finance office space. As a result of the lease, the Council has recorded a right of use asset with a net book value of \$637,869 at June 30, 2022.

Naugatuck Valley Council of Governments
Notes to Financial Statements

The annual debt service requirements of the Council's lease payable is as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 35,019	\$ 49,296	\$ 84,315
2024	37,179	47,136	84,315
2025	39,472	44,843	84,315
2026	50,574	42,173	92,747
2027	53,693	39,053	92,746
2028-2035	621,538	166,807	788,345
	<u>\$ 837,475</u>	<u>\$ 389,308</u>	<u>\$ 1,226,783</u>

Interest paid and expensed on the lease payable for the year ended June 30, 2022, totaled \$51,330.

Long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Leases Payable	\$ 870,460	\$ -	\$ 32,985	\$ 837,475	\$ 35,019
Total Long-Term Liabilities	<u>\$ 870,460</u>	<u>\$ -</u>	<u>\$ 32,985</u>	<u>\$ 837,475</u>	<u>\$ 35,019</u>

NOTE 6 - Pension Plan

Council Employees

The Council adopted and administers a defined contribution pension plan (NVCOG Employees Retirement Plan) to provide benefits at retirement to employees of the Council. All employees age 20½ that are normally scheduled to work 29 or more hours per week are eligible to participate in the plan on the first of July nearest the completion of twenty-four months of service.

An eligible employee is one who has worked a minimum of 1,000 hours during the plan year, and who is actively employed as of the annual plan valuation date.

NVCOG makes discretionary contributions that are allocated across employees based on W-2 compensations excluding post-severance compensation. Separate discretionary contributions may be made to individual participants.

Vesting percentages, based on years of services, are as follows:

<u>Years of Service</u>	<u>Vesting %</u>
1	20%
2	40%
3	60%
4	80%
5 or more	100%

Naugatuck Valley Council of Governments
Notes to Financial Statements

The Council contributions were \$86,814, net of an employee forfeiture of \$6,792.

At June 30, 2022, membership in the Plan consisted of:

Current employees:	
Fully or partially vested:	
Active	23
Non-Active	4
Total	<u>27</u>

Contributions are placed into individual participant accounts, where the funds are invested in mutual funds at the employees' discretion. Each participant has ownership of his or her respective accounts. Plan provisions and contribution requirements are established and may be amended by the Council.

Significant Accounting Policies

Basis of Accounting. Financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that the contributions are due.

Method Used to Value Investments. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

NOTE 7 – Restatement of Net Position

As a result of the implementation of GASB No. 87, Leases, as of July 1, 2021, the Council made the following reporting change: leases payable were added to long-term liabilities and lease assets are now reported under capital assets as right of use building. The beginning net position and fund balance of NVCOG was restated as of July 1, 2021 as follows:

	<u>Net Position</u>
Net Position/Fund Balance as previously reported at June 30, 2021	\$ 843,455
Adoption of GASB 87:	
Capital Assets	686,936
Long-term Liabilities	<u>(870,460)</u>
Net Position/Fund Balance as Restated at July 1, 2021	<u>\$ 659,931</u>

NOTE 8 – Additional Information

Based on the final audited indirect cost rate the Naugatuck Valley Council of Governments anticipates receiving \$20,504 in additional funds from the Connecticut Department of Transportation in the subsequent year.

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	DEMHS Homeland Security	Citizen Emergency Response	EPA Fund	FEMA Pre-Disaster Mitigation	DEEP Greenway	HRR Hous. Rvr Rest-Osull	DECD Fund
Assets							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	3,900	-	205,542	204,114	9,230	26,804	19,995
Due From General Fund	18,724	4,799	-	-	-	-	7,740
Total Assets	\$ 22,624	\$ 4,799	\$ 205,542	\$ 204,114	\$ 9,230	\$ 26,804	\$ 27,735
Deferred Outflows of Resources							
	-	-	-	-	-	-	-
Liabilities							
Accounts Payable	\$ -	\$ -	\$ 115,684	\$ 55,300	\$ -	\$ 1,590	\$ -
Grant Prepayments	22,624	3,049	11,030	-	1,707	-	1,891
Due To General Fund	-	1,750	78,828	148,814	7,523	25,214	25,844
Total Liabilities	\$ 22,624	\$ 4,799	\$ 205,542	\$ 204,114	\$ 9,230	\$ 26,804	\$ 27,735
Deferred Inflows of Resources							
	-	-	-	-	-	-	-
Fund Balance							
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	\$ 22,624	\$ 4,799	\$ 205,542	\$ 204,114	\$ 9,230	\$ 26,804	\$ 27,735

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

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	LOT CIP Fund	COVID Relief	GIS Shelton	Hazardous Waste	Regional Incentive Grant Program	CTB Land Bank	Total Nonmajor Governmental Funds
Assets							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	-	54,973	3,000	175	-	11,043	538,776
Due From General Fund	44,799	-	3,630	14,269	2,337	-	96,298
Total Assets	\$ 44,799	\$ 54,973	\$ 6,630	\$ 14,444	\$ 2,337	\$ 11,043	\$ 635,074
Deferred Outflows of Resources	-	-	-	-	-	-	-
Liabilities							
Accounts Payable	\$ 66	\$ 23,533	\$ -	\$ 332	\$ -	\$ -	\$ 196,505
Grant Prepayments	44,733	-	6,630	14,112	-	-	105,776
Due To General Fund	-	31,440	-	-	2,337	11,043	332,793
Total Liabilities	\$ 44,799	\$ 54,973	\$ 6,630	\$ 14,444	\$ 2,337	\$ 11,043	\$ 635,074
Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund Balance							
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	\$ 44,799	\$ 54,973	\$ 6,630	\$ 14,444	\$ 2,337	\$ 11,043	\$ 635,074

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

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	DEMHS Homeland Security	Citizen Emergency Response	EPA Fund	FEMA Pre-Disaster Mitigation	DEEP Greenway	HRR Hous. Rvr Rest-Osull	DECD Fund
Revenues							
Federal Grants	\$ 11,160	\$ 2,418	\$ 319,089	\$ 96,405	\$ -	\$ 11,873	\$ -
State Grants	-	-	-	-	-	-	660
Other Governmental Agencies	-	-	-	52,462	9,212	-	-
Total Revenues	<u>11,160</u>	<u>2,418</u>	<u>319,089</u>	<u>148,867</u>	<u>9,212</u>	<u>11,873</u>	<u>660</u>
Expenditures							
Direct Costs:							
Salaries and Fringe Benefits	5,015	1,183	45,574	12,540	4,443	2,037	-
Contractors/Subcontractors	-	-	211,983	129,516	-	9,770	660
Other	914	1	14,011	37	137	22	-
Indirect Costs	<u>5,231</u>	<u>1,234</u>	<u>47,521</u>	<u>13,082</u>	<u>4,632</u>	<u>2,123</u>	<u>-</u>
Total Expenditures	<u>11,160</u>	<u>2,418</u>	<u>319,089</u>	<u>155,175</u>	<u>9,212</u>	<u>13,952</u>	<u>660</u>
Excess/(Deficiency) of Revenues Over Expenditures	-	-	-	(6,308)	-	(2,079)	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	6,308	-	2,079	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,308</u>	<u>-</u>	<u>2,079</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	LOTICIP Fund	COVID Relief	GIS Shelton	Hazardous Waste	Regional Incentive Grant Program Fund	CTB Land Bank	Total Nonmajor Governmental Funds
Revenues							
Federal Grants	\$ -	\$ 130,905	\$ -	\$ -	\$ -	\$ -	\$ 571,850
State Grants	151,825	-	-	-	109,916	-	262,401
Other Governmental Agencies	-	-	-	109,013	-	364	171,051
Total Revenues	<u>151,825</u>	<u>130,905</u>	<u>-</u>	<u>109,013</u>	<u>109,916</u>	<u>364</u>	<u>1,005,302</u>
Expenditures							
Direct Costs:							
Salaries and Fringe Benefits	60,905	34,016	-	7,113	15,960	178	188,964
Contractors/Subcontractors	27,280	61,414	-	90,057	77,300	-	607,980
Other	138	-	-	4,425	79	-	19,764
Indirect Costs	<u>63,502</u>	<u>35,475</u>	<u>-</u>	<u>7,418</u>	<u>16,644</u>	<u>186</u>	<u>197,048</u>
Total Expenditures	<u>151,825</u>	<u>130,905</u>	<u>-</u>	<u>109,013</u>	<u>109,983</u>	<u>364</u>	<u>1,013,756</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67)</u>	<u>-</u>	<u>(8,454)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	67	-	8,454
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67</u>	<u>-</u>	<u>8,454</u>
Net Change in Fund Balances	-	-	-	-	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS
Statement of Connecticut Department of Transportation Project Expenditures
For the Year Ended June 30, 2022

	COGCNV FHWA/FTA PL	COGCNV FHWA/FTA PL Carryover funds	VCOG FHWA/FTA PL	VCOG FHWA/FTA PL Carryover funds	
State Project number	DOT07209996PL	DOT07229996PL	DOT07209996PL	DOT07209997PL	
Federal project number	UR22 (001)	UR22 (001)	UR22 (001)	UR22(001)	
Master Agreement number	5.09-04(17)	5.09-04(17)	5.09-02(17)	5.09-02(17)	
CFDA number	20.505	20.505	20.505	20.505	Total
Maximum Funds Authorized					
FHWA/FTA	\$ 1,277,490	\$ 349,517	\$ 491,594	\$ 84,133	\$ 2,202,734
ConnDOT - FHWA/FTA	159,686	43,690	61,450	10,517	275,343
Local	159,686	43,690	61,450	10,517	275,343
TOTAL	\$ 1,596,862	\$ 436,897	\$ 614,494	\$ 105,167	\$ 2,753,420
Audited Expenditures					
Direct Salaries	\$ 373,309	\$ 16,221	\$ 138,993	\$ -	\$ 528,523
Indirect Costs @ 124.1%	463,650	20,147	172,629	-	656,426
Direct Charges	12,791	68,568	654	-	82,013
TOTAL	\$ 849,750	\$ 104,936	\$ 312,276	\$ -	\$ 1,266,962
Distribution of Audited Costs					
FHWA/FTA	\$ 679,800	\$ 83,949	\$ 249,821	\$ -	\$ 1,013,570
ConnDOT - FHWA/FTA	84,975	10,494	31,228	-	126,697
Local	84,975	10,494	31,228	-	126,697
TOTAL	\$ 849,750	\$ 104,937	\$ 312,277	\$ -	\$ 1,266,964
ConnDOT Responsibility					
FHWA/FTA	\$ 679,800	\$ 83,949	\$ 249,821	\$ -	\$ 1,013,570
ConnDOT - FHWA/FTA	84,975	10,494	31,228	-	126,697
TOTAL	\$ 764,775	\$ 94,443	\$ 281,049	\$ -	\$ 1,140,267
Payments Received to June 30, 2022	542,961	76,885	177,968	-	797,814
Payments Received after June 30, 2022	207,332	16,929	97,688	-	321,949
TOTAL PAYMENTS RECEIVED	750,293	93,814	275,656	-	1,119,763
Due From/(To) CONNDOT	\$ 14,482	\$ 629	\$ 5,393	\$ -	\$ 20,504



INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF OVERHEAD EXPENDITURES

To the Board of Directors of
Naugatuck Valley Council of Governments
Waterbury, CT

Opinion

We have audited the accompanying schedule of indirect costs and overhead rate calculation of the Naugatuck Valley Council of Governments as of and for the year ended June 30, 2022, and the related notes to the schedule.

In our opinion, the schedule referred to above presents fairly, in all material respects, the schedule of indirect costs and overhead rate calculation of the Naugatuck Valley Council of Governments as of and for the year ended June 30, 2022 in accordance with the provisions prescribed by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Basis for Opinion

The accompanying schedule of indirect costs and overhead rate calculation includes the allowable fringe, burden and overhead expenses of the Naugatuck Valley Council of Governments (the "Council") and has been prepared in accordance with the provisions prescribed by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The information in the schedule excludes certain unallowable costs and, therefore, amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the Council's basic financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the schedule in accordance with the provisions prescribed by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Indirect Overhead Rate

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and

express an opinion on the Council's schedule based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

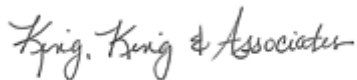
In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

Restriction on Use

Our report is intended solely for the information and use of the Naugatuck Valley Council of Governments and the State of Connecticut Department of Transportation and is not intended and should not be used by anyone other than these specified parties.



King, King & Associates, CPAs
Winsted, Connecticut
December 22, 2022

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

Schedule of Overhead Expenditures - General Fund

For the Year Ended June 30, 2022

	<u>ACTUAL</u>
OVERHEAD, BURDEN, AND FRINGE EXPENDITURES:	
Salaries	\$ 164,905
Compensated Absences	234,341
Employee Benefits	612,927
Rent	84,315
Professional Fees	86,789
Office Expense	21,615
Insurance	11,305
Printing	8,054
Dues, Books & Subscriptions	4,485
Computer Maintenance	44,859
Utilities	16,092
Telephone, Fax & Internet	15,440
Repairs and Maintenance	-
Training	7,275
Travel	8,875
Total	<u>\$ 1,321,277</u>
Overhead	\$ 1,321,277
Divided by Direct Labor, excluding paid leave	<u>1,064,296</u>
Actual Overhead Rate	<u>124.1%</u>

See accountant's report.

**INDEPENDENT AUDITOR'S 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**

Independent Auditor's Report

To the Board of the
Naugatuck Valley Council of Governments

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, and each major fund and the aggregate remaining fund information of the Naugatuck Valley Council of Governments (the "Council") which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2022.

Internal Control Over Financial Reporting

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

A deficiency *in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

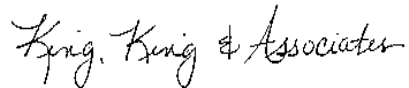
Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any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

Compliance and Other Matters

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



King, King & Associates, CPAs
Winsted, CT
December 22, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE
OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE
STATE SINGLE AUDIT ACT**

Independent Auditor's Report

To the Board of the
Naugatuck Valley Council of Governments

Report on Compliance for Each Major State Program
Opinion on Each Major State Program

We have audited the Naugatuck Valley Council of Governments' (the "Council") compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's Compliance Supplement that could have a direct and material effect on each of the Council's major state programs for the year ended June 30, 2022. The Council's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Basis for Opinion on each Major State Program

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

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over

compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance

requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the Council as of and for the year ended June 30, 2022, and have issued our report thereon dated December 22, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

King, King & Associates, CPAs
Winsted, CT 06098
December 22, 2022

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS
Schedule of Expenditures of State Financial Assistance
June 30, 2022

State Grantor/Pass-Through Grantor/ Program Title	STATE GRANT PROGRAM CORE-CT NUMBER	<u>EXPENDITURES</u>
Department of Economic and Community Development		
Brownfield Remediation Program	12052-ECD46260-43403	\$ 660
Department of Energy and Environmental Protection		
Responsible Growth Study - Greenway	12052-DEP43153-43130	9,212
Department of Transportation		
Regional Transportation Planning	12062-DOT57551-22108	128,023
FTA Capital Grants	12062-DOT57191-22108	30,028
Local Transportation Planning Improvement Program - VCOG	13033-DOT57000-43584	151,825
Office of Policy and Management		
Regional Service Grant	12060-OPM20600-35457	490,642
Regional Performance Incentive Program	12060-OPM20600-35457	<u>109,916</u>
	Total State Financial Assistance	\$ <u>920,306</u>

Naugatuck Valley Council of Governments
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2022

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Naugatuck Valley Council of Governments under programs of the State of Connecticut for the fiscal year ended June 30, 2022. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including the transportation, US Fish and Wildlife, and DECD – Main Street.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Naugatuck Valley Council of Governments conform to accounting principles generally accepted in the United States of America as applicable to Governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The fund financial statements contained in the Naugatuck Valley Council of Governments' annual report are prepared on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become both measurable and available while expenditures are recognized in the accounting period in which the fund liability is incurred.

The government-wide financial statements are prepared on the accrual basis of accounting. Under this basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred.

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditure's column of the Schedule of Expenditure of State Financial Assistance.

**Naugatuck Valley Council of Governments
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

We audited the basic financial statements of the Naugatuck Valley Council of Governments as of and for the year ended June 30, 2022 and issued our unmodified report thereon dated December 22, 2022.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

We have issued an unmodified opinion relating to compliance for major State programs.

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ Yes X No

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

<u>State Grantor and Program</u>	<u>State Core - CT Number</u>	<u>Expenditures</u>
Office of Policy and Management		
Regional Services Grant	12060-OPM20600-35457	\$ 490,642
Department of Transportation		
FTA Capital Grant	12062-DOT57191-22108	\$ 30,028

- Dollar threshold used to distinguish between type A and type B programs \$ 100,000

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated December 22, 2022, on internal control over financial reporting and on compliance and other matters based on our audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no significant deficiencies.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- No findings or questioned costs are reported related to State Financial Assistance Programs.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Board of the
Naugatuck Valley Council of Governments
Waterbury, Connecticut

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Naugatuck Valley Council of Governments ("Council") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Council's major federal programs for the year ended June 30, 2022. The Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

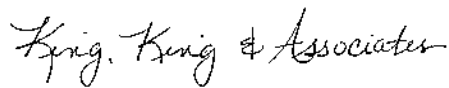
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements. We have issued our report thereon dated December 22, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



King, King & Associates, CPAs
Winsted, CT
December 22, 2022

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

Schedule of Expenditures of Federal Awards

June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Passed Through to Subrecipients	Federal Grant Expenditures
Department of Environmental Protection			
Revolving Loan Fund	66.818		155,398
Brownfields Assessment and Cleanup	66.818		319,089
Department of Commerce			
Passed Through Shelton EDA			
EDA-Cares	11.307		130,905
Department of Transportation:			
Passed Through the Connecticut Department of Transportation			
<i>Highway Planning and Construction Cluster</i>			
Transportation Planning UPWP	20.205		995,849
Transportation Projects	20.205		<u>342,209</u>
			1,338,058
 FTA Projects	 20.507		 142,248
Department of Homeland Security:			
Passed Through CT Department of Emergency Management and Homeland Security			
Pre-Disaster Mitigation	97.047		96,406
Homeland Security Regional Collaboration Program	97.067		11,160
Citizen Corps/CERT	97.053		2,418
Department of Housing and Urban Development			
CDBG-DR	14.269		2,207
Department of Interior			
Natural Resource Damage Assessment and Resoration	15.658		<u>11,873</u>
		Total Financial Assistance	\$ <u>2,209,762</u>

Naugatuck Valley Council of Governments
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Council under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Council.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements included in the Council's annual audit report.

The Council did not elect to use the 10% de minimis indirect cost rate.

**Naugatuck Valley Council of Governments
Schedule of Findings and Questioned Costs
Federal Awards
For the Year Ended June 30, 2022**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

We audited the basic financial statements of Naugatuck Valley Council of Governments (the Council) as of and for the year ended June 30, 2022 and issued our unmodified report thereon dated December 22, 2022.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

We have issued an unmodified opinion relating to compliance for major Federal programs.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) _____ Yes X No

Identification of Major Programs

U.S. Department of Transportation:
20.205 – Highway Planning and Construction

Dollar Threshold

Dollar threshold used to distinguish between type A and type B programs: \$750,000.

Low-Risk Auditee

The Naugatuck Valley Council of Governments did qualify as a low-risk auditee.

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated December 22, 2022, on internal control over financial reporting and on compliance and other matters based on our audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no significant deficiencies.

III. FEDERAL AWARD - FINDINGS AND QUESTIONED COSTS

- No findings or questioned costs are reported relating to federal award programs.



2023 SCHEDULE OF MEETINGS

**Naugatuck Valley Council of Governments (NVCOG)
and
Central Naugatuck Valley Metropolitan Planning Organization (CNVMPO)**

Meets the third Friday of each month at 10 a.m. The default location is the NVCOG conference room. There is no meeting in August. On Friday holidays, the regular meeting will normally be held on the preceding Thursday or the following Friday. The CNVMPO meets prior to the start of the NVCOG meeting.

January 13, 2023
February 17, 2023
March 17, 2023
April 21, 2023
May 19, 2023 – Annual Budget Meeting (tentative)
June 16, 2023
July 21, 2023
September 15, 2023
October 20, 2023
November 17, 2023
December 15, 2023

Suggested Motion

To approve, as presented, the 2023 NVCOG & CNVMPO meeting schedule.

January 05,2023

Memo 20230105 – Vision Zero Update

From: Rich Donovan, Transportation Planning Director

To: NVCOG Board Members and Alternates

Re: 2023 Vision Zero Action Plan

In September 2022, the Board of the NVCOG adopted a long-term Vision Zero goal, committing to eliminate fatalities and serious injuries on the region's roadways and trails. Vision Zero is a multi-disciplinary take on traffic safety, aiming to reduce deaths and serious injuries through a series of actions related to engineering, education, enforcement, and emergency response.

2022 has followed the trend of the past several years, with high numbers of total crashes and severity of these crashes. Preliminary 2022 data shows that, within the 19 town NVCOG region, 32 people were killed and an additional 174 seriously injured in traffic crashes.

To make progress toward the goal of Vision Zero, NVCOG staff has established a working plan for 2023 to include the following items:

- Regional and town-by-town reporting on crash data, identifying high priority areas for improvement
- Establishing a working group within the Transportation Technical Advisory Committee (TTAC) to devise a guidebook of temporary and quick-build actions to address areas of concern on local roads
- Working with the CTDOT to develop a guidebook of temporary or quick-build items on state owned facilities that are especially dangerous to users
- Establishing an enforcement committee made up of members of local law enforcement and public safety advocates to share best practices and identify joint advocacy goals
- Creation of a public campaign, called NVision Zero, to highlight the work within the region to improve safety, advocate for safe driver and non-driver behaviors, and gather public support for these efforts.

To achieve these items, NVCOG staff will be in regular contact with City Engineers, Directors of Public Works, and additional municipal staff as appropriate. Chief elected officials will be included on all communication, and we encourage involvement at all levels to advance our ambitious safety goal.

Additionally, the Connecticut Vision Zero Council, a working group established by the legislature and made up of commissioners or appointees from several state agencies, has proposed a broad legislative agenda for the current session. NVCOG staff will be tracking progress of these efforts and providing regular updates.

Naugatuck Valley Council of Governments
Brownfields Project Status
January 2023 Memo
Happy New Year!

RBP Update:

- **LEP – Shortlist** – Of the nineteen firms who responded to NVCOG’s RFQ for Environmental Services, the Regional Brownfield Partnership Executive Committee selected the following eight to shortlist: Freeman Companies, Arcadis, HRP, Down to Earth, SLR, Tighe & Bond, VHB, and Weston & Sampson.

Department of Economic and Community Development

1. **Derby Main Street South Project:** Grant in the amount of \$200,000 to conduct assessment activities in the Derby Main Street South project area. Environmental assessment activities will support the construction of local roads in the area and will target parcels most ready for development. This assessment project is critical to the success of the City of Derby’s \$5 million Urban Act grant, which will directly fund the construction of local roads and infrastructure. To date, the site assessed under this grant are as follows: 23 Factory Street, 2 Factory Street, 90 Main Street, and 0 Water Street. The remaining funding under this grant will be allocated to additional testing within the funding area.
2. **O’Sullivan’s Island Recreational Assessment Project:** O’Sullivan’s Island Recreational Assessment Project: O’Sullivan’s Island is a peninsula at the confluence of the Housatonic and Naugatuck Rivers, located south of Derby’s downtown commercial district. NVCOG was awarded a \$200,000 DECD grant to conduct environmental assessment activities and develop remediation strategies on the site. The remaining funds will be used in conjunction with the O’Sullivan’s Island Fishing and Viewing Platform project to assess and remove soils generated through its construction and capping.

U.S. Fish and Wildlife Service:

The U.S. Fish and Wildlife Service (USFWS), on behalf of the Connecticut Housatonic Natural Resource Trustee Council, awarded NVCOG \$325,000 to construct an accessible fishing and viewing platform at O’Sullivan’s Island Recreation Park, Derby. All required permits for the O’Sullivan’s Island Fishing Pier have been approved, and NVCOG has secured the final design plans from HRP. A contractor for the construction of the pier has been selected, and work is anticipated to start within the next 30 days. The project will consist of a handicap-accessible fishing pier with viewing benches overlooking the Housatonic River.

EPA Assessment Grant:

1. **1 Main Street, Berlin:** The Regional Brownfield Partnership awarded the town of Berlin \$46,800 to close environmental data gaps. Fuss & O’Neill is the preferred environmental

firm selected for the project. Environmental activities are wrapping up on-site, and reports should be made available by the end of this month. Data obtained will assist the town to secure a developer for the proposed 14-residential condos.

2. 526 North Main Street, Waterbury: The Regional Brownfield Partnership has awarded the Neighborhood Housing Services of Waterbury a \$100,000 sub-grant for environmental assessment activities at 526 North Main Street, Waterbury. Data will be used to determine the level of on-site remediation needed (if any). The proposed redevelopment of this former industrial site consists of a 100+ unit apartment building with commercial space on the first two floors. Environmental testing is ongoing. Elevated levels of PCBs, PAHs, and asbestos have been identified. Data on groundwater are pending. The Phase II report is being finalized.
3. 300 Broad Street, Bristol: The Regional Brownfield Partnership has awarded 300 Broad Street Properties LLC. \$83,000 in petroleum assessment funds to conduct environmental assessment activities within the vicinity of the interior of the building/proximity of exterior footprint. SLR, the selected environmental firm, is finalizing environmental work on site and anticipates having a report for us to review by early next month.
4. 143 Wolcott Road, Wolcott: The town of Wolcott was requested assistance obtaining a Phase I environmental site assessment of the property. NVCOG has secured site access. DTE, the environmental firm, has completed the Phase I report.

EPA Revolving Loan Fund

1. 130 Freight Street, Waterbury: The Revolving Loan Fund Committee of the NVCOG has awarded the Waterbury Development Corporation a \$200,000 sub-grant for cleanup planning activities at 130 Freight Street & 00 West Main Street, Waterbury. Funds at the former Anaconda American Brass factory would be applied for on-site assessment, cleanup planning, and environmental professional services. The site is included in the City of Waterbury's Master Plan for the Freight Street District, in which mixed-rate residential units, commercial space, and industrial space, with a portion of the site returning to green space, has been proposed. Environmental activities have commenced on site. The City has secured additional funding for demolishing the neighboring building, which will be considered a separate project.
2. Brass City Harvest – 359 Mill Street, Waterbury: The Revolving Loan Fund Committee of the NVCOG has awarded the Waterbury Development Corporation an \$86,000 sub-grant to assist with State remedial closeout requirements on site. The Brass City Harvest is a 501(c)(3) non-profit organization that uses urban agriculture to build self-reliance skills, empower residents to modify their dietary behaviors, and increase fresh food access points in the community. Steps towards providing the required "closeout verification work" has commenced. Groundwater monitoring is complete. As part of the next steps, WDC has submitted a request to NVCOG for supplemental funding to tackle Lot#9. The proposed area will be the future home of several greenhouses.

3. Anamet – 698 South Main Street, Waterbury: The Revolving Loan Fund Committee of NVCOG has awarded the Waterbury Development Corporation a \$200,000 sub-grant for cleanup planning at 698 South Main Street, Waterbury. This large property nestled between the Naugatuck and Mad Rivers was once the campus of the Anamet network of factory buildings. The City of Waterbury's plan for this site includes repurposing the 200,000-square-foot building back into light industrial and demolishing the remaining dilapidated factories, rebuilding with mixed-use, and incorporating the strip of land alongside the river into the Naugatuck River Greenway. This multi-use trail will provide exercise, active transportation, and recreation opportunities while raising property values and connecting regional economic corridors. Environmental assessment activities are currently ongoing. Environmental assessment activities within the high-bay building have been completed, and remedial activities have commenced. The City has wrapped up work on demolishing the remaining three buildings on site. An RFP for a developer is live.
4. Former Naugatuck Recycling Center – 226 Rubber Avenue, Naugatuck: The Borough of Naugatuck was sub-granted \$45,000 for assessment activities on site. Environmental data collected on-site will help the Borough determine redevelopment options for future reuse. Environmental site assessment activities have been completed, and environmental reports have been submitted to the Borough for review.
5. Risdon Site – 0 Andrew Avenue, Naugatuck: The Borough of Naugatuck was sub-granted \$200,000 for assessment and remedial activities at the former Risdon Manufacturing site. Environmental data collected has helped the Borough of Naugatuck determine redevelopment options for future reuse. Environmental site assessment activities have been completed, and reports are in development. Remedial activities are placed on a brief hold as the Borough seeks additional funds for remediation. The BON has submitted a request to NVCOG for \$350K to conduct site cleanup.
6. 67-71 Minerva Street, Derby: Remaining data gaps were closed. Earlier this year, with assistance from NVCOG's FY16 and CTBLB's FY19 assessment grants. Remediation - The Revolving Loan Fund Committee of NVCOG awarded the City of Derby \$293,000 for the remediation of the former autobody shop. Remedial activities are anticipated to commence in the first quarter of 2023. The City of Derby has selected the preferred developer to transform the abandoned brownfield into mixed residential and commercial. CT DEEP recently approved BL Companies' request that the parking garbage be included as part of the building. This approval has minimized the cost of remediation for the project. With the recent \$650K award from DECD, the project will move forward as anticipated.
7. Nova Dye – 313 Mill Street, Waterbury: The Revolving Loan Fund Committee of NVCOG has awarded the Waterbury Development Corporation a \$200,000 sub-grant to assist with assessment activities to closing data gaps currently on site. These funds are meant to supplement remedial and construction funds granted to the City of

Waterbury from the State. The proposed redevelopment of the site is a Baseball Park for the local community. Environmental work commenced October 19th, 2022.

8. Beaton & Corbin – 318 North Main Street, Southington: Remediation of the site is at 99% complete. However, activities such as capping and paving still need to take place under the RLF loan.

Connecticut Brownfield Land Bank:

1. Anamet – 698 South Main Street, Waterbury: The CTBLB board has approved sub- granting \$20,500 to the Waterbury Development Corporation for assessment activities at the former Anamet site. Funds have been allocated for assessment work in proximity to the High Bay building. Assessment work is completed, and remedial activities will commence shortly under DECD and NVCOG (EPA) funding.
2. 300 Broad Street, Bristol: The CTBLB board has approved awarding 300 Broad Street Properties LLC. hazardous and petroleum funding to close out existing data gaps. Environmental activities are ongoing. The data collected will assist the new owners in determining the best reuse options. The site is being proposed as warehouse space, with a large portion for manufacturing.
3. Beaton & Corbin – 318 North Main Street, Southington: The CTBLB is working with their legal team to facilitate property transfer.
4. White Oak – 63 West Main Street, Plainville: The CTBLB is assisting the town of Plainville with the assessment and remedial oversight of the White Oak project. The town has completed finalizing the DECD financial agreement and is working on wrapping up the LDA with the developer. CTBLB has already assisted with the procurement of an LEP, Tighe & Bond. CTBLB staff anticipates environmental work to commence within the next 30 days.
5. 67-71 Minerva Street, Derby: DECD has awarded the CTBLB their request for remediation assistance for \$650K. A kick-off meeting will be held on Jan. 12th.

CTBLB projects completed to date: 40 West Street, Bristol; 304 Seymour Avenue, Derby; 1 Watrous Street, East Hampton; 67-71 Minerva Street, Derby; 698 South Main Street, Waterbury.

Please note - The CTBLB has responded to EPA's newest funding round for both assessment and RLF funding. Applications were submitted on November 22nd and a decision from EPA should be made Spring 2023.

