



## NHCOC ANNUAL MEETING

### NOTICE OF REGULAR MONTHLY MEETING (REMOTE ONLY)

**LEAVE TODAY'S MEETING WITH:**

- **An understanding of CT Main Street's PROMISE program**
  - **The 2024-2025 FY NHCOC Annual Budget**
  - **Understanding of the SustainableCT Initiative**
- **Updates on Cybersecurity for the region/Municipal Grant Program and more**

---

**DATE: THURSDAY, JUNE 13, 2024**

**TIME: 10:00 AM – 11:30 AM**

**LOCATION: <https://us02web.zoom.us/j/84425561897?pwd=ytKdhck8W2OQDHxlw1tiAvqQDmLHzV.1>**

Meeting ID: 844 2556 1897 | Passcode: 289735 | Call-in Option: 1-305-224-1968

---

### AGENDA

*(Chairman Dan Jerram; Vice Chairman Mike Criss; Secretary Patrick Roy; Treasurer Tom Weik)*

1. Call to order and opportunity for public comment, **Dan Jerram, Chair - 5 mins**
2. The PROMISE Program, **Michelle McCabe, CT Main Street Center (Attachment A) – 15 mins**
3. Overview of SustainableCT and introduction of NHCOC's Summer Fellow, John-Henry Burke, **Rob Phillips and Inez Ortiz, Sustainable CT – 15 mins**
4. Report of the Executive Director, **Rob Phillips - 10 mins**
  - a. ED Activity Log – May (*Attachment B*)
  - b. 5<sup>th</sup> Thursday Land Use Training – May 30<sup>th</sup>
  - c. MSW Subcommittee meeting – June 10<sup>th</sup>
  - d. Road Supervisors meeting – June 12<sup>th</sup>
  - e. Review and acceptance of FY22-23 Draft Audit (*Attachment C*)
  - f. **ACTION** – To authorize the Executive Director to proceed with a Request for Proposals/Qualifications (RFP/RFQ) for independent auditing services.
5. **ACTION** - Approval of the FY 2024-2025 NHCOC Annual Budget as recommended by the Executive Committee, **Rob Phillips and Rista Malanca – 10 mins (Attachment D)**

6. Cybersecurity & .gov domain name regional services / Municipal Grant Program (MPG) update, **Jean Speck – 5 mins**
7. **ACTION** – Transportation STIP Amendments, **Kathryn Faraci – 5 mins** (*Attachment E*)
  - a. 0472-XXXX (6-13-24) – for section 5311 Federal Transit Administration funds for the Northwest Transit District direct fixed route, dial-a-ride, and jobs access transit operations
  - b. 0170-XXXX (6-13-24) – to move project from FY2023 to FY 2024 and will put funds in place for the award of an FTA grant application. This project includes Rural planning, administration, rural transit administration program, technical assistance and intercity bus activities. Project is being increased to provide the necessary funding for this project.
  - c. 0472-XXXX (6-13-24) – to move the FY23 Section 5311 funding to FY 2024 for Capital needs including replacement of small buses and purchase of necessary support equipment. This STIP action will put funds in place for the award of a FTA grant application. Project is being increased to cover the cost of vehicles needing replacement.
  - d. 0170-XXXX (6-13-24) – Congress has recently appropriated \$92,000 in support of the Northwest Hills Council of Governments for the Rural Independent Transportation System (RITS) services. The RITS Program provides rides to non-emergency medical appointments for the elderly and disabled living in the NHCOC region, at no cost to the rider. The funding for this project comes from the Consolidated Appropriations Act, 2024. This project will be administered through FTA. The Department will be applying for the funding on behalf of the NHCOC. Project total \$115,000; \$92,000 federal
8. DEMHS update, **John Field, DEMHS R5 - 5 mins**
9. Administrative Items - **10 mins**
  - a. **ACTION** – Approval and authorization of the Secretary to endorse the “Statement of Work” for the FY 2024-2025 Regional Service Grant (RSG) (*Attachment F*)
  - b. **ACTION** - Election of NHCOC Officers and Executive Committee for FY 2024-2025. The slate of Officers shall be approved at the June Annual Meeting per NHCOC Bylaws, **Nominating Committee (Carusillo, Jerram, Raap, Ridgeway)**
  - c. **ACTION** – Executive Committee recommendation to the board to create a Bylaws and Policies and Procedures Review Committee of 5 members to serve annually: effective July 1<sup>st</sup>.
  - d. **ACTION** - Approval of Meeting Minutes for May 9, 2024 (*Attachment G*)
  - e. **ACTION** - Approval of Monthly Financial Statement for April (*Attachment H*)
  - f. Correspondence - EPA Clean Heavy-Duty Program – Material from LiveGreenCT - Webinar June 17th 3-4PM - [https://usepa.zoomgov.com/webinar/register/WN\\_IZE3ZDAZT7-6Uskn3wXlCw#/registration](https://usepa.zoomgov.com/webinar/register/WN_IZE3ZDAZT7-6Uskn3wXlCw#/registration) (*Attachments I and J*)
  - g. Correspondence – Letter of Support for Winsted Health Center for the creation of Housing and Advanced Makerspace under an application to the Community Investment Fund (*Attachment K*)

- h. Correspondence – Letter of Support for the Town of Salisbury for the creation of 20 affordable housing units at Dresser Woods under an application to the Small Cities/CDBG grant (*Attachment L*)
- i. Correspondence – Letter of Support for the Town of Sharon for the creation of 4 affordable rentals managed by the Sharon Housing Trust under an application to the Small Cities/CDBG grant (*Attachment M*)
- j. Correspondence – Letter of Support for the Town of Warren for the creation of 8 affordable housing units at Warren Village under an application to the Small Cities/CDBG grant (*Attachment N*)

10. Open discussion/member advisement for the benefit of the NHCOC board – **10 mins**

11. Meeting adjournment

**----- Next NHCOC Regular Monthly Meeting – Thursday, July 11, 2024 at 10AM via ZOOM-----**



## ATTACHMENT A



### Northwest CT Main Street Promise

Partnership to Revitalize Our Main Streets with Integrated Solutions and Efforts

#### **Upcoming meetings:**

June 13<sup>th</sup> – COG Policy Board meeting

June 25<sup>th</sup> @ 10am – Virtual Informational meeting – All Stakeholders & Partners are invited.

<https://us02web.zoom.us/j/85876148391?pwd=o9JRdLUPbBuW16H5Hh2nfQSn5Fg5Cu.1>

#### **Getting Started - Questionnaire for Chief Elected Official:**

1. Who would you like to be the primary point of contact / Project Manager?
2. What “Main Street” or Village Center would you like these efforts to be focused on?
3. What is the top 1 or 2 objectives/deliverables you would like to see come from this PROMISE?
4. Is there any information you would like us to review before we perform a site visit and assessment?
5. Provide any other information, thoughts, concerns or questions you would like us to know.

#### **Next Steps - Schedule & Perform Site Visits and preliminary assessments:**

Throughout the months of July & August Northwest Hills Council of Governments (NHCOC) & CT Main Street Center (CMSC) Staff will conduct walking tours in each community and asset & capacity assessments of that communities Main Street.

The Project Manager will assist with the following:

- (2) 2-hour tours will be scheduled each day at 10am and 1pm. [Please identify your availability \(page 2\).](#)
- Identify the Main Street\* to be the focus of these efforts.
- Identify, in addition to NHCOC & CMSC, who you would like to participate in the walking tour.
- Help plan walking tour logistics (Meeting place, parking, businesses we should visit, sites we should see, etc...)

*\* In rural settings we recognize that some communities may not have a traditional “Main Street.” Rather, they have a Village Center or an area of Town that functions much like a traditional Main Street would or whose residents gravitate to a specific community for their shopping, dining, or entertainment needs or, finally, who aspire to build a village center from the ground up. For the purposes of these efforts, any area identified by the community as their “Main Street” will be eligible for services.*





## Northwest CT Main Street Promise

Partnership to Revitalize Our Main Streets with Integrated Solutions and Efforts

### Walking Tour & Assessments

Please Identify your availability

	10am	1pm
Wednesday, July 17, 2024		
Friday, July 19, 2024		
Monday, July 29, 2024		
Tuesday, July 30, 2024		
Wednesday, July 31, 2024		
Thursday, August 1, 2024		
Friday, August 2, 2024		
Monday, August 5, 2024		
Tuesday, August 6, 2024		
Friday, August 9, 2024		
Monday, August 12, 2024		
Thursday, August 15, 2024		
Friday, August 16, 2024		



## **ATTACHMENT B**

### **MEMORANDUM**

**To: NHCOC Board**  
**From: Robert A Phillips, Executive Director**  
**Date: June 13<sup>th</sup>, 2024**  
**Re: Meeting Activity Log of the Executive Director**

---

Please find the Executive Director's general activity log for meetings and discussions relating to the noted topics **since the May 9<sup>th</sup> Board Meeting of FY23-24**. If you have any questions, concerns, or suggestions, please contact me at [rphillips@northwesthillscog.org](mailto:rphillips@northwesthillscog.org) or via phone at 860-491-9884.

#### **ECONOMIC DEVELOPMENT**

- Facilitated NW CT EDC Strategy Session with all NHCOC staff in an effort to further the CEDS plan implementation strategy.
- Attended EcDev breakfast with State Comptroller Scanlon as Featured Speaker.
- Attended monthly NW CT Chamber of Commerce meeting.

#### **LAND USE PLANNING/PRESERVATION/CONSERVATION**

- Attended two monthly Housatonic River Commission (HRC) Meetings.
- Met with HRC leadership to discuss ongoing support and revised agreement.
- Attended Hot Topics in Land Use Law and Practice annual event.

#### **EMERGENCY MANAGEMENT**

- Met with WestCOG staff to discuss ongoing partnership with DEMHS grants and future MOU responsibilities.
- Held a R5 REPT full board meeting.



## **TRANSPORTATION/PUBLIC WORKS**

- Attended DOT/COG Monthly/Quarterly Meeting Series

## **SUSTAINABILITY/MSW**

- Organized the Spring/Summer HHW event at Falls Village with Clean Harbors and staff.
- Attended Hazardous Waste Advisory Committee (HWAC) of the CT DEEP.
- Met with representatives of USA Hauling, Former Waterbury Mayor Neil O'Leary, Jennifer Heaton-Jones of HRRRA and members of CT DEEP on different occasions to discuss MSW matters.
- Toured the RRDD1 facility with Todd Arselaschi.
- Held a MSW Subcommittee meeting to discuss private vs public MSW management.

## **OTHER NHCOCG TOPICS**

- Met with Auditors on several occasions to discuss the Draft FY22-23 Audit
- Attended COST Legislative Wrap-up event.
- Attended Affordable Housing workshop with Litchfield County Center for Housing Opportunity.
- Attended Seminar on Understanding Housing as a Social Driver of Health for Rural Residents.
- Attended CT COG meeting of Executive Directors.
- Held a NHCOCG Exec Comm Meeting to finalize the draft FY24-25 Budget and Workplan.
- Met with staff of MY OFFICE, LLC for bookkeeping and Audit purposes.
- Attended Project Management in the Public Sector seminar at UCONN.
- Attended Eversource Rate Increase Presentation.
- Met with vendors as needed.
- Participated in multiple phone conversations with the state, towns, residents, and other stakeholders in the region on demand.

# ATTACHMENT C

April 19, 2024

King, King & Associates, CPAs  
170 Holabird Avenue  
Winsted, Connecticut 06098

This representation letter is provided in connection with your audit of the financial statements of the Northwest Hills Council of Governments, which comprise the respective financial position of the governmental activities, and each major fund as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 19, 2024, the following representations made to you during your audit.

## **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 18, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting of the entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to

related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 10) Guarantees, whether written or oral, under which the Northwest Hills Council of Governments is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Northwest Hills Council of Governments from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Northwest Hills Council of Governments or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - o Management,
  - o Employees who have significant roles in internal control, or
  - o Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Northwest Hills Council of Government's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

- 17) We are not aware of any pending or threatened litigation, claims, or assessment or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the names of the Northwest Hills Council of Government's related parties and all the related party relationships and transactions of which we are aware.

**Government—specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy identified and suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The Northwest Hills Council of Governments has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of state awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept the responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of state and federal awards.
- 29) The Northwest Hills Council of Governments has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The Northwest Hills Council of Governments has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- 31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements include all fiduciary activities required by GASBS No. 84, as amended.
- 33) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 34) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- 36) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 41) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 43) We have appropriately disclosed the Northwest Hills Council of Government's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 44) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 45) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurements and presentation have not changed from used in prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 46) With respect to the supplementary information listed in the table of contents on which an in-relation-to opinion is issued:

- a) We acknowledge our responsibility for presenting supplementary information listed in the table of contents in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information listed in the table of contents, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information listed in the table of contents have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- b) If the supplementary information listed in the table of contents is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

47) With respect to state financial assistance programs:

- a) We are responsible for understanding and complying with and have complied with the requirements of the CT State Single Audit Act, including requirements relating to preparation of the schedule of expenditures of state financial assistance.
- b) We acknowledge our responsibility for presenting the schedule of expenditures of state financial assistance in accordance with the requirements of the CT State Single Audit Act, and we believe the schedule of expenditures of state financial assistance, including its form and content, is fairly presented in accordance with the CT State Single Audit Act. The methods of measurement or presentation of the schedule of expenditures of state financial assistance have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the schedule of expenditures of state financial assistance.
- c) If the schedule of expenditures of state financial assistance is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of state financial assistance no later than the date we issue the schedule of expenditures of state financial assistance and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the CT State Single Audit Act and included in the schedule of expenditures of state financial assistance made during the audit period for all awards provided by state agencies in the form of grants, state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our state programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to state programs that provides reasonable assurance that we are managing our state awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our state programs. We believe the internal control system is adequate and is functioning as intended.



- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with state agencies or pass-through entities relevant to state programs and related activities.
- h) We have received no requests from a state agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the CT State Single Audit Act, relating to state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of state awards.
- j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m) We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to state program financial reports and claims for advances and reimbursements.
- n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
- q) State program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- r) The copies of state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- s) We have charged costs to state awards in accordance with applicable cost principles.

48) With respect to federal award programs:

- 1) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative

Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

2) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

3) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

4) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

5) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

6) We are responsible for establishing, designing, implementing, and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

7) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

8) We have received no requests from a federal agency to audit one or more specific programs as a major program.

9) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.

10) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

11) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

12) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and OMB Circular A-87, Cost Principles for State, Local, and Tribal Governments, if applicable.

13) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

14) We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

15) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

16) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

17) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

18) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

19) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

23) We have charged costs to federal awards in accordance with applicable cost principles.

24) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

25) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

26) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

27) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Signed: \_\_\_\_\_  
Title: Executive Director  
Northwest Hills Council of Governments,  
Goshen, CT

Signed: \_\_\_\_\_  
Title: Treasurer  
Northwest Hills Council of Governments,  
Goshen, CT

To the Board of Directors of  
The Northwest Hills Council of Governments

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Northwest Hills Council of Governments as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Northwest Hills Council of Governments' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northwest Hills Council of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of Northwest Hills Council of Governments' internal control.

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 and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

We consider the deficiencies in internal control presented as finding 2022-001 in the Schedule of Findings and Questioned Costs included in the State and Federal Single Audit Reports to be material weaknesses.

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. We consider the following deficiencies in internal control to be significant deficiencies:

We consider the deficiencies in internal control presented as findings 2022-002, 2023-001, and 2023-002 in the Schedule of Findings and Questioned Costs included in the State and Federal Single Audit Reports to be significant deficiencies.

During our audit, we became aware of the following deficiencies in internal control, other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency:

**Sales Tax:**

While performing our audit procedures, we noted that sales tax of \$2,132 was inadvertently paid on construction work. The invoices were revised multiple times by the vendor, and the sales tax became blended with the base price.

**Recommendation:**

We recommend that invoices should be reviewed to ensure sales tax is not being charged.

**Management Response:**

We agree. Invoices are always expected to be reviewed by appropriate staff. Expectations will be reinforced across the organization.

In this case, it was noted in handwriting on the invoice, by the Executive Director, that there should not be any tax applied to the balance of the invoice. The invoice indicated that the tax was removed, however the exact amount of the tax was then hidden in the line-item adjustments made on the final invoice; perhaps deceptively.

Once discovered, the Executive Director attempted on several occasions to work with the contractor on returning the overpayment. While initially cooperative, ultimately the contractor became unresponsive, and communication has never been returned since April, 2024.

Again, expectations will be reinforced across the organization.

**Fixed Assets:**

While performing our audit procedures, we noted that \$13,712 was not identified by the client to be added to the fixed asset listing.

**Recommendation:**

We recommend that the client maintain a file of invoices for capital purchases of \$500, per the Council's capitalization limit, to be provided at the time of the audit to be included on the fixed asset listing.

**Management Response:**

The Fixed Asset Listing will be updated and maintained accordingly moving forward. It was misunderstood that the threshold was \$1,000 for documentation.

**Contingency Expenses:**

While performing our audit procedures, we noted that \$25,180 was reported as contingent expenditures. Expenditures should not be classified as contingency they must be classified in the appropriate line item.

**Recommendation:**

We recommend that the expenditures be recorded in an appropriate line item, and a budget transfer be made from contingency when needed.

**Management Response:**

The Contingency Line Item has been used for items that were either office-relocation-oriented or did not fit a designated line item in the current QuickBooks architecture. This has been communicated to the Board on a number of occasions and the QuickBooks architecture is being modified to fit the newly organized FY24-25 NHCOC Budget to

better reflect the actual chart of accounts and budgeting framework of the organization under the new budgeting format.

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

Sincerely,

A handwritten signature in cursive script that reads "King, King & Associates".

King, King & Associates, CPAs  
Winsted, CT  
April 19, 2024

---

# **NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

---

Annual Financial Statements

For the Year Ended June 30, 2023

DRAFT

**Northwest Hills Council of Governments**

Table of Contents

June 30, 2023

---

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE STATEMENTS</b>	
Statement of Net Position	10
Statement of Activities	11
<b>FUND FINANCIAL STATEMENTS</b>	
<b>Governmental Funds</b>	
Balance Sheet-Governmental Funds	12
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – All Governmental Fund Types	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Net Position	14
Budgetary Comparison Statement – General Fund	15
<b>Fiduciary Funds</b>	
Statement of Fiduciary Net Position	16
Statement of Changes in Fiduciary Net Position	17
Notes to Financial Statements	18
<b>SUPPLEMENTAL SCHEDULES</b>	
Statement of Connecticut Department of Transportation Project Expenditures	27
Independent Auditor's Report on the Schedule of Overhead Expenditures	28
Schedule of Overhead Expenditures – General Fund	30
<b>COMPLIANCE REPORTS AND SUPPLEMENTARY SCHEDULES</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	31
<b>State Single Audit</b>	
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	33
Schedule of Expenditures of State Financial Assistance	37



**Northwest Hills Council of Governments**

Table of Contents

June 30, 2023

---

Notes to Schedule of Expenditures of State Financial Assistance	38
Schedule of Findings and Questioned Costs	39
Summary Schedule of Prior Audit Findings	42

**Federal Single Audit**

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	43
Schedule of Expenditures of Federal Awards	46
Notes to the Schedule of Expenditures of Federal Awards	47
Schedule of Findings and Questioned Costs	48
Summary Schedule of Prior Audit Findings	52



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Northwest Hills Council of Governments, Goshen, CT

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the major funds information, and aggregate fund information of the Northwest Hills Council of Governments (NHCOG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the NHCOG'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, the major funds information, the aggregate fund information of the NHCOG, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 NHCOG 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 NHCOG'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 NHCOC'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 NHCOC'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 4–9 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 NHCOC basic financial statements. The Statement of Connecticut Department of Transportation Project Expenditures is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Statement of Connecticut Department of Transportation Project Expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 April 19, 2024, on our consideration of the NHCOC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the NHCOC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering NHCOC's internal control over financial reporting and compliance.

*King, King & Associates*

King, King & Associates, CPAs  
Winsted, CT  
April 19, 2024

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2023

---

As management of the Northwest Hills Council of Governments (NHCOC), we offer readers of the NHCOC's financial statements this narrative overview and analysis of the financial activities of the NHCOC for the fiscal year ended June 30, 2023.

**Financial Highlights**

- The assets of the NHCOC exceeded its liabilities at the close of the most recent fiscal year by \$1,949,173 (*net position*). Of this amount, \$1,598,378 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$24,995.
- As of the close of the current fiscal year, the NHCOC governmental funds reported combined ending fund balances of \$1,600,388, due primarily to grants receivable and Public Works Equipment Cooperative assets.
- At the end of the current fiscal year, the fund balance for the general fund was \$1,112,752 or 68% percent of total general fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the NHCOC's basic financial statements. The NHCOC'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 NHCOC finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the NHCOC 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 NHCOC 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).

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2023

---

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

The governmental activities of the NHCOC include regional planning, highway planning, administration of various regional programs, e.g., household hazard waste collection and public works cooperative. The government-wide financial statements can be found on pages 10-11 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The NHCOC, 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 NHCOC are governmental funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. 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 NHCOC maintains two 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.

The NHCOC 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 12-17 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 18-26 of this report.

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

---

**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 NHCOG, assets exceeded liabilities by \$1,949,173 at the close of the most recent fiscal year.

Net Position		
	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 2,018,566	\$ 1,753,108
Capital Assets	<u>491,476</u>	<u>565,604</u>
Total Assets	<u>\$ 2,510,042</u>	<u>\$ 2,318,712</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Other Liabilities	\$ 413,614	\$ 191,961
Long-term liabilities outstanding		
Due in One Year	20,952	16,388
Due in More than One Year	<u>126,303</u>	<u>166,685</u>
Total Liabilities	<u>560,869</u>	<u>375,034</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net Position:		
Invested in capital assets, net of related debt	350,795	395,288
Unrestricted	<u>1,598,378</u>	<u>1,548,390</u>
Total Net Position	<u>\$ 1,949,173</u>	<u>\$ 1,943,678</u>

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

At the end of the current fiscal year, the NHCOG is able to report positive balances 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 positive balances.

The government's net position increased by \$24,995 during this fiscal year.

**Governmental activities.** Governmental activities increased the NHCOG net position by \$24,995. Key elements of this increase are as follows:

- Increase in amounts awarded in Transportation, RITS, and RSG funding.
- EDA grant projects were wrapping up during fiscal year 2023.
- A complete turnover in staff occurred during fiscal year 2022, while remaining fully staffed during fiscal year 2023.

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

Change in Net Position

<b>Revenues</b>	<u>2023</u>	<u>2022</u>
<i>Program Revenues:</i>		
Charges for services	\$ 91,830	\$ 62,102
Operating grants and contributions	1,324,613	1,371,001
<i>General Revenues:</i>		
Grants/contributions not restricted to specific programs	262,002	251,716
Other	<u>17,375</u>	<u>2,224</u>
Total Revenues	<u>1,695,820</u>	<u>1,687,043</u>
<b>Expenses</b>		
Regional Planning	1,384,040	1,509,003
Highway Planning	185,155	110,282
Household Hazardous Waste	91,830	62,102
Interest on Long-term Debt	<u>9,800</u>	<u>10,679</u>
Total Expenses	<u>1,670,825</u>	<u>1,692,066</u>
Change in net position	24,995	(5,023)
Beginning Net position, as restated	<u>1,924,178</u>	<u>1,948,701</u>
Ending Net position	<u>\$ 1,949,173</u>	<u>\$ 1,943,678</u>

**Financial Analysis of the Government's Funds**

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

**Governmental Funds.** The focus of the NHCOG governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the NHCOG 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 NHCOG governmental funds reported combined ending fund balances of \$1,600,388, an increase of \$58,741 in comparison with the prior year. 70% 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 NHCOG. At the end of the current fiscal year, total fund balance of the general fund was \$1,112,752. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 68% of total general fund expenditures.



**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

---

The fund balance of the NHCOG general fund decreased by \$3,928 during the current fiscal year. A key factor in this decrease is:

- Additional grants awarded for Homeland Security Regional Planning.
- EDA Cares and EDA Partnership Planning ended in fiscal year 2023.
- Increases in staffing expenditures.

**General Fund Budgetary Highlights**

Actual results produced a budget deficit of \$3,928 compared to a budget surplus of \$62,818 in the prior year. Consultant and administrative pass-through expenditures exceeded budget appropriations by \$978,671. The variance in consultant and administrative pass-through expenditures was due to NHCOG obtaining additional grants and a number of pass-through expenditures not included in the COG’s operating budget. The original budget was not amended. In addition:

- Additional revenue was obtained for Homeland Security Regional Planning & DEMHS Planning.
- Additional DOT revenue was obtained for RITS and the Municipal Grant Program.
- Increases in staffing and overhead expenses are related to having a full staff for fiscal year 2023.

**Capital Assets and Debt Administration**

**Capital Assets.** The NHCOG investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$491,476 (net of accumulated depreciation). The investment in capital assets includes computers, office furniture and equipment, and vehicles. Purchases made during the fiscal year are listed below:

- Leasehold Improvements
- Laptops

		Capital Assets (Net of Depreciation)	
		<u>2023</u>	<u>2022</u>
Computers	\$	1,962	\$ 631
Furniture and Equipment		23,196	32,506
Leasehold Improvements		11,906	-
Right of Use Building		144,363	131,331
Vehicles		310,049	401,136
Website		-	-
Total		<u>\$ 491,476</u>	<u>\$ 565,604</u>

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

---

Additional information on the NHCOG fixed assets can be found in Note 3 on Page 23 of this report.

**Long-term liabilities.** At the end of the current fiscal year, the long-term liabilities the NHCOG has are lease payable and accrued vacation outstanding.

	Outstanding Debt	
	<u>2023</u>	<u>2022</u>
Lease Payable	\$ 140,681	\$ 170,316
Accrued Vacation	<u>2,010</u>	<u>12,758</u>
Total	<u>\$ 142,691</u>	<u>\$ 183,074</u>

The NHCOG total debt decreased by \$40,383 during the current fiscal year. The key factor in this decrease was the building lease payments made during the year.

Additional information on the NHCOG long-term debt can be found in Note 3 on page 24 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- New grants are anticipated to be available for DEMHS-related work activity.
- Regional Service Grant funding from OPM is expected to increase approximately 80%.
- EDA Cares Act funding will ended.
- An HRSA grant application was awarded, the grant will be \$1,200,000 over four years.
- State transportation funds are expected to increase 120% over the next two fiscal years.
- Some administrative income is expected related to the Wild and Scenic River designation and produce distribution programs.
- Anticipated increase in RITS funding.

All of these factors were considered in preparing the NHCOG budget for the 2024 fiscal year.

**Request for Information**

This financial report is designed to provide a general overview of the NHCOG 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, Northwest Hills Council of Governments, 355 Goshen Rd, P.O. Box 832, Litchfield, CT, 06759.

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

Statement of Net Position

June 30, 2023

	<u>Governmental Activities</u>	
<b>Assets</b>		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$	990,763
Investments		377,998
Grants Receivable		561,657
Other Receivables		88,148
		<u>2,018,566</u>
Total Current Assets		
 <i>Noncurrent Assets:</i>		
<i>Capital Assets:</i>		
Depreciable Assets, Net of Depreciation		491,476
		<u>2,510,042</u>
Total Assets		
 <b>Deferred Outflows of Resources</b>		
		<u>-</u>
 <b>Liabilities</b>		
<i>Current Liabilities:</i>		
Accounts Payable		361,631
Accrued Expenses		36,028
Short-term Compensated Absences		1,000
Short-term Lease Payable		19,952
Grant Prepayments		3,657
Refundable Advance		16,862
		<u>439,130</u>
 <i>Noncurrent Liabilities:</i>		
Long-term Compensated Absences		1,010
Long-term Lease Payable		120,729
		<u>121,739</u>
		<u>560,869</u>
Total Liabilities		
 <b>Deferred Inflows of Resources</b>		
		<u>-</u>
 <b>Net Position</b>		
Net Investment in Capital Assets		350,795
Restricted		-
Unrestricted		1,598,378
		<u>1,949,173</u>
Total Net Position \$		

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

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

Statement of Activities

For the Year Ended June 30, 2023

<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>
<b>Primary Government:</b>					
Governmental Activities:					
Regional Planning	\$ 1,384,040	\$ -	\$ 1,154,579	\$ -	\$ (229,462)
Highway Planning	185,154	-	170,034	-	(15,120)
Household Hazardous Waste	91,830	91,830	-	-	-
Interest on Long-term Debt	9,800	-	-	-	(9,800)
Total Governmental Activities	<u>1,670,825</u>	<u>91,830</u>	<u>1,324,613</u>	<u>-</u>	<u>(254,382)</u>
<b>Total Primary Government</b>	<b><u>\$ 1,670,825</u></b>	<b><u>\$ 91,830</u></b>	<b><u>\$ 1,324,613</u></b>	<b><u>\$ -</u></b>	<b><u>(254,382)</u></b>
General Revenues:					
Grants and contributions not restricted to specific programs					262,002
Unrestricted investment earnings					<u>17,375</u>
Total general revenues					279,377
Change in net position					24,995
Net position--Beginning, as restated					<u>1,924,178</u>
Net position--Ending					<b><u>\$ 1,949,173</u></b>

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

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

Governmental Funds Balance Sheet

June 30, 2023

	<b>General Fund</b>	<b>Public Works</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 587,453	\$ 403,310	\$ 990,763
Investments	377,998	-	377,998
Grants Receivable	561,657	-	561,657
Other Receivables	-	88,148	88,148
Prepaid Expenses	-	-	-
<b>Total Assets</b>	<b>\$ 1,527,108</b>	<b>\$ 491,458</b>	<b>\$ 2,018,566</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-	-
<b>LIABILITIES</b>			
Accounts Payable	\$ 357,809	\$ 3,822	\$ 361,631
Accrued Expenses	36,028	-	36,028
Refundable Advance	20,519	-	20,519
<b>Total Liabilities</b>	<b>414,356</b>	<b>3,822</b>	<b>418,178</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	-	-
<b>FUND BALANCES</b>			
Fund Balances:			
Committed	-	487,636	487,636
Unassigned	1,112,752	-	1,112,752
<b>Total Fund Balances</b>	<b>1,112,752</b>	<b>487,636</b>	<b>1,600,388</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,527,108</b>	<b>\$ 491,458</b>	

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

Capital assets used in governmental activities are not financial and, therefore, are not reported in the funds (See Note 2)	491,476
Long-term liabilities, including compensated absences, are not due or payable in the current period and therefore are not reported in the funds	
Compensated Absences	(2,010)
Lease Payable	<u>(140,681)</u>
Net Position of governmental activities	<u>\$ 1,949,173</u>

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

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance

All Governmental Fund Types

For the Year Ended June 30, 2023

<b>REVENUES</b>	<b>General Fund</b>	<b>Public Works</b>	<b>Total</b>
Government Grants	\$ 1,311,362	\$ -	\$ 1,311,362
Other Governmental Agencies	151,396	-	151,396
Capital Replacement Fees	-	73,954	73,954
Contract Revenue	151,533	-	151,533
Miscellaneous	16,908	467	17,375
<b>Total Revenue</b>	<b><u>1,631,199</u></b>	<b><u>74,421</u></b>	<b><u>1,705,620</u></b>
<b>EXPENDITURES</b>			
Direct Costs:			
Salaries	288,467	-	288,467
Consultants	480,917	-	480,917
Equipment	382,699	-	382,699
Other	170,182	11,752	181,934
Indirect Costs:	312,862	-	312,862
<b>Total Expenditures</b>	<b><u>1,635,127</u></b>	<b><u>11,752</u></b>	<b><u>1,646,879</u></b>
<b>Revenues over/(under) Expenditures Before Other Financing Sources/Uses</b>	<b>(3,928)</b>	<b>62,669</b>	<b>58,741</b>
<b>OTHER FINANCING SOURCES AND USES</b>			
Interfund Transfer In	-	-	-
Interfund Transfer Out	-	-	-
<b>Total Other Financing Sources and Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues and Other Financing Sources over/(under) Expenditures and Other Financing Uses</b>	<b>(3,928)</b>	<b>62,669</b>	<b>58,741</b>
Fund Balance, Beginning of Year	<u>1,116,680</u>	<u>424,967</u>	<u>1,541,647</u>
<b>Fund Balance, End of Year</b>	<b><u>\$ 1,112,752</u></b>	<b><u>\$ 487,636</u></b>	<b><u>\$ 1,600,388</u></b>

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

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of  
Governmental Funds to the Statement of Net Position  
For the Year Ended June 30, 2023

---

Net change in fund balances-total governmental funds \$ 58,741

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>	13,712
<i>Depreciation Expense</i>	(117,289)

Changes in accrued compensated absences payable are not reflected in the governmental funds, but affect the expenses reported in the statement of activities 10,747

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>59,084</u>
--	---------------

<b>Change in net position of governmental activities</b>	<b><u>\$ 24,995</u></b>
--	-------------------------

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

Budgetary Comparison Statement

General Fund

For the Year Ended June 30, 2023

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Over/ (Under) <u>Budget</u>
<b>REVENUES</b>				
Assessments to Towns	\$ 89,860	\$ 89,860	\$ 89,860	\$ -
Carryover Funds	15,000	15,000	-	(15,000)
CT DOT:				
Municipal Grant Program	-	-	128,466	128,466
Transportation Planning	135,000	135,000	166,542	31,542
Transit Planning	23,625	23,625	3,492	(20,133)
LOTICIP	12,500	12,500	5,888	(6,612)
DEMHS Planning & Facilitation	23,000	23,000	189,139	166,139
DEMHS Region 5 Coordination	12,000	12,000	189,139	177,139
Department of Housing	-	-	-	-
EDA-Cares	-	-	19,000	19,000
EDA-Partnership Planning	60,000	60,000	57,947	(2,053)
Foundation for Community Health	7,290	7,290	15,730	8,440
Housatonic River Commission Dues	2,800	2,800	1,470	(1,330)
Household Hazardous Waste	-	-	91,830	91,830
Interest Income	150	150	16,908	16,758
Miscellaneous	200	200	109,385	109,185
N2N Program - Berkshire Taconic	1,500	1,500	737	(763)
Opioid Settlement	-	-	39,948	39,948
Regional Service Grant	262,003	262,003	262,002	(1)
RITS & Administration	10,000	10,000	182,181	172,181
Town Plan Assistance	1	1	61,536	61,535
<b>Total Revenues</b>	<u>\$ 654,929</u>	<u>\$ 654,929</u>	<u>\$ 1,631,199</u>	<u>\$ 976,270</u>
<b>EXPENDITURES</b>				
Consultants & Project Costs	55,682	55,682	1,034,353	(978,671)
Overhead	101,528	101,528	94,282	7,246
Staffing	497,718	497,718	499,418	(1,700)
Other	1	1	7,074	(7,073)
<b>Total Expenditures</b>	<u>\$ 654,929</u>	<u>\$ 654,929</u>	<u>\$ 1,635,127</u>	<u>\$ (980,198)</u>
Revenues and Other Financing Sources over/(under)				
Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,928)</u>	<u>\$ (3,928)</u>

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



**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	<b>Custodial Funds</b>						
	<b>Pension Trust Fund</b>	<b>Prescription Assistance Fund</b>	<b>Regional Opioid Response Force</b>	<b>Neighbor To Neighbor Fund</b>	<b>Regional Housing Council</b>	<b>Housatonic River Commision</b>	<b>Fuel Bank Fund</b>
<b>Assets</b>							
Cash and Cash Equivalents	\$ 549	\$ 8,575	\$ 3,920	\$ 1,172	\$ 4,532	\$ 4,921	\$ -
Marketable Securities	11,794	-	-	-	-	-	-
Fixed Income	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	600	400	-
<b>Total Assets</b>	<b>\$ 12,343</b>	<b>\$ 8,575</b>	<b>\$ 3,920</b>	<b>\$ 1,172</b>	<b>\$ 5,132</b>	<b>\$ 5,321</b>	<b>\$ -</b>
<b>Deferred Outflows of Resources</b>	-	-	-	-	-	-	-
<b>Liabilities</b>							
Accounts Payable	\$ -	\$ 603	\$ -	\$ 1,954	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>603</b>	<b>-</b>	<b>1,954</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>	-	-	-	-	-	-	-
<b>Net Position</b>							
Held for Pension Benefits	12,343	-	-	-	-	-	-
Held for Other Purposes	-	7,972	3,920	(782)	5,132	5,321	-
<b>Total Net Position</b>	<b>\$ 12,343</b>	<b>\$ 7,972</b>	<b>\$ 3,920</b>	<b>\$ (782)</b>	<b>\$ 5,132</b>	<b>\$ 5,321</b>	<b>\$ -</b>

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

**NORTHWEST HILL COUNCIL OF GOVERNMENTS**

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2023

	<b>Custodial Funds</b>						
	<b>Pension Trust Fund</b>	<b>Prescription Assistance Fund</b>	<b>Regional Opiod Response Force</b>	<b>Neighbor to Neighbor Fund</b>	<b>Regional Housing Council</b>	<b>Housatonic River Commision</b>	<b>Fuel Bank Fund</b>
<b>Additions</b>							
Donations	\$ -	\$ -	\$ 39,948	\$ -	\$ 1,200	\$ 3,400	\$ -
Grants	-	713	-	30,360	-	-	-
Employer Contribution	11,795	-	-	-	-	-	-
Investment Income:							
Gain/Loss	(75)	-	-	-	-	-	-
Interest/Dividends	1	-	-	4	2	-	-
Total Additions	<u>\$ 11,721</u>	<u>\$ 713</u>	<u>\$ 39,948</u>	<u>\$ 30,364</u>	<u>\$ 1,202</u>	<u>\$ 3,400</u>	<u>\$ -</u>
<b>Deductions</b>							
Administration Fees	\$ -	\$ -	\$ -	\$ 737	\$ 951	\$ 2,620	\$ -
Benefits to Individuals	-	21,748	36,028	34,466	-	-	6,581
Total Deductions	<u>-</u>	<u>21,748</u>	<u>36,028</u>	<u>35,203</u>	<u>951</u>	<u>2,620</u>	<u>6,581</u>
Change in Net Position	11,721	(21,035)	3,920	(4,839)	251	780	(6,581)
<b>Net Position - Beginning</b>	622	29,007	-	4,057	4,881	4,541	6,581
<b>Net Position - Ending</b>	<u>\$ 12,343</u>	<u>\$ 7,972</u>	<u>\$ 3,920</u>	<u>\$ (782)</u>	<u>\$ 5,132</u>	<u>\$ 5,321</u>	<u>\$ -</u>

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

# NORTHWEST HILLS COUNCIL OF GOVERNMENTS

## Notes to Financial Statements

---

### **NOTE 1 – Summary of Significant Accounting Policies**

The accounting policies of Northwest Hills Council of Governments (NHCOG) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

#### ***Governmental Reporting Entity***

In accordance with Title 4 of the Connecticut General Statutes, the NHCOG was officially established on January 1, 2014. The NHCOG is the result of the combination of Litchfield Hills Council of Elected Officials and the Northwest Connecticut Council of Governments. The Council operates under a Board of Directors and provides the following services as authorized by its charter: promotion of co-operation in areas of health, safety, welfare, education, and economic conditions, between member towns.

The financial statements include all of the funds and account groups of the Council, which meet the criteria for defining the reporting entity set forth in pronouncements prescribed by the Governmental Accounting Standards Board (GASB). The criteria clarify which organizations; functions and activities of government should be included in the combined financial statements of the governmental unit. They conclude that the basic, but not the only, criteria for including a governmental department, agency, institution, commission, public authority or other governmental organization in the Council's combined financial statements is the exercise of oversight responsibility over such agencies by the Council's elected officials. Oversight responsibility is derived from the Council's power and includes but is not limited to: financial interdependency; selection of governing authority; designation of management; and ability to significantly influence operations and accountability for fiscal matters. Based upon the aforementioned criteria, there are no component units to be included within the reporting entity.

#### ***Government-wide and fund financial statements***

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the NHCOG. For the most part, 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.

Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### ***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.

## NORTHWEST HILLS COUNCIL OF GOVERNMENTS

### Notes to Financial Statements

---

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Certain special revenue grants are recorded as revenues at the time expenditures are made, since the expenditure of such funds is the prime factor for determining eligibility for reimbursement by state and federal agencies. Grants authorized but unexpended, if any, generally appear as deferred revenue of the Council. Exceptions to this general rule include: voluntary non-exchange transactions when all eligibility requirements have been met. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: accumulated unpaid vacation and interest on long-term debt.

The government reports the following major governmental funds:

The *General Fund* is the general operating fund of the NHCOCG. It is used to account for all financial resources except those required to be accounted for in another manner.

The *Public Works Fund* is used to purchase and manage highway equipment.

The government reports the following fiduciary fund types:

Pension Trust Funds: Used to report resources that are required to be *held in trust for* the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other *employees benefit plans*.

Custodial funds: Used to report all other trust arrangements under which *Principal and income benefit individuals*, private organizations, or other governments, and the NHCOCG does not maintain administrative control.

The government has no business-type activities.

Indirect expenses are included as overhead and are allocated to programs based on direct salaries charged to each program.

### **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

#### ***Cash and Investments***

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. 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

# NORTHWEST HILLS COUNCIL OF GOVERNMENTS

## Notes to Financial Statements

of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. The trust funds may also invest in certain real estate mortgages, in certain saving banks or savings, loan associations, or in stocks or bonds or other securities selected by the trustee.

### **Interfund Receivables/Payables**

Transactions between funds due to lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/transfers.

### **Capital Assets**

Capital assets, which included equipment, fixtures, and other long-lived assets, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Building Improvements	20
Equipment	5-10

### **Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditure) until then. The Northwest Hills Council of Governments has no deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Northwest Hills Council of Governments has no deferred inflows of resources.

### **Compensated Absences**

Employees may accumulate vacation earned until termination of their employment, at which time they are paid for accumulated vacation. All employees can accrue up to 25 days. Compensated absences are accrued when incurred in the government-wide financial statements.

### **Fund Equity and Net Position**

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.

## NORTHWEST HILLS COUNCIL OF GOVERNMENTS

### Notes to Financial Statements

---

*Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations or 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, NHCOC 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 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.

#### **Fair Value of Financial Instruments**

In accordance with GASB Statement 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.

**Level 2:** Inputs and information other than quoted market indices included in Level 1 that

## NORTHWEST HILLS COUNCIL OF GOVERNMENTS

### Notes to Financial Statements

---

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 are carried at fair value based on Level 1 and Level 2 observable inputs and are presented in Note 3.

#### **Review for Subsequent Events**

In preparing these financial statements, management has evaluated subsequent events through April 19, 2024, which represents the date that these statements were available to be issued.

#### **NOTE 2 – Stewardship, Compliance, and Accountability**

##### ***Budgetary data***

The NHCOG 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.

#### **NOTE 3 – Assets, Liabilities, and Fund Equity**

##### ***Cash and Investments***

*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. NHCOG does not have a deposit policy for custodial credit risk. At year-end, NHCOG's carrying amount of deposits was \$1,013,423, and the bank balance was \$1,079,868, of which the Federal Depository Insurance Corporation covered \$730,149. As of June 30, 2023, \$349,719 of the Council's bank balance of \$1,079,868

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

Notes to Financial Statements

was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 264,747
Uninsured and Collateral held by pledging bank's Trust department not in the Council's name	<u>84,972</u>
	<u>\$ 349,719</u>

*Credit Risk.* The Council has no investment policy that limits the investment choices further than the State Statutes listed above. The STIF Funds are Standard & Poor's AAAM rated investment pools of high-quality, short term money market instruments.

**Cash Equivalents**

At June 30, 2023, the NHCOG's cash equivalents (Short-Term Investment Fund "STIF") amounted to \$374,539. STIF is rated AAAM by Standard and Poor's and has an average maturity of under 60 days.

**Investments**

As of June 30, 2023, the NHCOG had the following investments:

	<u>Total</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Cash Equivalents	\$ 549	\$ 549	\$ -
Certificates of Deposit	377,998	377,998	-
Marketable Securities	<u>11,794</u>	<u>11,794</u>	-
Total Investments	\$ 390,341	\$ 390,341	\$ -

The following is a summary of assets measured at fair value:

<u>Description</u>	<u>June 30, 2023</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash Equivalents	\$ 549	\$ 549	\$ -	\$ -
Total	<u>\$ 549</u>	<u>\$ 549</u>	<u>\$ -</u>	<u>\$ -</u>

The certificates of deposit in the General Fund and Public Works Fund in the financial statements are reported at cost, and covered by FDIC insurance. The cash equivalents are reported as investments in the fiduciary funds in the financial statements.

**Interfund Transfers, Receivables and Payables**

There were no interfund transfers during the 2023 fiscal year.



**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

Notes to Financial Statements

**Capital Assets**

Capital assets activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets being depreciated:				
Computers	\$ 6,225	\$ 1,806	\$ -	\$ 8,031
Furniture and Equipment	362,368	-	-	362,368
Leasehold Improvements - CIP	-	11,906	-	11,906
Right of Use Building	246,248	137,942	(239,825)	144,365
Vehicles	1,343,782	-	-	1,343,782
Website	1,755	-	-	1,755
Total capital assets being depreciated:	<u>\$ 1,960,378</u>	<u>\$ 151,654</u>	<u>\$ (239,825)</u>	<u>\$ 1,872,207</u>
Less accumulated depreciation for:				
Computers	\$ 5,594	\$ 475	\$ -	\$ 6,069
Furniture and Equipment	329,862	9,310	-	339,172
Right of Use Building	114,917	16,417	(131,332)	2
Vehicles	942,646	91,087	-	1,033,733
Website	1,755	-	-	1,755
Total accumulated depreciation	<u>\$ 1,394,774</u>	<u>\$ 117,289</u>	<u>\$ (131,332)</u>	<u>\$ 1,380,731</u>
Total capital assets, being depreciated, net	<u>\$ 565,604</u>	<u>\$ 34,365</u>	<u>\$ (108,493)</u>	<u>\$ 491,476</u>

Depreciation expense for June 30, 2023 is \$117,289.

**Long-Term Debt**

*Accrued Vacation and Sick Leave Benefits*

A maximum of 25 days of vacation may be accumulated by all employees until termination of their employment, at which time they are paid for their accumulated vacation. Accumulated sick leave is not reimbursable upon termination.

Long-term liability activity for the year ended June 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Ending Balance</u>
Accrued Vacation	<u>\$12,758</u>	<u>\$0</u>	<u>(\$10,747)</u>	<u>\$2,010</u>

The General Fund is used to liquidate the liability for accrued benefits.

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

Notes to Financial Statements

**NOTE 4 – Risk Management**

The NHCOG 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 NHCOG 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 July 2015, to lease office space in Goshen, Connecticut and requires monthly payments that change per annum. The NHCOG has two options to renew the lease each for a term of five years. In 2020 the NHCOG 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 NHCOG if they were to finance office space. As a result of the lease, the NHCOG has recorded a right of use asset with a net book value of \$144,363 at June 30, 2023.

The annual debt service requirements of the NHCOG’s lease payable is as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 19,952	\$ 6,452	\$ 26,404
2025	25,945	6,374	32,319
2026	28,210	4,755	32,965
2027	30,627	2,997	33,624
2028	33,208	1,089	34,297
	<u>\$ 137,942</u>	<u>\$ 21,667</u>	<u>\$ 159,609</u>

Interest paid and expensed on the lease payable for the year ended June 30, 2023, totaled \$9,800.

Long-term lease liability activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Leases Payable	<u>\$ 170,316</u>	<u>\$ 137,942</u>	<u>\$ 167,576</u>	<u>\$ 140,682</u>	<u>\$ 22,691</u>

# NORTHWEST HILLS COUNCIL OF GOVERNMENTS

## Notes to Financial Statements

---

### NOTE 6 – Pension Plan

The NHCOC maintains a Custodial Money Purchase Pension Plan, the “Northwest Hills Council of Governments Retirement Plan.” The plan is administered and may be amended by the governing board.

Employer contributions to the plan amount to 6.5% of the annual compensation of each participant. Any eligible employee shall participate who has completed one year of service, and has reached age 21. Each participant has a fully vested and non-forfeitable interest in his or her account at all times. The employees have ownership of the respective accounts.

The pension payment is made directly to Ameriprise Financial Services and Mission Square for the purchase of a deferred annuity contract. Total pension payments for the fiscal year ended June 30, 2023 amounted to \$11,794, which is 6.5% of eligible participants total payroll.

### NOTE 7 – Restatement of Net Position

The beginning net position and fund balance of NHCOC’s Public Works Fund was restated to correct prior year receivables as of July 1, 2022 as follows:

	<u>Net Position</u>
Net Position/Fund Balance as previously reported at June 30, 2022	\$ 444,467
Correction of Prior Year Invoicing	<u>(19,500)</u>
Net Position/Fund Balance as Restated at July 1, 2022	<u>\$ 424,967</u>

### NOTE 8 – Subsequent Event

During the year the NHCOC entered into a new lease for office space that became effective September 2023. The lease term is through 2028 and has an extension option through 2033.

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**  
Statement of Connecticut Department of Transportation Project Expenditures  
For the Year Ended June 30, 2023

	<u>2022</u>	<u>2023</u>		
	<u>Highway</u>	<u>HIGHWAY</u>	<u>TRANSIT</u>	
	<u>FHWA/FTA PL</u>	<u>PLANNING</u>	<u>PLANNING</u>	
State Project	<u>DOT07209995PL</u>	<u>DOT07209995PL</u>	<u>DOT01703550OP</u>	
Federal Project	<u>RL20 (001)</u>	<u>RL20 (001)</u>	<u>RL20 (001)</u>	
Master Agreement	<u>5.09-08(17)</u>	<u>5.09-08(17)</u>	<u>5.09-08(17)</u>	<u>TOTAL</u>
AL#	<u>20.505</u>	<u>20.505</u>	<u>20.505</u>	
<b><u>MAXIMUM FUNDS AUTHORIZED:</u></b>				
FHWA/FTA	\$ 40,961	\$ 120,000	\$ 21,000	\$ 181,961
CONNDOT-FHWA/FTA	5,120	15,000	2,625	22,745
Local	<u>5,120</u>	<u>15,000</u>	<u>2,625</u>	<u>22,745</u>
<b>TOTAL</b>	<b><u>\$ 51,201</u></b>	<b><u>\$ 150,000</u></b>	<b><u>\$ 26,250</u></b>	<b><u>\$ 227,451</u></b>
<b><u>AUDITED EXPENDITURES:</u></b>				
Direct salaries	\$ 24,936	\$ 62,567	\$ 1,679	\$ 89,182
Indirect costs @108.5%	26,266	67,885	1,822	95,973
Direct charges	-	-	-	-
Total	<u>\$ 51,202</u>	<u>\$ 130,452</u>	<u>\$ 3,501</u>	<u>\$ 185,155</u>
<b><u>DISTRIBUTION OF AUDITED COSTS:</u></b>				
FHWA/FTA	\$ 40,961	\$ 104,362	\$ 2,801	\$ 148,124
CONNDOT- FHWA/FTA	5,120	13,045	350	18,515
Local	<u>5,120</u>	<u>13,045</u>	<u>350</u>	<u>18,515</u>
<b>TOTAL</b>	<b><u>\$ 51,201</u></b>	<b><u>\$ 130,452</u></b>	<b><u>\$ 3,501</u></b>	<b><u>\$ 185,154</u></b>
<b><u>CONNDOT RESPONSIBILITY:</u></b>				
FHWA/FTA	\$ 40,961	\$ 104,362	\$ 2,801	\$ 148,124
CONNDOT Match	5,120	13,045	350	18,515
<b>TOTAL</b>	<b><u>\$ 46,081</u></b>	<b><u>\$ 117,407</u></b>	<b><u>\$ 3,151</u></b>	<b><u>\$ 166,639</u></b>
Payments received prior to June 30, 2023	\$ 46,081	\$ 51,598	\$ -	\$ 97,679
Payments received after June 30, 2023	-	83,402	3,291	86,693
Total Payments Received	<u>46,081</u>	<u>135,000</u>	<u>3,291</u>	<u>184,372</u>
Due (to)/from CONNDOT	\$ -	\$ (17,593)	\$ (140)	\$ (17,733)

See accountant's report

## INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF OVERHEAD EXPENDITURES

To the Board of Directors of  
Northwest Hills Council of Governments  
Goshen, CT

### Opinion

We have audited the accompanying schedule of indirect costs and overhead rate calculation of the Northwest Hills Council of Governments as of and for the year ended June 30, 2023, 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 Northwest Hills Council of Governments as of and for the year ended June 30, 2023 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 Northwest Hills 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 the Council's 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 Northwest Hills 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  
April 19, 2024

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**

Schedule of Overhead Expenditures - General Fund

For the Year Ended June 30, 2023

---

**OVERHEAD, BURDEN, AND FRINGE EXPENDITURES:**

Administrative Salary	\$	29,286
Cleaning Service		2,055
Conference & Travel		5,490
Dues and Subscriptions		2,593
Equipment Maintenance & Contracts		4,365
Fiscal Services		16,169
Insurance & Bonds		18,228
Employee Benefits		91,903
Miscellaneous		2,680
Office Supplies		3,878
Paid Leave		57,725
Payroll Taxes		32,037
Printing & Postage		210
Rent		29,719
Technology & Software		5,084
Telephone & Utilities		11,440
Total	\$	<u>312,862</u>

Overhead	\$	312,862
Divided by Direct Labor, excluding paid leave		<u>288,467</u>
Actual Overhead Rate		<u>108.5%</u>

See accountant's report.



**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  
Northwest Hills 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, each major fund and the aggregate remaining fund information of the Northwest Hills Council of Governments (NHCOG), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the NHCOG's basic financial statements, and have issued our report thereon dated April 19, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the NHCOG'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 NHCOG's internal control. Accordingly, we do not express an opinion on the effectiveness of the NHCOG's internal control.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.



## Report on Compliance and Other Matters

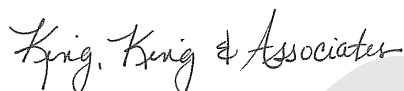
As part of obtaining reasonable assurance about whether the NHCOC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Northwest Hills Council of Governments' Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the NHCOC's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. NHCOC's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## 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 NHCOC'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 NHCOC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



King, King & Associates, CPAs  
Winsted, CT  
April 19, 2024



**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  
Northwest Hills Council of Governments

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

We have audited the Northwest Hills Council of Governments' (NHCOG) 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 NHCOG's major state programs for the year ended June 30, 2023. The NHCOG'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, NHCOG 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, 2023.

**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 issues 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 NHCOG 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 NHCOG'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 NHCOG'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 NHCOC'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 judgement made by a reasonable user of the report on the compliance about NHCOC'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 NHCOC'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 NHCOC'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 NHCOC'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.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Single Audit Act and which are described in the accompanying schedule of findings and questioned costs as items 2023-001. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on NHCOC's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. NHCOC's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 the Uniform Guidance. 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 NHCOCG as of and for the year ended June 30, 2023, and have issued our report thereon dated April 19, 2024, 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 basic financial statements as a whole.

*King, King & Associates*

King, King & Associates, CPAs  
Winsted, CT 06098  
April 19, 2024

DRAFT

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**  
 Schedule of Expenditures of State Financial Assistance  
 June 30, 2023

---

State Grantor/Pass-Through Grantor/ <u>Program Title</u>	STATE GRANT PROGRAM CORE-CT <u>NUMBER</u>	<u>EXPENDITURES</u>
<b>Department of Transportation</b>		
Transit Planning	12062-DOT57551-22101	366
Transportation Planning - FHWA	12062-DOT57551-22108	18,505
Bus Operations	12001-DOT57931-12175	128,466
Local Transportation Capital Improvement Program	13033-DOT57197-43584	5,395
SMG for Demand Responsive Transportation	12062-DOT57931-21361	3,409
<b>Office of Policy and Management</b>		
Council of Governments/Regional Services Grant	12060-OPM20600-35457	<u>262,002</u>
<b>Total State Financial Assistance</b>		<b>\$ <u>418,143</u></b>

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

---

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Northwest Council of Governments under programs of the State of Connecticut for the fiscal year ended June 30, 2023. 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 construction and maintenance of public roads.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Northwest Hills 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 expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the 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 expenditures column of the Schedule of Expenditures of State Financial Assistance.



**NORTHWEST HILLS COUNCIL OF GOVERNMENTS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

We audited the basic financial statements of the Northwest Hills Council of Governments as of and for the year ended June 30, 2023 and issued our unmodified report thereon dated April 19, 2024.

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  Yes  No

*State Financial Assistance*

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  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  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 Council of Governments/Regional Services Grant	12060-OPM20600-35457	262,002



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

## II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated April 19, 2024, 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*.

### 2022-001

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria or specific requirement: Modified accrual method of accounting is not being efficiently implemented.

Condition: During audit testing several instances of unrecorded receivables, liabilities, and deferred revenues were discovered.

Effect: Revenues and expenses are being recorded in the incorrect reporting period on internal reports.

Cause: Full staff turnover

Repeat Finding: Yes

Recommendation: We recommend that the client implement controls to ensure revenues and expenses are captured in the appropriate accounting period.

Management's Response/Views of Responsible Officials: NHCOC retained a consulting accounting professional to verify the proper internal controls were being implemented near the end of FY22-23. Thus, there were only a few instances where journal entries were in need of correction and the corrective action process was well underway as we were ending FY22-23 and moving into FY23-24.

### 2022-002

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria or specific requirement: Timely grant billing for the transportation and RITS programs.

Condition: Weakened internal controls over grant reporting resulted in delays in the billing for the Transit Planning and RITS programs.

Effect: Weakened internal controls over grant reporting.

Cause: Full staff turnover

Repeat Finding: Yes

Recommendation: We recommend that the client implement controls to ensure timely and efficient claims for grant reimbursements.

Management's Response/Views of Responsible Officials: The Transit and RITS programs should be separated as they are different programs despite having funding sourced from CT DOT.

With regard to the Transit program: Quarterly reporting and financial reporting are not joined under the same reporting deadlines. While it may be true that financial invoice were submitted several months after the close of the time period included in the invoice, there are no similar deadlines to file invoices to DOT for reimbursement as there are for quarterly progress reports; therefore there is no technical delay in billing.

NHCOG does acknowledge that there were corrections made for a staff timesheet tracking error that may have contributed to the overbilling, not the delay in billing. That has been resolved and will not reoccur.

With regard to the RITS program: These funds are allocated to the COG through a TOD, not the same PAL that outlines the terms of the UPWP (transportation). Similarly to the financial invoicing submitted DOT for reimbursement, there are no set deadlines for invoicing of the RITS program. Since there was no delay in billing, we argue there are no weakened internal controls in this program.

### III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

#### 2023-001

Grantor: Office of Policy and Management  
State Program Name: Council of Governments/Regional Services Grant  
Pass-through Entity: N/A  
State Grant Program  
CORE-CT Number: 12060-OPM20600-35457

Type of Finding: Significant Deficiency in Compliance

Criteria or specific requirement: FORM OPM-DE-2017 was not completed correctly.

Condition: Client was unaware of specific reporting requirements.

Effect: Expenditures reported in incorrect section of the form.

Cause: Full staff turnover

Repeat Finding: No

Recommendation: We recommend that the client implement controls to ensure the filing of the FORM OPM-DE-2017 is accurately reported.

Management's Response/Views of Responsible Officials: The financial information was correct. However, it was simply entered into an incorrect section of the form. This is entirely correctable and Form OPM-DE-2017 will be completed satisfactorily moving forward.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
NORTHWEST HILLS COUNCIL OF GOVERNMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

---

State Program Findings:

Finding No. 2022-001

Condition: During audit testing several instances of unrecorded receivables, liabilities, and deferred revenues were discovered.

Current Status: This Finding has been repeated.

Finding No. 2022-002

Condition: Weakened internal controls over grant reporting resulted in delays in the billing for the Transit Planning and RITS programs.

Current Status: This Finding has been repeated.

Finding No. 2022-003

Condition: Client was unaware of reporting requirements.

Current Status: This Finding has been corrected.

Finding No. 2022-004

Condition: Grant contract for the period October 1, 2021 through June 30, 2022 could not be located.

Current Status: This Finding has been corrected.



**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 THE UNIFORM GUIDANCE**

To the Board of the  
Northwest Hills Council of Governments  
Goshen, Connecticut

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Northwest Hills Council of Government’s (NHCOG) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of NHCOG’s major federal programs for the year ended June 30, 2023. The NHCOG’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, NHCOG 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 federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of NHCOG and to meet our 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 NHCOG’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 NHCOG’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 NHCOC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about NHCOC'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 NHCOC'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 NHCOC'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 NHCOC'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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on NHCOC's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. NHCOC's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 the 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 NHCOC as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the NHCOC's basic financial statements. We have issued our report thereon dated April 19, 2024, 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 basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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, Connecticut  
April 19, 2024

**NORTHWEST HILLS COUNCIL OF GOVERNMENTS**  
**Schedule of Expenditures of Federal Awards**  
**June 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity's Identifying Number	Federal Grant Expenditures
<b>Department of Transportation:</b>			
<b>Passed Through Connecticut Department of Transportation</b>			
Highway Planning and Construction (FHWA)	20.205	12062-DOT57551-2208	\$ 150,963
<i>Transit Services Programs Cluster</i>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	12062-DOT57551-2201	178,772
<b>Department of Homeland Security:</b>			
<b>Passed Through CT Department of Emergency Service and Public Protection</b>			
State Homeland Security	97.067	12060-DPS32160-21877	359,441
Hazard Mitigation	97.042	12060-DPS32983-22756	23,861
<b>Department of Commerce</b>			
<i>Economic Development Cluster</i>			
EDA	11.300	N/A	57,947
EDA - CARES	11.307	N/A	<u>19,000</u>
<b>Total Financial Assistance</b>			<b>\$ <u>789,984</u></b>

**NORTHWEST HILLS COUNCIL OF GOVERNMENT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

---

**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, 2023. 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.





**NORTHWEST HILLS COUNCIL OF GOVERNMENTS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2023**

**I. SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

We audited the basic financial statements of Northwest Hills Council of Governments (the Council) as of and for the year ended June 30, 2023 and issued our unmodified report thereon dated April 19, 2024.

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?   X   Yes      No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiency(ies) identified?   X   Yes      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 Section 516(a) of Uniform Guidance?   X   Yes      No

**Identification of Major Programs**

Department of Homeland Security:

20.513 – Department of Transportation: Enhanced Mobility of Seniors and Individuals with Disabilities

20.205 – Department of Transportation: Highway Planning & Construction

**Dollar Threshold**

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

## Low-Risk Auditee

The Northwest Hills Council of Governments did not qualify as a low-risk auditee.

## II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated April 19, 2024, 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*.

### 2022-001

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria or specific requirement: Modified accrual method of accounting is not being efficiently implemented.

Condition: During audit testing several instances of unrecorded receivables, liabilities, and deferred revenues were discovered.

Effect: Revenues and expenses are being recorded in the incorrect reporting period.

Cause: Full staff turnover

Repeat Finding: Yes

Recommendation: We recommend that the client implement controls to ensure revenues and expenses are captured in the appropriate accounting period.

Management's Response/Views of Responsible Officials: NHCOC retained a consulting accounting professional to verify the proper internal controls were being implemented near the end of FY22-23. Thus, there were only a few instances where journal entries were in need of correction and the corrective action process was well underway as we were ending FY22-23 and moving into FY23-24.

### 2022-002

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria or specific requirement: Timely grant billing for the transportation and RITS programs.

Condition: Weakened internal controls over grant reporting resulted in delays in the billing for the transit planning and RITS programs.

Effect: Weakened internal controls over grant reporting.

Cause: Full staff turnover

Repeat Finding: Yes

Recommendation: We recommend that the client implement controls to ensure timely and efficient claims for grant reimbursements.

Management's Response/Views of Responsible Officials: The Transit and RITS programs should be

separated as they are different programs despite having funding sourced from CT DOT.

With regard to the Transit program: Quarterly reporting and Financial reporting are not joined under the same reporting deadlines. While it may be true that financial invoice were submitted several months after the close of the time period included in the invoice, there are no similar deadlines to file invoices to DOT for reimbursement as there are for quarterly progress reports; therefore there is no technical delay in billing.

NHCOG does acknowledge that there were corrections made for a staff timesheet tracking error that may have contributed to the overbilling, not the delay in billing . That has been resolved and will not reoccur.

With regard to the RITS program: These funds are allocated to the COG through a TOD, not the same PAL that outlines the terms of the UPWP (transportation). Similarly to the financial invoicing submitted DOT for reimbursement, there are no set deadlines for invoicing of the RITS program. Since there was no delay in billing, we argue there are no weakened internal controls in this program.

## **II. FEDERAL AWARD - FINDINGS AND QUESTIONED COSTS**

### **2023-002**

Grantor: Department of Commerce  
Federal Program Name: Highway Planning and Construction (FHWA)  
Pass-through Entity: N/A  
Federal Grant Program  
AL Number: 20.205

Type of Finding: Significant Deficiency in Compliance

Criteria or specific requirement: The COG is required to submit quarterly reports for this program. These are due ten days after the quarter ends.

Condition: All quarterly reports were filed well beyond the required submission timeline noted above. An example is the final two quarters of the fiscal year were reported on one report five months after year end. This caused overspending of \$4,979.

Effect: Noncompliance with State of Connecticut Department of Transportation reporting requirements.

Cause: full staff turnover in the prior year.

Repeat Finding: No

Recommendation: We recommend that the client implement controls to ensure grant funds are reported per the requirements of the grant agreement.

Management's Response/Views of Responsible Officials: Quarterly reporting and financial reporting are not joined under the same reporting deadlines. All Quarterly reports were submitted within the required timeframe; that is, 10 days after the quarter ends. There is no deadline for submitting invoices to DOT for reimbursement.

In summary, NHCOC is of the opinion that the Finding does not accurately reflect the material detail and reporting of our programs, funding streams and administrative difficulties between the state and our providers.

DRAFT

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
NORTHWEST HILLS COUNCIL OF GOVERNMENTS  
FISCAL YEAR ENDED JUNE 30, 2023**

Federal Program Findings:

Finding No. 2022-005

Condition: EDA Cares funds of \$9,500 were spent after the grant period had ended.

Current Status: This finding has been corrected.

DRAFT



Northwest Hills Council of Governments  
State Single Audit Corrective Action Plan  
For the Year June 30, 2023

Office of Policy and Management  
450 Capitol Avenue MS-54MFS  
Hartford, CT 06106-1379

Municipal Finance Services Unit Att: William Plummer

**AUDIT FINDINGS**

Finding Reference Number: 2022-01

Description of Finding:

During audit testing several instances of unrecorded receivables, liabilities, and deferred revenues were discovered.

Statement of Concurrence or Nonconcurrence:

The Agency agrees with this finding during the Audit period.

Corrective Action:

NHCOG retained a consulting accounting professional to verify the proper internal controls were being implemented near the end of FY22-23. Thus, there were only a few instances where journal entries were in need of correction and the corrective action process was well underway as we were ending FY22-23 and moving into FY23-24.

Name of Contact Person:

Robert Phillips, Executive Director

Projected Completion Date: June 30, 2024

Finding Reference Number: 2022-02

Description of Finding:

Weakened internal controls over grant reporting resulted in delays in the billing for the transit planning and RITS programs.

Statement of Concurrence or Nonconcurrence:

The Agency concurs with this Finding, however only in part as described below in 'Corrective Action'.

Corrective Action:



The Transit and RITS programs should be separated as they are different programs despite having funding sourced from CT DOT.

With regard to the Transit program: Quarterly reporting and Financial reporting are not joined under the same reporting deadlines. While it may be true that financial invoice were submitted several months after the close of the time period included in the invoice, there are no similar deadlines to file invoices to DOT for reimbursement as there are for quarterly progress reports; therefore there is no technical delay in billing.

NHCOG does acknowledge that there were corrections made for a staff timesheet tracking error that may have contributed to the overbilling, not the delay in billing . That has been resolved and will not reoccur.

With regard to the RITS program: These funds are allocated to the COG through a TOD, not the same PAL that outlines the terms of the UPWP (transportation). Similarly to the financial invoicing submitted DOT for reimbursement, there are no set deadlines for invoicing of the RITS program. Since there was no delay in billing, we argue there are no weakened internal controls in this program.

Name of Contact Person:

Robert Phillips, Executive Director

Projected Completion Date: June 30, 2024

Finding Reference Number: 2023-01

Description of Finding:

Form DE-2017 was not reported correctly.

Statement of Concurrence or Nonconcurrence:

The Agency concurs with this Finding on principle only.

Corrective Action:

The financial information was correct. However, it was simply entered into an incorrect section of the form. This is entirely correctable and Form OPM-DE-2017 will be completed satisfactorily moving forward.

Name of Contact Person:

Robert Phillips, Executive Director

Projected Completion Date: June 30, 2024

Finding Reference Number: 2023-02



Description of Finding:

Transportation reports were not submitted timely to the DOT per the grant agreement.

Statement of Concurrence or Nonconcurrence:

The agency does not concur with this Finding

Corrective Action:

Quarterly reporting and financial reporting are not joined under the same reporting deadlines. All Quarterly reports were submitted within the required timeframe; that is, 10 days after the quarter ends. There is no deadline for submitting invoices to DOT for reimbursement.

In summary, NHCOCG is of the opinion that the Finding does not accurately reflect the material detail and reporting of our programs, funding streams and administrative difficulties between the state and our providers.

Name of Contact Person:

Robert Phillips, Executive Director

Projected Completion Date: June 30, 2024

There are no questioned costs.

If the office of Policy and Management has questions regarding this Plan, please call myself at 860-491-9884 x104.

Sincerely yours,

Robert Phillips  
Executive Director



## ATTACHMENT D

Revenues		
Reginal Sevice Grant (RSG) -		
OPM	\$	488,098
CT DOT & Federal Grant	\$	413,189
HRSA Grant	\$	300,000
EDA Partnership	\$	60,000
Municipal Local Dues	\$	89,818
Interest Income	\$	7,000
Admin. Revenues	\$	109,970
Carry Over	\$	34,181
<b>Total of above</b>	<b>\$</b>	<b>1,502,256</b>

Expenses		
Salaries	\$	607,980
Benefits & Fringe	\$	204,323
Overhead	\$	113,975
Dues & subscriptions	\$	21,305
Travel & Conf.	\$	20,002
Equip. & Assets	\$	-
Programs/projects (operating budget only)	\$	519,671
Contingency	\$	15,000
<b>Total of above</b>	<b>\$</b>	<b>1,502,256</b>

Grants & Speical Projects		
RITS Administration	\$	201,471
Congressionally Designated		
Spending	\$	92,500
ConnDOT LOTCIP (estimated)	\$	990,000
FTA Work Program - DOT	\$	52,500
DOT - MGP	\$	136,365
NPS Wild & Scenic Program		
Expenses	\$	109,768
N2N (Berkshire Taconic)	\$	10,000
Rural Opioid Resoruce Fund	\$	51,857
Househould Hazardous Waste	\$	150,000
DEMHS - 2021 Progrm Revenues	\$	80,522
DEMHS - 2022 Program Revenues	\$	199,838
DEMHS - 2023 Program Revenues	\$	338,113
DEMHS - 2024 Program Revenues (expected)	\$	346,203
DEMHS - EMPG 2020	\$	34,205
DEMHS - EMPG 2021	\$	58,554
DEMHS - EMPG 2023 (expected)	\$	73,500
<b>Total of above</b>	<b>\$</b>	<b>2,925,396</b>

Revenues - Operations *						
Source			Federal	State	Local/Other	Total
Reginal Sevice Grant (RSG) - OPM				\$ 488,098		\$ 488,098
SPR Work Program (UPWP) - Year 2 funds			\$ 265,336	\$ 33,167		\$ 298,503
SPR Work Program (UPWP)- remaining year 1funds			\$ 103,218	\$ 11,468		\$ 114,686
HRSA Grant			\$ 300,000			\$ 300,000
EDA Partnership			\$ 60,000			\$ 60,000
Interest Income					\$ 7,000	\$ 7,000
Municipal Local Dues					\$ 89,818	\$ 89,818
<b>Total</b>			<b>\$ 728,554</b>	<b>\$ 532,733</b>	<b>\$ 96,818</b>	<b>\$ 1,358,105</b>

\*All funds are committed in fiscal year and support overall operations of NHCOG

\*\*Interest from checking account only. Interest from other investments are rolled back into investment and documented in monthly financial reports

Grants & Special Projects - Administrative Revenues to General Fund**						
	Total	Prev. Received	Anticipated FY 24/25			Total
Wild & Scenic Admin	\$ 13,500.00	\$ 7,000.00	\$ 6,500			\$ 6,500
DEMHS - Grant Award 2021	\$ 31,500.00	\$ -	\$ 31,500			\$ 31,500
DEMHS - Grant Award 2022	\$ 35,000.00		\$ 20,000			\$ 20,000
DEMHS - Grant Award 2023	\$ 45,500.00		\$ 22,500			\$ 22,500
DEMHS - Grant Award 2024 (expected)	\$ 45,000.00		\$ 15,000			\$ 15,000
DEMHS - EMPG 2023 (expected)	\$ 1,500.00		\$ 1,500			\$ 1,500
N2N - Admin Fees	\$ 1,500.00			\$ 1,500		\$ 1,500
HRC Admin	\$ 1,470.00			\$ 1,470		\$ 1,470
PROTECT	\$ 20,000.00		\$ 10,000			\$ 10,000
<b>Total</b>			<b>\$ 107,000</b>	<b>\$ -</b>	<b>\$ 2,970</b>	<b>\$ 109,970</b>

\*\* Funds are directly linked to a grant/special project and may be dispersed over multiple fiscal years

Grants & Special Projects - Program Revenues***						
	Total Award	Amount Spent	Remaining Balance			Total
RITS Administration	\$ 282,589.00		\$ 171,727	\$ 29,744		\$ 201,471
Congressionally Designated Spending	\$ 92,500.00		\$ 92,500			\$ 92,500
ConnDOT LOTCIP (estimated)	\$ 990,000.00			\$ 990,000		\$ 990,000
FTA Work Program - DOT	\$ 52,500.00		\$ 52,500			\$ 52,500
DOT - MGP	\$ 136,365.00		\$ 136,365			\$ 136,365
NPS Wild & Scenic Program Expenses	\$ 136,500.00	\$ 26,732.00	\$ 109,768			\$ 109,768
N2N (Berkshire Taconic)	\$ 10,000.00			\$ 10,000		\$ 10,000
Rural Opiod Resoruce Fund	\$ 51,857.00			\$ 51,857		\$ 51,857
Household Hazardous Waste	\$ 150,000.00			\$ 150,000		\$ 150,000
DEMHS - 2021 Progrm Revenues	\$ 326,306.00	\$ 245,783.00	\$ 80,522			\$ 80,522
DEMHS - 2022 Program Revenues	\$ 334,456.00	\$ 134,617.00	\$ 199,838			\$ 199,838
DEMHS - 2023 Program Revenues	\$ 342,788.00	\$ 4,675.50	\$ 338,113			\$ 338,113
DEMHS - 2024 Program Revenues (expected)	\$ 346,203.00	\$ -	\$ 346,203			\$ 346,203
DEMHS - EMPG 2020	\$ 65,000.00	\$ 30,795.00	\$ 34,205			\$ 34,205
DEMHS - EMPG 2021	\$ 75,000.00	\$ 16,446.00	\$ 58,554			\$ 58,554
DEMHS - EMPG 2023 (expected)	\$ 73,500.00	\$ -	\$ 73,500			\$ 73,500
<b>Total</b>			<b>\$ 1,693,795</b>	<b>\$ 1,019,744</b>	<b>\$ 211,857</b>	<b>\$ 2,925,396</b>
<b>Total Revenues</b>			<b>\$ 2,529,349</b>	<b>\$ 1,552,477</b>	<b>\$ 311,645</b>	<b>\$ 4,393,471</b>

\*\*\* Funds are linked directly to a product or service approved by awardee. May be dispersed over multiple fiscal years. Amounts listed are total award.

**Operating Budget - Summary**

Source	Revenue	Salaries	Benefits & Fringe	Overhead	Dues & subscriptions	Travel & Conf.	Equip. & Assets	Contractual Programs/projects	Contingency	Total Expense	Remaining Budget
Reginal Service Grant (RSG) - OPM	\$ 488,098	\$ 319,537	\$ 58,770	\$ 31,326	\$ 14,391	\$ 12,800		\$ 51,274		\$ 488,098	\$ 0
CT DOT & Federal Grant	\$ 413,189	\$ 138,236	\$ 123,858	\$ -	\$ -	\$ -		\$ 151,095		\$ 413,189	\$ -
HRSA Grant	\$ 300,000	\$ 105,060	\$ 21,695	\$ 19,929	\$ -	\$ 4,002		\$ 149,314		\$ 300,000	\$ -
EDA Partnership	\$ 60,000	\$ 45,147	\$ -	\$ 4,739	\$ 6,914	\$ 3,200				\$ 60,000	\$ -
Municipal Local Dues	\$ 89,818	\$ -	\$ -	\$ 57,981	\$ -	\$ -		\$ 16,788	\$ 15,000	\$ 89,769	\$ 49
Interest Income	\$ 7,000									\$ -	\$ 7,000
Admin. Revenues	\$ 109,970							\$ 151,200		\$ 151,200	\$ (41,230)
Carry Over	\$ 34,181	\$ -	\$ -							\$ -	\$ 34,181
<b>Total of above</b>	<b>\$ 1,502,256</b>	<b>\$ 607,980</b>	<b>\$ 204,323</b>	<b>\$ 113,975</b>	<b>\$ 21,305</b>	<b>\$ 20,002</b>	<b>\$ -</b>	<b>\$ 519,671</b>	<b>\$ 15,000</b>	<b>\$ 1,502,256</b>	<b>\$ 0</b>
Notes:											
1. Carry over - unspent revenues from FY 23/24											
2. Salaries include 6 FTE. 4% raise for all positions											
3. Benefits & Fringe include FICA, unemployment, Medical Insurance, Dental, Retirement Contribution*, Life Insurance* and ST disability*. * employees with 1+ years of employment only											



**Dues, Subscriptions, publications**

	# of		Total	RSG	DOT	HRSA	EDA	Municipal Local Dues
	Monthly	months						
<b>DUES</b>								
APA			\$ 1,506	\$ 1,506				
CT Main Street			\$ 1,000	\$ 1,000				
COST			\$ 795	\$ 795				
CCM			\$ 1,000	\$ 1,000				
Chamber of Commerce			\$ 250	\$ 250				
ICMA			\$ 850	\$ 850				
CEDAS			\$ 150	\$ 150				
Rotary			\$ 800	\$ 800				
IEDC			\$ 1,525	\$ -			\$ 1,525.00	
<b>Subscriptions</b>								
ESRI			\$ 440	\$ 440				
Adobe - \$141.60/ month	\$ 141.60	12	\$ 705	\$ 705				
Asana ( \$13.99/momth 2 seats)	\$ 27.98	12	\$ 336	\$ 336				
Mail Chimp	\$ 20.20	12	\$ 242	\$ 242				
BitWarden	\$ 20.00	12	\$ 240	\$ 240				
Microsoft Office 365			\$ 3,049	\$ 2,660			\$ 389.23	
Civic Lift - DLH website hosting fee			\$ 5,000	\$ -			\$ 5,000.00	
Website hosting fee			\$ 350	\$ 350				
Zoom			\$ 320	\$ 320				
Survey Monkey			\$ 468	\$ 468				
Quickbooks			\$ 2,160	\$ 2,160				
Canva			\$ 119	\$ 119				
<b>Publications</b>								
<b>Total</b>			<b>\$ 21,305</b>	<b>\$ 14,391</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,914.23</b>	<b>\$ -</b>

Contractual Programs / Projects		
<b>RSG \$ 51,275.00</b>		
Professional for Land Use Training to meet State requirements	\$ 500.00	
Implement DLH Marketing Plan	\$ 35,000.00	
Economic Gardening - capacity building	\$ 1,600.00	
Invest in Northwest Campaign	\$ 10,000.00	
Design Manual for informational signage	\$ 2,000.00	
Business workshops & conferences	\$ 2,175.00	
<b>UPWP \$ 151,095.00</b>		<b>\$16,788</b>
Update Safety Plan	\$ 40,000.00	**required
Update Transportation Plan	\$ 30,000.00	local match
2-3 Implementation Projects	\$ 97,883.00	(Dues)
<b>HRSA \$ 149,314.00</b>		
McCall - Intensive Outpatient Care	\$ 61,924.00	
Community Health & Wellness - ACES screenings in school & Community outreach	\$ 58,856.00	
Greenwoods - Care coordinator for youth	\$ 16,793.00	
(40) \$250 Supportive Vouchers	\$ 10,001.00	
Marketing Material	\$ 1,740.00	
<b>Other Revenues \$ 151,200.00</b>		
25% Match for RPIP Grant - HELPS	\$ 25,000.00	
Economic Gardening - Implementation	\$ 23,750.00	
Marketing Strategy	\$ 30,000.00	
CT Main Street	\$ 12,450.00	APPROVED
DLH - Calendar for businesses	\$ 10,000.00	
MSW - legal and Technical	\$ 50,000.00	
Totals	\$ 519,672.00	
Notes:		
1. Other Revenues include Municipal Dues, Admin Revenues,		

Grants & Special Project Program Expenses			
<b>RITS Administration</b>	<b>\$ 201,471</b>		<b>DEMHS - 2021 Progrm revenues</b> <b>\$ 326,306</b>
NW CT Transit District	\$ 68,179		Planning \$ 78,325
Sullivan Senior Center	\$ 64,359		Training \$ 10,000
GEER	\$ 60,630		Equipment \$ 20,000
Unobligated	\$ 8,303		ESF 2 - Communications \$ 17,201
			ESF 3 - Public Works & Engineering \$ 34,493
<b>Congressionally Directed Funding</b>	<b>\$ 92,500</b>		ESF 4 - Firefighting \$ 49,154
Support Rits Program: 3 providers	\$ 92,500		ESF 5 - Emergency Management \$ -
			ESF 6 - Mass Care, Housing & Human Services \$ 4,070
<b>ConnDOT LOTCIP - estimate*</b>			ESF 7 - Resource Support \$ 12,035
<b>Current Balance</b>	<b>\$ 4,515,617</b>		ESF 9 - Search & Rescue \$ 3
<b>FY 24 Revenues - Pending</b>	<b>\$ 990,000</b>		ESF 10 - Oil & Hazard Materials Response \$ 30,000
Torrington - Migeon Ave	\$ 2,800,000		ESF 13 - Public Safety & Security \$ 46,025
Harwinton - Penidng FY 25	TBD		Incident Management Team \$ 25,000
*balance subject to change - based on acutal conctruction costs			
			<b>DEMHS - 2022 Program revenues</b> <b>\$ 334,456</b>
<b>FTA Work Program - DOT</b>	<b>\$ 52,500</b>		Project 1 - soft targets \$ 29,085
Regional asset mapping and needs assessment of public transporation (equity)	\$ 52,500		Project 2 - Election Security \$ 10,000
			Project 3 - Regional Support \$ 134,858
<b>DOT - MGP</b>	<b>\$ 136,365</b>		Project 4- Portable Radios ESF 3&4 \$ 41,898
Geer	\$ 136,365		Project 5 -Portable Radios ESF 3, 4 & 6 \$ 34,493
			Project 6 - Rehab Equipment ESF 4 \$ 11,630
<b>NPS Wild &amp; Scenic Program expenses</b>	<b>\$ 136,500</b>		Project 7 - Hazmat Equip. Maintenace \$ 25,000
Invasive Plan Management	\$ 10,000		Project 8 - SAR Aviation Helmets PPE ESF 9 \$ 6,000
Visitor Use Management	\$ 45,000		Project 9 - Municpal Cyber Security ESF 7 \$ 22,000
Update Management Plan	\$ 10,000		Project 10 - 2 variable message Boards ESF 3 \$ 32,037
Website Improvements	\$ 5,000		
Access Survey and Recommendations	\$ 30,000		<b>DEMHS - 2023 Program revenues</b> <b>\$ 285,289</b>
Ruggies Landing Site Plan Development	\$ 10,000		Project 1 - soft targets \$ 29,085
Organizational Development	\$ 2,000		Project 2 - Regional Bomb Squad (R1-3) \$ -
Project Assistance	\$ 7,000		Project 3 - Regional Hazmat Team Set-Aside \$ 10,000
Stormwater/Stream Crossing Surveys	\$ 10,000		Project 4-Special Projects Coordinator \$ 73,325
Educational Programs	\$ 4,864		Project 5 -Credentialing Coordinators \$ 6,500
Signage	\$ 2,500		Project 6 - General Training \$ 15,000
			Project 7 - Equip. Maintenace, crisis Track, Supplies, Website, other \$ 25,000
<b>Rural Opiod Resoruce fund (rolling balance)</b>	<b>\$ 51,857</b>		Project 8 -RESF2 \$ 15,000
Campaing to spread awareness about availalbity of treatment and harm reduction resources in partnership with local entertainment establishments	\$ 2,000		Project 9 -RESF 3 \$ 42,000
Xylazine wound supplies and wound treatment training for local EMS in participating towns	\$ 5,000		Project 10 - RESF 4 \$ 42,000
Provide partial support for salary sof an existing harm reduction outreach worker	\$ 30,000		Project 11 - RESF 9 \$ 8,000
<b>This FY Expected Expense</b>	<b>\$ 37,000</b>		Project 12 - RESF 10 \$ 15,000
			Project 13 - RESF 13 (see project 1) \$ -
<b>Household Hazardous Waste</b>	<b>\$ 150,000</b>		Project 14 - IMT \$ 19,444
Host 2 HHW Days - expenses passed on to corresponding Towns	\$75,000 per event		Project 15 - Contingency \$ 42,434
<b>N2N (Berkshire Taconic)</b>	<b>\$ 10,000</b>		<b>DEMHS - EMPG 2021</b> <b>\$ 73,500</b>
As needed to residents in Kent, Cornwall, Sharon, Sailsbury, Goshen, Warren, Canaan & N. Canaan	\$ 10,000		Budget details Pending approval by RESF

	Y 22/23 Actual	FY 23/24 Budget	Change FY 23 to FY 24 Budget		FY 23/24 YTD (5/1)	FY 24 Budget vs. YTD		FY 24/25 Proposed	Change FY 24 Budget v. FY 25 Budget	
Salaries	\$ 374,578	\$ 671,596	\$ 297,018	79%	\$ 422,200	\$ 249,396	37%	\$ 607,980	\$ (63,616)	-9%
Benefits & Fringe	\$ 123,940	\$ 329,357	\$ 205,417	166%	\$ 141,341	\$ 188,016	57%	\$ 204,323	\$ (125,034)	-38%
Overhead	\$ 89,741	\$ 91,442	\$ 1,701	2%	\$ 92,077	\$ (635)	-1%	\$ 113,975	\$ 22,533	25%
Dues & Subscriptions	\$ 6,593	\$ 3,000	\$ (3,593)	-54%	\$ 2,812	\$ 188	6%	\$ 21,305	\$ 18,305	610%
Travel & Conf.	\$ 5,890	\$ 8,000	\$ 2,110	36%	\$ 11,099	\$ (3,099)	-39%	\$ 20,002	\$ 12,002	150%
Equip. & Assets	\$ 1,806	\$ 6,341	\$ 4,535	251%	\$ 6,853	\$ (512)	-8%	\$ -	\$ (6,341)	-100%
Contractual	\$ 1,005,516	\$ 928,350	\$ (77,166)	-8%	\$ 547,268	\$ 381,082	41%	\$ 519,671	\$ (408,679)	-44%
Contingency	\$ 17,984	\$ 5,000	\$ (12,984)	-72%	\$ 37,582	\$ (32,582)	-652%	\$ 15,000	\$ 10,000	200%
<b>Total</b>	<b>\$ 1,626,048</b>	<b>\$ 2,043,086</b>	<b>\$ 417,038</b>	<b>26%</b>	<b>\$ 1,261,232</b>	<b>\$ 781,854</b>	<b>38%</b>	<b>\$ 1,502,256</b>	<b>\$ (540,830)</b>	<b>-26%</b>
Note:										
FY 23/24 Benefits & Fringe included Paychex fees. Now moved to Overhead										
FY 23/24 buget projected total reveunes of \$2,106,604 w/ an unobligated surplus of \$63,518										
FY 23/24 included revenues of \$365,000 for DEMHS Region 5 Coordination - Grant award now in Grants/Special Projects										
FY 23/24 included revenues of \$15,000 for LOTCIP - admin fees not requested										
Carry Over calculation										
	Remaining Budget	Expected Expences	Total							
Salaries + B&F	\$ 437,412.00									
Expected salaries (rounded)		\$ 100,000.00								
Expected B&F (rounded)		\$ 40,000.00								
			\$ 297,412.00							
DOT - UPWP underspent	\$ (114,686.00)		\$ 182,726.00							
Overhead	\$ (635)									
Dues & Subcrip	\$ 188									
Travel & conf.	\$ (3,099)									
Equip & Assets	\$ (512)									
Contingency	\$ (32,582)									
Upcoming expenses (rounded)		\$ 50,000								
			\$ (86,640)							
Estimated Carry Over available			\$ 96,086							



# ATTACHMENT E

## Requested Changes to CTDOT FY 2021 Statewide Transportation Improvement Program (STIP) In the Northwest Hills Region

**STIP Amendments #6 (6-13-24) – This amendment is for section 5311 Federal Transit Administration funds for the Northwest Transit District direct fixed route, dial-a-ride, and jobs access transit operations**

<u>FACode</u>	<u>Proj#</u>	<u>Rte/Svs</u>	<u>Town</u>	<u>Description</u>	<u>Phase</u>	<u>Year</u>	<u>Tot\$(000)</u>	<u>Fed\$(000)</u>	<u>Sta\$(000)</u>	<u>Loc\$(000)</u>	<u>Comments</u>
5311P	0472-XXXX	NWCT TD	TORRINGTON	NWCT TD - SECTION 5311 OPERATING (DEVIATED FIXED ROUTE)- FY 2023	OTH	2024	1,787	894	590	304	MOVE FROM FY23 5311O TO FY24 5311P. INCREASE EST. FROM FED \$192K
5311P	0472-XXXX	NWCT TD	TORRINGTON	NWCT TD - SECTION 5311 OPERATING (DIAL-A-RIDE) - FY 2023	OTH	2024	301	150	99	51	MOVE FROM FY23 5311O TO FY24 5311P. DECREASE EST. FROM FED \$365K
5311P	0472-XXXX	NWCT TD	TORRINGTON	NWCT TD - SECTION 5311 OPERATING (JOB ACCESS) - FY 2023	OTH	2024	647	324	324	0	MOVE FROM FY23 56311O TO FY24 5311P. INCREASE EST. FROM FED \$123K

**STIP Amendments #7 (6-13-24) – Amendment is to move project from FY2023 to FY 2024 and will put funds in place for the award of a FTA grant application. This project includes Rural planning, administration, rural transit administration program, technical assistance and intercity bus activities. Project is being increased to provide the necessary funding for this project.**

<u>FACode</u>	<u>Proj#</u>	<u>Rte/Svs</u>	<u>Town</u>	<u>Description</u>	<u>Phase</u>	<u>Year</u>	<u>Tot\$(000)</u>	<u>Fed\$(000)</u>	<u>Sta\$(000)</u>	<u>Loc\$(000)</u>	<u>Comments</u>
5311P	0170-XXX X	SECTION 5311	VARIOUS	SECTION 5311 PROG ADJUST TO ACTUAL APPR, ADMIN & RTAP PROG FFY 2023	OTH	2024	824	824	0	0	MOVE FROM FY23 5311T TO FY24 5311P. INCREASE EST. FROM FED \$500K

# ATTACHMENT E

**STIP Amendments #8 (6-13-24) – Amendment will move the FY23 Section 5311 funding to FY 2024 for Capital needs including replacement of small buses and purchase of necessary support equipment. This STIP action will put funds in place for the award of a FTA grant application. Project is being increased to cover the cost of vehicles needing replacement.**

<u>FACode</u>	<u>Proj#</u>	<u>Rte/Svs</u>	<u>Town</u>	<u>Description</u>	<u>Phase</u>	<u>Year</u>	<u>Tot\$(000)</u>	<u>Fed\$(000)</u>	<u>Sta\$(000)</u>	<u>Loc\$(000)</u>	<u>Comments</u>
5311P	0472-XXXX	NWCT TD	TORRINGTON	NWCT TD - SECTION 5311 CAPITAL FY 2023	OTH	2024	825	660	165	0	MOVE FROM FY23 5311C TO FY24 5311P. INCREASE EST. FROM FED \$212K

**STIP Amendments #9 (6-13-24) – Congress has recently appropriated \$92,000 in support of the Northwest Hills Council of Governments for the Rural Independent Transportation System (RITS) services. The RITS Program provides rides to non-emergency medical appointments for the elderly and disabled living in the NHCOC region, at no cost to the rider. The funding for this project comes from the Consolidated Appropriations Act, 2024. This project will be administered through FTA. The Department will be applying for the funding on behalf of the NHCOC. Project total \$115,000; \$92,000 federal**

<u>FACode</u>	<u>Proj#</u>	<u>Rte/Svs</u>	<u>Town</u>	<u>Description</u>	<u>Phase</u>	<u>Year</u>	<u>Tot\$(000)</u>	<u>Fed\$(000)</u>	<u>Sta\$(000)</u>	<u>Loc\$(000)</u>	<u>Comments</u>
CPCD-T	0170-XXXX	NORTHWEST HILLS COG	VARIOUS	NHCOC - RURAL INDEPENDENT TRANSPORTATION SYSTEM (RITS)	OTH	2024	115	92	23	0	NEW PROJECT

# ATTACHMENT F

## SECRETARY'S CERTIFICATE/RESOLUTION

I, Patrick Roy, Secretary of NHCOG, an organization (the "Organization") existing under the laws of the State of Connecticut, certify that the following are true and complete resolutions which were adopted at a duly called and held meeting of the governing body of NHCOG on June 13, 2024, and that such resolutions have not been amended or modified and continue to be in full force and effect:

**RESOLVED**, that the Organization execute and deliver to the State of Connecticut a Notice of Grant Award (the "Agreement") in the amount of \$488,097.53 for the 2025 Regional Services Grant.

**RESOLVED**, that Robert A. Phillips, as Executive Director of the Organization, is directed to execute and deliver the Agreement on behalf of the Organization and to do all things necessary or appropriate to carry out the terms of the Agreement, including executing and delivering all agreements and documents contemplated by the Agreement.

I further certify that Robert A. Phillips now holds the office of Executive Director and that he/she has held that office since 7/12/2021.

I am signing this certificate on June 13, 2024.

\_\_\_\_\_, Secretary

Signature





# STATEMENT OF WORK AND GRANT AWARD BUDGET

## PART I

**NAME OF GRANTEE:** Northwest Hills Council of Governments (NHCOC)

**GRANT PROGRAM NAME:** Regional Services Grant (RSG)

**CONCISE GRANT PROGRAM SUMMARY (PROGRAM PURPOSE/INTENT/MISSION):**

The RSG Program provides annual grant-in-aid to regional councils of governments (COGs).

**OPM GRANT NUMBER:** (NHCOC): OPM Grant#: RSG-025-06

**GRANT AWARD AMOUNT:** (NHCOC): Grant Amount: \$488,097.53

### **INTRODUCTION:**

This Statement of Work and Grant Award Budget relates to the requirements of Connecticut General Statutes (CGS) Sections 4-66k and 4-66r and Section 8-31b. The Office of Policy and Management (OPM) is responsible for administering funds deposited to the Regional Planning Incentive Account, which is the source of RSG grant awards, and individual grant award amounts are determined through OPM's application of the statutory formula. Funds shall be used for planning purposes and to achieve efficiencies in the delivery of municipal services, without diminishing the quality of such services.

Each COG shall complete its Statement of Work and Grant Award Budget following the format prescribed in Part II below. Drop-down boxes are provided to reflect allowable budget category options. The total dollar amount for each budget category shall be provided to the right of the drop-down box.

Each budget category shall be followed by a listing of typical activities expected to be performed by COG staff and/or contractors, including administrative activities.

## **PART II – FY 25 RSG Budget Categories**

(Note: The sum of **Budget Amounts** listed below must add up to the total **Grant Award Amount** shown in Part I)



## 1. Comprehensive Planning

**Budget Amount: \$ \$195,239.02**

Expected Work Activities (There must be at least one activity listed per budget category. If more than one activity is listed, the last activity shall be preceded by “or”. Please expand the numbering beyond “5”, as necessary to reflect all expected work activities.)

1. Comply with statutory planning responsibilities including maintenance of Regional Plan of Conservation and Development, review of zoning and subdivision proposals for intermunicipal impacts along town boundaries, and review of municipal plans of conservation and development;
2. Provide technical support, continuing education, and workshops for various local land use related entities and staff;
3. Implement adopted Regional Plan of Conservation and Development goals and initiatives;
4. Maintain/update website and social media presence and information sharing;
5. Implement the region’s 5-year Comprehensive Economic Development Strategy in support of the region’s Economic Development District (EDD);
6. Provide staff support to conservation organizations including support for preservation initiatives involving land trusts, municipalities and other stewardship partners;
7. Support the Rural Health Resources Initiative to support the multi-faceted health resource network for municipal and constituent quality of life improvements region-wide;
8. Encourage municipal participation in the Sustainable CT municipal certification program and continue to host Sustainable CT Fellows to assist municipalities in gaining and maintaining sustainability improvements and recognition;
9. Continue ongoing outreach to members via in-person site visits to coordinate individual needs, provide assistance, and generate potential regional solutions, including RPIP;
10. Participate and coordinate with other COGs on an as-needed basis for planning and services including regional initiatives that may cross over boundaries of adjacent COG regions;
11. Implement other regional plans when necessary including the Regional Natural Hazard Mitigation Plan; OR
12. Administrative activities associated with Comprehensive Planning tasks.



## 2. Regional Services

**Budget Amount: \$ \$195,239.02**

Expected Work Activities (There must be at least one activity listed per budget category. If more than one activity is listed, the last activity shall be preceded by “or”. Please expand the numbering beyond “5”, as necessary to reflect all expected work activities.)

1. Manage the program, equipment needs and finances of the regional Public Works Equipment Collaborative including semi-annual meetings of Road Supervisors, Town Engineers and Public Works Directors in the region;
2. Continue to provide regional cost sharing opportunities to achieve economies of scale for materials such as chip sealing, crack sealing, full depth reclamation, plow blades and road salt through competitive bidding pricing as needed;
3. Continue to provide for regional engineering services acquired through competitive bid pricing;
4. Assist the region with waste stream management, including MSW, organic waste diversion practices and other recycling opportunities as they develop and to find new shared approaches to achieve efficiencies;
5. Coordinate and staff multiple annual Household Hazardous Waste Collection Days within the region;
6. Conduct outreach to encourage private investment in CEDS initiatives including the Day Trips Guides and local business directory intended to support businesses that rely on tourism;
7. Support Regional Food Hub and other food sharing programs and regional social and health resource service programs;
8. Support the promotion and ongoing development of the region’s events, destinations, and jobs website;
9. Faciliate and lead periodic Economic Development events in the region, including an annual Economic Development Forum;
10. Provide regional GIS services in-house with sufficient staffing and software/hardware support functions and/or consultant oversight;
11. Assess opportunities for additional regional services; OR
12. Administrative activities in support of Regional Service tasks.



### 3. Municipal Technical Support

**Budget Amount: \$ \$97,619.49**

Expected Work Activities (There must be at least one activity listed per budget category. If more than one activity is listed, the last activity shall be preceded by “or”. Please expand the numbering beyond “5”, as necessary to reflect all expected work activities.)

1. Assist municipalities with requests for information and services, including affordable housing, planning and zoning, GIS services, and general policies and procedures;
2. Offer training workshops for municipal officials, particularly land use officials in partnership with allied organizations to fulfill state statutory requirements;
3. Development of a regional document sharing library for municipal assistance in goals and policy development at the local level (HR, Public Works, Town Management, etc);
4. Engage with contractors to assist with regional shared services as needed;
5. Provide staff support for the NHCOCG Legislative Committee and participate with partner organizations as needed;
6. Continue to provide research, support or services to members that can bring additional value or service capability to members and their constituents;
7. Encourage or assist members in the implementation of mitigation strategies and harden infrastructure as identified in the regional Natural Hazards Mitigation Plan;
8. Provide assistance if necessary on Homeland Security and Emergency Support Functions beyond the basic service levels outlined in each funding package;
9. Provide other Local Technical Assistance at the request of municipal members; OR
10. Administrative activities associated with Municipal Technical Support functions.



# MINUTES OF THE NHCOC MEETING

05.09.2024

## ATTACHMENT G

remote

### Member/Representative Attendance:

✓	<b>Barkhamsted</b> , Nick Lukiwsky	✓	<b>Harwinton</b> , Michael Criss	✓	<b>Roxbury</b> , Patrick Roy
✓	<b>Burlington</b> , Doug Thompson		<b>Kent</b> , Marty Lindenmayer	✓	<b>Salisbury</b> , Curtis Rand
✓	<b>Canaan</b> , David Barger	✓	<b>Litchfield</b> , Denise Raap	✓	<b>Sharon</b> , Casey Flanagan
✓	<b>Colebrook</b> , Bradley Bremer	✓	<b>Morris</b> , Tom Weik	✓	<b>Torrington</b> , Elinor Carbone
	<b>Cornwall</b> , Gordon Ridgway	✓	<b>New Hartford</b> , Dan Jerram	✓	<b>Warren</b> , Greg LaCava
✓	<b>Goshen</b> , Todd Carusillo	✓	<b>Norfolk</b> , Matt Riiska	✓	<b>Washington</b> , Jim Brinton
✓	<b>Hartland</b> , Magi Winslow		<b>North Canaan</b> , Brian Ohler	✓	<b>Winchester</b> , Paul Harrington

### Others in Attendance:

**NHCOG Staff:** Sarah Better, Kathryn Faraci, Leo Ghio, Rista Malanca, Rob Phillips, Jean Speck.

**Guests:** Tim Waldron, Daniel Davis, Eversource; Kevin Tedesco - CONNDOT; Riley Klein, Lakeville Journal; John Field, DEMHS; John Wardzala, The Kennedy Collective; Ellen Graham, Sen. Blumenthal's office; members of the public.

**Call to Order:** called the meeting to order @ 1006.

**Public Comment:** none

**Report of the Executive Director.** Rob Phillips gave an overview of his written monthly report; welcomed new Winchester Town Manager Paul Harrington, Winchester's new Town Manager; FY23 year-end audit is close to completion.

### **Presentation of Draft FY24-25 NHCOG Budget and General Workplan for Preliminary Review.**

Rista Malanca and Rob Phillips provided a detailed overview of the new budget layout, history, and justification.

**MOTION by Elinor Carbone/Todd Carusillo - to schedule a special meeting to review the budget.** Approved unanimously.

**REFERENCE RESOURCES:** [DRAFT FY24-25 budget.](#)

### **Community & Economic Development Update.**

Written update provided in agenda package. Rista Malanca shared information on a four-year partnership with CT Main Street Center to develop a plan that will support vibrancy, sustainability and growth of Main Streets and Village Centers in all 21 towns. The board was briefed on the year-1 scope of work.

**MOTION by Elinor Carbone/David Barger- Approve the Scope of Work for CT Main Street Center for \$12,450.** Approved unanimously.

**REFERENCE RESOURCES:** [CT Main Street Center Partnership Year 1 Work Plan](#)

**STIP Amendments:** Kasey Faraci reported she just received notification of an additional project STIP amendment from the DOT and asked if it could also be approved at today's meeting.



**MOTION by Jim Brinton/Curtis Rand to add to the agenda STIP amendment for project #0174-0448 statewide replacement of traffic control signals** (2 in NHCOC are New Hartford and Winchester). Approved unanimously.

**MOTION by Jim Brinton/Curtis Rand to approve STIP Amendments for projects #0170-3731 (funding for the continuation of the statewide CT Rides Program utilizing Congestion Mitigation and Air Quality funding), #0067-0123 (move funding from 2024 to 'outer year' for CON of a streetscape project for pedestrian improvements within Kent Village Center), and #0174-0448 (statewide replacement of traffic control signals).** Approved unanimously.

Rista reminded chair that Kasey Faraci recently sent out an email regarding the Transportation Alternatives Program (TAP) funding for the next 5-year solicitation, and encouraged members to reach out to [Kasey Faraci](#) if they are interested in submitting an application. (*note: since this meeting, the deadline has been extended to August 2<sup>nd</sup>*)

**REFERENCE RESOURCES:** [Transportation Alternative Program funding solicitation & FAQ.](#)

**Report of the NHCOC Legislative Committee,** Mike Criss noted the 2024 legislative session ended late last night and gave a brief overview of bills. Also noted there might be a special session.

**DEMHS Update,** John Field, DEMHS R5 provided a reminder of the Governor's 2024 EPPI is June 12<sup>th</sup>, which will exercise an elections scenario; multiple grants have deadlines approaching; reminder to submit your MOUs for the Homeland Security Program Grant to [Sarah Better](#).

**REFERENCE RESOURCES:** [DEMHS R5 May COG Report.](#)

#### **Administrative Items:**

**MOTION by Elinor Carbone/Matt Riiska to approve the April 4, 2024 meeting minutes as submitted.** Approved unanimously, with Paul Harrington abstaining.

**MOTION by Jim Brinton/Curtis Rand to approve the Monthly Financial Statement for March as submitted.** Approved unanimously.

**MOTION by Todd Carusillo/Matt Riiska to approve the recommended Regional Engineering Service Providers as submitted.** Approved unanimously.

**Recommendation for NHCOC Officers and Executive Committee for FY24-25, and floor nominations to be received.** The slate of Officers shall be approved at the June Annual Meeting per NHCOC Bylaws, Nominating Committee (Carusillo, Jerram, Raap, Ridgeway). No report.

**Correspondence** - Torrington Urban Forestry Equity Grant - NHCOC Support Letter (*Attachment G*)

**MOTION by Curtis Rand/Denise Raap to approve sending letter of support.** Approved unanimously.

**Correspondence** - Winsted Housing and Advanced Makerspace - Community Investment Fund - NHCOC Support Letter.

**MOTION by Dave Barger/Denise Raap to approve sending a letter of support.** Approved unanimously.

Curis Rand reminded towns under the authority of the MIRA Dissolution Authority (MDA) to ensure town administrations are lined up to at least continue to support looking at a public solution for the transition of the Torrington Transfer Station currently under the authority of the MDA.

**MOTION by Paul Harrington/Todd Carusillo to adjourn the meeting @ 1136.** Approved unanimously.

Respectfully submitted,

*NHCOG staff*

**Next NHCOG Regular Monthly Meeting - Thursday, June 13, 2024 at 10AM**

# ATTACHMENT H

## NHCOG FINANCIAL REPORT

### April 2024 YEAR TO DATE - ACCRUAL BASIS

	Month April	YTD	NHCOG BUDGET FY 2023-2024	% Budget used
<b>OPERATING INCOME</b>				
Regional Service Grant		488,098	\$ 488,098	100%
ConnDOT SPR and Federal Transit	-	273,899	\$ 322,128	85%
RITS			\$ 10,000	0%
LOTICIP			\$ 7,500	0%
DEMHS	3,009	244,239	\$ 56,000	436%
HRSA Grant	-	116,172	\$ 145,758	80%
HRC Grant			\$ 1,470	0%
EDA Partnership	15,000	45,000	\$ 10,000	450%
Housatonic River Wild and Scenic NPS Fiduciary		3,500	\$ 13,500	26%
Found for Com Health-Rx Assist			\$ 3,000	0%
Bershire Taconic N2N	-	2,000	\$ 1,500	133%
Building Healthier Communities Produce Rx Pro		1,756	\$ 1,756	100%
Local Dues		54,137	\$ 54,026	100%
Pass through Revenue	-	215,281	\$ 928,350	23%
National Opioid	48,055	81,945	\$ -	
	<b>\$ 66,064</b>	<b>\$ 1,526,027</b>	<b>\$ 2,043,086</b>	
<b>STAFFING</b>				
Salaries - Direct	48,716	446,558	\$ 671,596	66%
Employee Benefits (Fringe & PTO) and Payroll Expenses	17,309	153,073	\$ 329,357	46%
<b>Staffing Subtotal</b>	<b>\$ 66,025</b>	<b>\$ 599,631</b>	<b>\$ 1,000,953</b>	60%
<b>OVERHEAD COSTS</b>				
Audit (Fiscal Services)	5,295	25,540	\$ 19,000	134%
Bonds/Property Insurance	-	17,026	\$ 19,000	90%
Dues, Subscriptions, Publications	27	2,816	\$ 3,000	94%
Equipment Maintenance	77	1,581	\$ 5,000	32%
Office Supplies	82	3,789	\$ 3,000	126%
Postage	113	516	\$ 250	206%
Printing Services, Reproduction			\$ 1,000	0%
Rent	2,640	23,505	\$ 25,692	91%
Utilities	-	1,319	\$ 6,000	22%
Telephone, Computers & Internet	368	5,385	\$ 7,000	77%
Cleaning Service/MSW Disposal	-	225	\$ 2,000	11%
Travel & Conferences	-	11,543	\$ 8,000	144%
Miscellaneous	-	15,920	\$ 3,500	455%
Contingency (Moving net with interest income)	(21)	30,387	\$ 5,000	608%
<b>Overhead Subtotal</b>	<b>\$ 8,582</b>	<b>\$ 139,552</b>	<b>\$ 107,442</b>	130%
Passthrough Expenditures (Contractual)	\$ 47,568	\$ 567,129	\$ 928,350	61%
<b>CAPITAL AND NON-RECURRING</b>				
Equipment (computers, furniture, hardware, etc)	-	7,270	\$ 6,341	115%
<b>Capital and Non-reoccurring Subtotal</b>	<b>\$ -</b>	<b>\$ 7,270</b>	<b>\$ 6,341</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 122,176</b>	<b>\$ 1,313,581</b>	<b>\$ 2,043,086</b>	
<b>NET</b>	<b>\$ (56,112)</b>	<b>\$ 212,446</b>	<b>\$ -</b>	
<b>Bank Accounts-Balance 04/30/2024</b>				
Certificate of Deposit #1-6996		48,222		
Certificate of Deposit #2-2036		48,574		
Certificate of Deposit #3-0783		61,224		
Certificate of Deposit NWCB		220,456		
STIF - NHCOG General Fund		381,308		
TSB Checking		403,479		
<b>Total Bank Accounts</b>		<b>1,163,264</b>		
<b>Statement of Cash Flows</b>				
		<b>Total</b>		
<b>OPERATING ACTIVITIES</b>				
Net Income		212,446		
Adjustments to reconcile Net Income to Net Cash provided by operations:				
Net change in accounts receivable		339,634		
Net change in accounts payable		(354,268)		
<b>Total Adjustments to reconcile Net Income to Net Cash provided by operations:</b>		<b>(14,634)</b>		
<b>Net cash provided by operating activities</b>		<b>197,812</b>		
<b>Net cash increase for period</b>		<b>197,812</b>		
<b>Cash at beginning of period</b>		<b>965,452</b>		
<b>Cash at end of period</b>		<b>1,163,264</b>		



## ATTACHMENT I

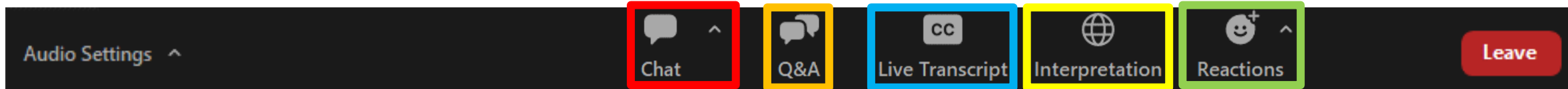
# Clean Heavy-Duty Vehicles (CHDV) Grant Program Information Session

---

APRIL 30, 2024

OFFICE OF TRANSPORTATION AND AIR QUALITY  
U.S. ENVIRONMENTAL PROTECTION AGENCY

# Zoom Webinar Logistics



This presentation is being recorded. The slides and recording will be posted to <https://www.epa.gov/clean-heavy-duty-vehicles-program> as soon as they are processed for posting.

All attendees are in listen-only mode. Audio is available through your computer speakers or by phone.

**Live transcription:** Live captioning is available by clicking the “Live Transcript” icon.

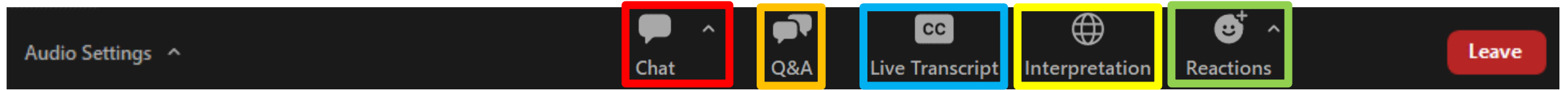
**Live interpretation** Live Spanish interpretation is available by clicking the “Interpretation” icon and selecting Spanish. Click “Mute Original Audio” to mute English audio when listening in Spanish.

**Questions:** Use the Q&A feature to ask questions during the presentation. We will list all questions and answers in the Q&A document available on our website. You can also submit written questions to the EPA Clean Heavy-Duty Vehicles Program helpline at [cleanhdvehicles@epa.gov](mailto:cleanhdvehicles@epa.gov).

**Chat:** Chat is disabled, but the presenters might share links through the chat feature.

**Reactions:** Reactions are enabled for you to interact with the presenter.

# Logística de seminarios web en Zoom



**Esta presentación es grabada.** Las diapositivas y la grabación se publicarán en <https://www.epa.gov/clean-heavy-duty-vehicles-program> tan pronto sean procesadas para su publicación.

**Todos los asistentes se encuentran solo en modo escucha.** Hay audio disponible a través de los altoparlantes de su computadora o por teléfono. El presentador le pedirá que quite el silencio si corresponde.

**Transcripción en vivo** Hay subtítulos disponibles haciendo clic en el icono “Live Transcript” [Transcripción en vivo].

**Interpretación en vivo** Hay interpretación en español disponible haciendo clic en el icono “Interpreting” [Interpretación] y seleccionando el español. Haga clic en “Mute Original Audio” [Silenciar audio original] para silenciar el audio en inglés al escuchar en español.

**Preguntas:** Use la función Q&A [preguntas y respuestas] para hacer preguntas durante la presentación. Abordaremos todas las que sea posible después de la presentación. Si no podemos contestar su pregunta en este momento, anotaremos todas las preguntas y respuestas en el documento Q&A correspondiente disponible en nuestro sitio web. Puede también enviar preguntas por escrito a la línea directa de ayuda del Programa de Autobuses Escolares Limpios de la EPA en [cleanhdvehicles@epa.gov](mailto:cleanhdvehicles@epa.gov).

**Chat:** Se encuentra inhabilitado el chat, pero los presentadores podrían compartir enlaces a través de la función de chat.

**Reacciones:** Las reacciones están habilitadas para que usted interactúe con el presentador.

# Live Transcription / Transcripción simultánea



Live transcript is available

CC

Live Transcript

# Live Spanish Interpretation / Interpretación simultánea



✓ Off

English

Spanish

Mute Original Audio



Interpretation

# AGENDA

---

**Overview of the Clean Heavy-Duty Vehicles (CHDV)  
Program**

---

**CHDV Grant Program Details**

---

**Application Package**

---

**Application Evaluation Process**

---

**Next Steps and Resources**



# Clean Heavy-Duty Vehicles (CHDV) Grant Program Overview

The EPA anticipates awarding up to **\$932 million** in funding under this Notice of Funding Opportunity (NOFO).

Eligible activities include the **replacement of existing non-zero-emission Class 6 and/or Class 7 heavy-duty vehicles with zero-emission vehicles**, as well as the purchase and installation of **associated infrastructure**, and **workforce development and training**.

There are **two** sub-programs, one for school bus replacement projects (**School Bus Sub-Program**) and one for non-school-bus vehicle replacement projects (**Vocational Vehicles Sub-Program**).

There is a set-side for **Tribal and territory applicants**.

EPA is committed to ensuring the CHDV Program delivers on the Justice40 Initiative to ensure that at least 40% of the benefits of certain federal investments flow to disadvantaged communities. Per the statute, **at least \$400 million** of the funding under this NOFO will go to applications that **replace vehicles to serve 1 or more communities located in a nonattainment area**.

A solid blue vertical bar is positioned on the left side of the slide, extending from the top to the bottom.

# CHDV Grant Program Details



\* Please read Section III.D of the Notice of Funding Opportunity for the full list of eligible and ineligible costs and activities.

## Vehicle Replacements

- EPA will offer funding to cover the **incremental** cost of replacing a non-zero-emission Class 6/7 heavy-duty vehicle with a **Class 6/7 zero-emission vehicle**. Zero emission vehicles include battery electric vehicles and hydrogen fuel cell vehicles.

## Infrastructure

- Funding may be used for the **purchase and installation of infrastructure** that will support vehicles replaced under this program.

## Workforce Development & Training

- Funding may be used to pay for **driver/mechanic training** related to the maintenance and operation of new technologies, and vehicle **warranties**.

## Implementation Costs

- Funding may be used to cover costs **directly related to the implementation, management, and oversight of the project**, including recipient and subrecipient personnel and benefits, contractual services, consulting on vehicle deployments, travel, supplies, and indirect costs.

# Eligible Applicants

States (including territories)

Municipalities (includes school districts)

Indian Tribes

Nonprofit school transportation associations

\* Note, by statute third-party contractors (OEMs, Dealers, EaaS providers, private bus fleets, etc.) are NOT eligible to apply directly to this grant competition but may participate by encouraging eligible applicants to apply and subsequently participating in the bidding process during the procurement process after grants are awarded.

# Eligible Vehicles

Class 6/7 School Buses

Class 6/7 Vocational Vehicles

- Including (but not limited to):
  - Delivery Trucks
  - Utility Trucks
  - Bucket Trucks
  - Other box trucks
  - Refuse Haulers/Dump Trucks
  - Class 6/7 Transit Buses

**Class 6 and Class 7 Vehicles include vehicles with a Gross Vehicle Weight Rating (GVWR) between 19,501 and 33,000 lbs.**

# 2024 CHDV Grant Program Structure

## School Bus Sub-Program

Level of Funding: 70% of total funds

Eligible Vehicles: Class 6/7 school buses

Minimum of 10 buses per application

## Vocational Vehicles Sub-Program

Level of Funding: 30% of total funds

Eligible Vehicles: Non-school-bus Class 6/7 vehicles, including, but not limited to, delivery trucks, utility trucks, bucket trucks, other box trucks, refuse haulers/dump trucks, and Class 6/7 transit buses

Minimum of 3 vehicles per application

EPA anticipates awarding at least 15 grants from either sub-program to eligible applicants from Tribes and territories under a Tribal/territory set-aside. Territories and Tribal applicants are not subject to vehicle minimums.

# CHDV Funding per Replacement Vehicle

Vehicle Type	Battery-Electric Vehicles (BEVs)		Hydrogen Fuel Cell Vehicles (FCEVs)	
	EPA Cost Share Percentage of New Vehicle Price	Per-Vehicle Funding Cap (Vehicle + Infrastructure)	EPA Cost Share Percentage of New Vehicle Price	Per-Vehicle Funding Cap (Vehicle + Infrastructure)
School Bus	75%	\$280,000*	N/A	N/A
Straight/Box Truck	65%	\$190,000	80%	\$400,000
Step Van		\$160,000		\$340,000
Septic Truck or Bucket Truck		\$330,000		\$670,000
Other Vocational Vehicle		\$355,000		\$720,000
Refuse Hauler	50%	\$260,000	70%	\$600,000
Street Sweeper		\$315,000		\$720,000
Transit Bus	33%	\$265,000	60%	\$780,000

The EPA will fund up to the **EPA cost share percentage of the new vehicle, up to the per-vehicle funding cap**, as shown in the table. Applicants will be responsible for providing or securing the remaining costs. Note, the applicant cost share is waived for Tribal and territory applicants, but such applicants are still subject to the per-vehicle cost caps shown in the table.

**Project Implementation Costs:** Eligible additional project costs include those costs directly related to the implementation, management, and oversight of the project, including vehicle delivery costs. Project implementation costs are not included or subject to the per-vehicle caps listed in the table.


\*ADA-compliant school buses are eligible for an additional \$20,000 per-vehicle funding cap (i.e., a total per-vehicle funding cap of \$300,000)



Application packages must be submitted to EPA via Grants.gov no later than July 25<sup>th</sup>, 2024 at 11:59 p.m. ET.

For more information, please visit <https://www.epa.gov/clean-heavy-duty-vehicles-program>.

# IRS Tax Credits



The EPA cannot give tax advice. Refer to the IRS website for further instruction.

- Grantees may be eligible for Inflation Reduction Act (IRA) tax credits applicable to their vehicle and infrastructure purchases, mainly the:
  - **Commercial Clean Vehicle Credit**, which provides up to \$40,000 for qualified commercial clean vehicles; and the
  - **Alternative Fuel Vehicle Refueling Property Credit**, which provides up to \$100,000 for qualified charging and refueling infrastructure.
- Grantees may also be eligible to claim all or a portion of the value of IRA credits using either the new elective pay or transferability mechanisms introduced by the IRS.
- See the [Internal Revenue Service \(IRS\) website](#) and [EPA's Tax Credits webpage](#) for more information on these credits.
- Please review the IRS's guidance linked above for more information about your eligibility for this credit as well as when you may be able to receive the credit.



# Eligible Existing Vehicles Must\*:

## All Vehicles Must:

- Be a **Class 6 or Class 7 heavy-duty vehicle** with Gross Vehicle Weight Rating (GVWR) between 19,501 lbs to 33,000 lbs
- Be **fully operational** at the time of application submission
- Be an **engine model year (EMY) 2010 or older diesel-powered vehicle** that will be **scrapped** if selected for funding. If a fleet has no eligible EMY 2010 or older diesel-powered vehicles, the fleet can either:
  - Scrap an EMY 2010 or older non-diesel internal combustion engine (ICE)-powered vehicle
  - Scrap, sell, or donate an EMY 2011 or newer diesel or non-diesel ICE-powered vehicle
  - Move an EMY 2011 or newer diesel or non-diesel ICE-powered vehicle to a “reduced service” fleet and scrap an EMY 2010 or older reduced-service vehicle in its place

## All School Buses Must:

- Have provided bus service to a public school district at least **3 days/week on average during the 2022/2023 school year** at the time of application, excluding emergency-related school closures

## All Other Non-School Bus Vehicles Must:

- Have accumulated at least **7,000 miles/year** during each of the two years prior to replacement
  - The mileage of two or more vehicles may be combined to reach 7,000 miles/year where two or more vehicles will be scrapped, sold, or donated and replaced by a single vehicle
  - For **Tribal and territory applicants**, the mileage minimum is **5,000 miles/year** during each of the two years prior to replacement
  - If a vehicle does not meet the mileage requirement, the applicant can demonstrate that the vehicle has **idled at least 500 hours/year** during the two years prior to replacement

*\*Refer to Section III.D of the NOFO for specific eligibility information*

# Eligible New Replacement Vehicles Must\*:

## All Vehicles Must:

- Be a **zero-emission** vehicle
  - Vehicles which have been converted to a zero-emission drivetrain after the first retail sale are *not* eligible
  - The conversion of a vehicle to a battery-electric drivetrain is *not* an eligible cost or activity
- Be a **Class 6 or Class 7 heavy-duty vehicle**
- Be an **engine model year 2023** or newer that is certified to **conform with all applicable Federal Motor Vehicle Safety Standards**
- Be **ordered only after receiving official notification of award** for EPA funding
- Be **purchased**, not leased or leased-to-own
- **Not be manufactured or retrofitted with, or otherwise have installed, a power unit or other technology that creates air pollution within the vehicle**, such as an unvented diesel passenger heater
- **Not be purchased or otherwise subsidized with other federal grant funds.** The total of funds from the CHDV grant and other eligible external funds allocated for the vehicle replacements cannot exceed the cost of the new vehicles

**Build America Buy America (BABA) requirements will be discussed later in the presentation.**

*\*Refer to Section III.D of the NOFO for specific eligibility information*

# Eligible Infrastructure Equipment\*

## For Electric Vehicle Supply Equipment (EVSE):

- Eligible infrastructure is limited to installations and upgrades behind the meter up to the charging port, including (but not limited to):
  - Charging equipment (such as alternating current (AC) Level 2 charging equipment, direct-current (DC) fast charging equipment, or vehicle-to-grid (V2G) enabled equipment);
  - Design and engineering
  - Installation costs such as trenching, wiring and electrical upgrades, labor, and permitting;
  - Related intelligent equipment and software designed to monitor vehicle and infrastructure performance (such as telematics or charge management software)
- **Build America, Buy America requirements apply to eligible vehicle charging infrastructure equipment**
- EPA funds cannot be used for any infrastructure costs associated with work in front of the electrical meter

## For Hydrogen Fueling Infrastructure:

- Eligible infrastructure includes (but is not limited to):
  - Storage tanks
  - Liquid and gaseous pumps and vaporizers
  - Compressors
  - Heat exchangers
  - Chillers
  - Piping and pipelines within the relevant facility
  - High-pressure dispensers (including hose, nozzles, and meters)
- **Build America, Buy America requirements apply to eligible hydrogen fueling infrastructure equipment**

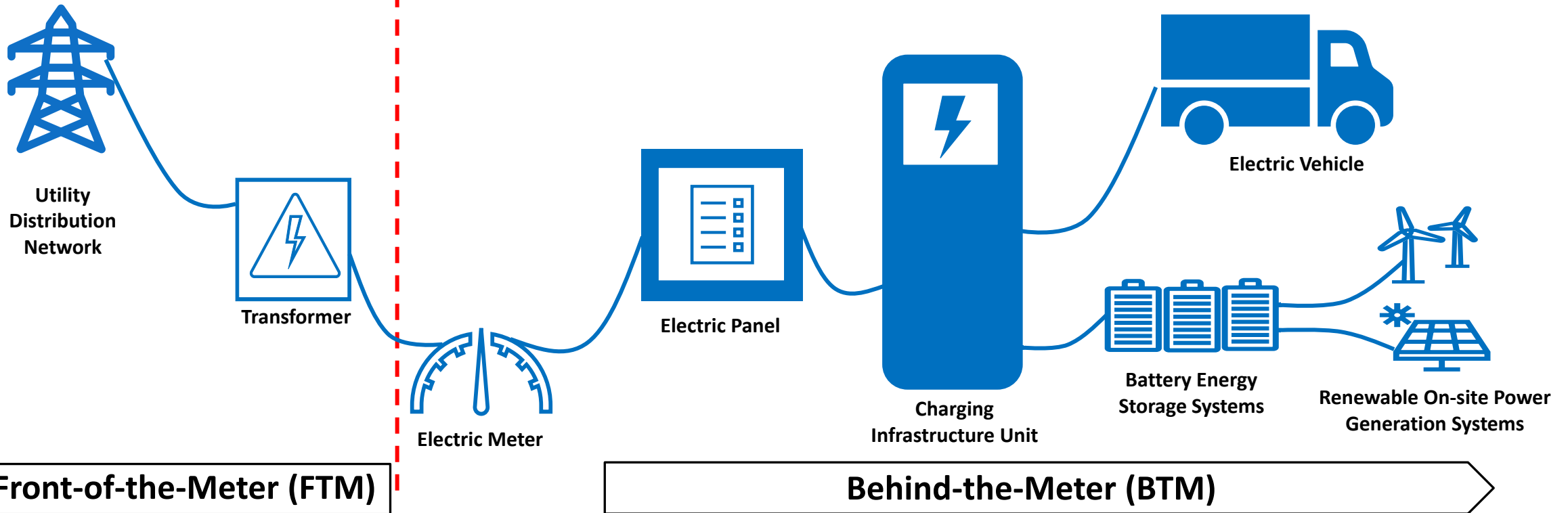
All electricians installing, operating, or maintaining EVSE are required to be certified from the [Electric Vehicle Infrastructure Training Program](#) (EVITP), or another program approved by the EPA in consultation with the Department of Labor and Department of Transportation. To find an EVITP-certified electrician in your area, visit <https://evitp.org/>.

*\*Refer to Section III.D of the NOFO for specific eligibility information*

# EVSE Infrastructure Funding Restrictions

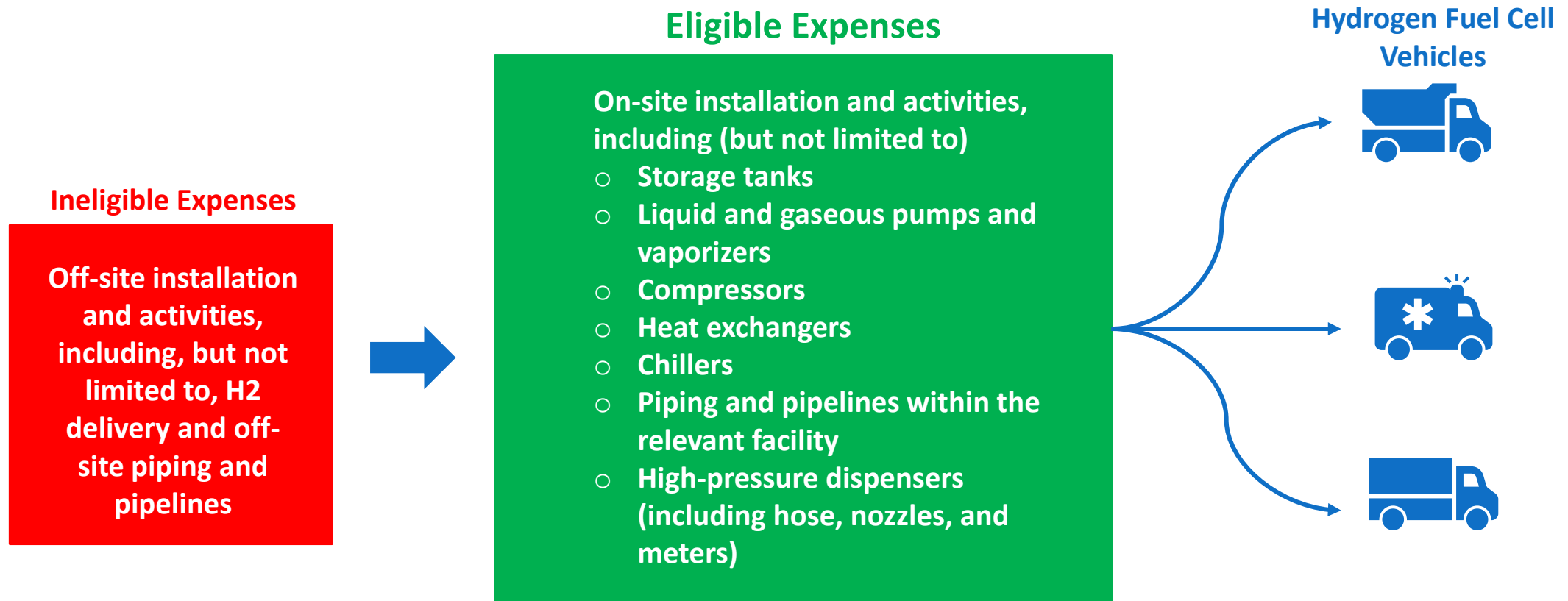
## Non-Eligible Expenses

## Eligible Expenses



- EPA funding for infrastructure is **limited to installations and upgrades behind the electric meter**. This may include, but is not limited to, upgrades (including software and telematic equipment) and permits. Funds may also be used for battery energy storage systems (BESS) associated with new electric vehicles funded in the program, as well as solar- or wind-powered on-site power generation systems that power the vehicles, if behind the meter.
- **All Level 2 charging infrastructure purchased under this program must be EPA ENERGY STAR certified at the time of purchase.** The EPA strongly recommends that all other charging infrastructure funded under this program be listed by a Nationally Recognized Testing Laboratory (NRTL).

# Hydrogen Fueling Infrastructure Funding Restrictions



In general, eligible Hydrogen fueling infrastructure expenses include those associated with activities and installations that are on-site. For specific hydrogen fueling eligibility information, refer to Section III.D of the NOFO.

# Build America, Buy America (BABA) Requirements

## What is Build America, Buy America (BABA)?

- Certain infrastructure projects are subject to BABA provisions of the Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act (IIJA)
- BABA requires items that are predominantly iron and steel, manufactured products, and construction materials used in federal infrastructure projects to be produced in the U.S.

## How Does BABA Impact the CHDV Program?

- The CHDV Grant Program is subject to BABA, which requires that applicants apply a Buy America preference to all Federal financial assistance projects where funds are appropriated or otherwise made available and used for a project for infrastructure.
- The EPA has determined that school buses are not subject to BABA
- Please monitor [EPA's Build America, Buy America website](#) for updates regarding EPA's general applicability waivers and for information on applying for project level waivers.

# Workforce Development and Job Quality

Workforce planning and preparation are critically important elements of successful zero-emission vehicle deployment.

## Workforce planning should focus on:

- ✓ All workers associated with the project, including current drivers, mechanics, electricians, and other essential personnel
- ✓ Safe operation and maintenance of new vehicles and infrastructure for workers
- ✓ Job quality for workers and adequate support during the transition, including worker voice and representation throughout the process (e.g., current workers are not replaced or displaced from new vehicles, workers are compensated their wages for time spent in training, etc.)

Eligible project costs associated with workforce development include\*:

- Driver/mechanic training related to the maintenance and operation of new technologies
- Training to certify licensed electricians to install EVSE, such as through the Electric Vehicle Infrastructure Training Program (EVITP)



Additional workforce development and training resources can be found at [EPA's Workforce Development and Training Resources webpage](#)

*\*Refer to Section III.D of the NOFO for specific eligibility information*

# Application Package



# Application Package: Mandatory Documents\*

## Application Narrative

- Applicants are not required, but are highly encouraged, to use the **Project Narrative template** provided in the Grants.gov application package.
- The project narrative, including the cover page, workplan, and budget table and detail, **must not exceed a maximum of 15 single-spaced typewritten pages**. Pages in excess of the 15-page limit will not be reviewed.

## Applicant Fleet Description

- Applicants must use the **applicant fleet description template contained in the Supplemental Application Document** provided in the Grants.gov application package.
- The purpose of the supplemental application template is to **describe in detail the specific vehicles targeted for emissions reductions** as well as **installation of charging or fueling equipment** to be implemented under the proposed project.

## Cost Share Commitment Letters (if applicable)

- Projects are subject to the mandatory cost share and cap requirements. (Slide 12) If the source of an applicant's proposed cost share is a named project partner, the applicant **must provide a letter of commitment from the named project partner**.
- Letters should be **addressed to the applicant organization and included as attachments** to the application. Please do not ask partners to submit letters directly to the EPA.

*\*Refer to the NOFO for the full list and description of mandatory and optional documents.*

# Application Package: Mandatory Documents (continued)\*

## School Board Awareness (if applicable)

- Applicants applying under the School Bus Sub-Program are required to upload documentation verifying that the school board is aware of the CHDV grant application. A **School Board Awareness Certification Template** is available in the Grants.gov application for applicants to use.
- An authorized representative, such as a Superintendent or their representative, will sign the form to demonstrate that the school board is aware of the application and involved in the process of transitioning to a cleaner fleet.
- This documentation is **not binding**, meaning that applicants do not need to fully commit to proceeding with the potential new bus project if selected for funding.

## Utility Partnership (if applicable)

- Applicants proposing to replace their vehicles with electric vehicles are required to provide documentation demonstrating coordination with their utility(ies). A **Utility Partnership Template** is available in the Grants.gov application for applicants to use.
- Planning early for long-term infrastructure needs is important for project success. To prepare for the CHDV application, the EPA recommends that applicants **identify** their utility(ies) and begin coordinating and/or consulting with them on project feasibility including **charging needs, upgrades needed, costs, rates for future service, and the timeframe for necessary upgrades.**
- This document is **not binding**, meaning that applicants do not need to complete a full utility analysis prior to being selected for funding.

*\*Refer to the NOFO for the full list and description of mandatory and optional documents.*

# Application Evaluation Process

# Application Evaluation Process

## Step 1: Threshold Criteria Review

Applicant must meet  
threshold criteria to  
move on to Step 2

- Application submitted by deadline via Grants.gov.
- Applicants in the School Bus Sub-Program must request a minimum of 10 school buses. Applicants in the Vocational Vehicles Sub-Program must request a minimum of 3 vehicles.
- Applications in the School Bus Sub-Program cannot include non-school bus vehicles. Applications in the Vocational Vehicles Sub-Program cannot include school buses.
- Applicants may only submit one application per sub-program.
- Applicants must identify one EPA Region for their application, based on the proposed location
- Applications must meet requirements as defined in the NOFO to be considered eligible.

# Application Evaluation Process

## Step 2: Evaluation Criteria

Applicants should explicitly address these criteria as part of their application package submittal in the project narrative, following the content requirements set forth in the NOFO.

### Evaluation Criteria

Project Summary and Approach

Environmental Results – Outputs, Outcomes and Performance Measures

Programmatic Capability and Past Performance

Environmental Justice and Disadvantaged Communities

Project Readiness

Project Sustainability

Climate Resilience

Job Quality and Workforce Development

Funding Beyond the Mandatory Cost Share

Budget

# Application Evaluation Process

## Step 3:

### Selection and Notification

Anticipated Timing for  
Notification of Selection:  
November 2024

- ❑ School Bus and Vocational Vehicles applications will be reviewed by separate panels.
- ❑ Applicants under the Tribal and territory set-aside will be evaluated under a separate review panel.
- ❑ In making the final funding decisions, the EPA selection official may also consider quantity and quality of applications received, geographic diversity of funds, number and size of awards, environmental benefits, support for communities with air quality and other challenges, the diversity of business models, and other Agency and programmatic priorities.
- ❑ Selectees will be notified by telephone, e-mail or postal mail by U.S. Environmental Protection Agency.

# Next Steps on How to Apply and Resources

# Next Steps – How to Apply



1. Visit the Clean Heavy-Duty Vehicles Website for Tools and Resources



2. Register Your Organization with Grants.gov and Sam.gov



3. Prepare Application Package



4. Submit Application Package on Grants.gov by July 25, 2024 at 11:59pm ET



# Next Steps



1. Visit the Clean Heavy-Duty Vehicles Website for Tools and Resources

- ❑ **For more information** about the IRA Clean Heavy-Duty Vehicles Program, resources, and related funding opportunities, **please visit** <https://www.epa.gov/clean-heavy-duty-vehicles-program>.
  - ❑ Questions and Answers: **The EPA will respond to questions from individual applicants about the NOFO**, including threshold eligibility criteria, administrative issues related to the submission of the application, and requests for clarification about any of the language or provisions in the announcement **through a questions and answers document posted to the CHDV webpage**. Q&A documents will be posted biweekly. Questions can be sent to [cleanhdvehicles@epa.gov](mailto:cleanhdvehicles@epa.gov).
  - ❑ The FY24 CHDV Grants NOFO includes information on how to prepare and submit an application. **The application package must be received by 11:59 p.m. (ET) on July 25, 2024**
  - ❑ **Please refer to Appendix B** in the NOFO for an Application Submission Checklist to ensure that all required materials are included in the application package.
  
- ❑ **Other Tools and Resources**
  - ❑ **Technical Assistance through the Joint Office of Energy and Transportation:** <https://driveelectric.gov/technical-assistance>
    - ❑ EPA encourages potential applicants to reach out to their utility early in the application period; see Technical Assistance website for relevant resources
  - ❑ **Technical Assistance for School Bus Projects:** <https://www.epa.gov/cleanschoolbus/clean-school-bus-technical-assistance>
  - ❑ **Data and Tools from the Joint Office of Energy and Transportation:** Resources to support the deployment of electric vehicles and charging infrastructure can be found at <https://driveelectric.gov/resources>.
  - ❑ **Overview of the initial steps that an applicant must complete to apply for an EPA grant**, including obtaining a Unique Entity Identifier (UEI) at SAM.gov and registering with Grants.gov. [www.epa.gov/grants/how-register-apply-grants](http://www.epa.gov/grants/how-register-apply-grants)

# Next Steps



## 2. Register Your Organization with Grants.gov and SAM.gov

All EPA grant applications are submitted online. Applicants must be registered in two government systems to apply for EPA grants:

1. **The System for Award Management (SAM.gov)** registers organizations to conduct business with the U.S. Government, which includes federal grants.
2. **Grants.gov** is the official system for managing all federal grant applications.

These two systems share information. Together, they provide access to everything needed to identify federal grant opportunities and to complete the online application process.



**Start Early:** Completing the registration process usually takes a **minimum of 10 business days**. It can take much longer, especially if there are errors or inconsistencies in the information submitted.



Note: **Both systems are accessed through a single user account set up in Login.gov.** Creating a Login.gov account is easy. If you do not have a Login.gov account, you will be prompted to create one when you register with SAM.gov or Grants.gov. [Learn more about Login.gov.](#)

# Next Steps



## 2. Register Your Organization with Grants.gov and SAM.gov

Obtain Unique Entity Identifier (UEI)



### Step 1. Register Your Organization in SAM.gov

- Applicants must register with SAM.gov to obtain a Unique Entity Identifier (UEI), which is a 12-character alphanumeric identifier assigned to each unique organization. There is no fee for registering with SAM.gov and registration must be renewed annually.
- Registration in SAM.gov requires providing assertions, representations and certifications, and other information so that the federal government can verify the existence and uniqueness of the organization. Go to the SAM.gov Entity Registration page to get started.
- Organizations will need to designate an E-Business Point of Contact (EBiz POC). After the information submitted through the registration process is authenticated, the EBiz POC will receive an email from SAM.gov indicating that the registration is active.

Register POC & Create Profile with UEI



### Step 2. Create a User Account and Applicant Profile in Grants.gov

After obtaining a UEI, an applicant must create a profile in Grants.gov in 2 steps:

- Create a user account in Grants.gov with the same email address used by the EBiz POC in SAM.gov.
- Create the applicant profile in Grants.gov using the UEI obtained from SAM.gov.

### Step 3. Create Individual Grants.gov Accounts for Organization Members

### Step 4. Learn How to Use Workspace in Grants.gov

For more detailed information visit:

[www.epa.gov/grants/how-register-apply-grants](https://www.epa.gov/grants/how-register-apply-grants)

# Next Steps



## 3. Prepare Application Package

- SF-424, Application for Federal Assistance
- SF-424A, Budget Information for Non-Construction Programs
- EPA Form 4700-4, Pre-Award Compliance Review Report
- EPA Form 5700-54, Key Contacts Form
- Project Narrative Attachment Form (not to exceed 15 pages)
  - Cover Page
  - Workplan
    - 1. Project Summary and Approach
    - 2. Environmental Results – Outputs, Outcomes, and Performance Measures
    - 3. Programmatic Capability and Past Performance
    - 4. Environmental Justice and Disadvantaged Communities
    - 5. Project Readiness
    - 6. Project Sustainability
    - 7. Climate Resilience
    - 8. Job Quality and Workforce Development
    - 9. Funding Beyond the Mandatory Cost Share
    - 10. Budget

The following mandatory documents, as applicable, should be uploaded using the “Other Attachments Form” in Grants.gov:

- Applicant Fleet Description (Use CHDV Supplemental Application Template)
- Documentation of Partnership with Utility
- Documentation of School Board Awareness (if applicable)
- Documentation of Third-Party Approval (if applicable)
- Intertribal Consortium Documentation (if applicable)
- Cost Share Commitment Letters (if applicable)

Additional information can be referenced in the NOFO.

# Next Steps



## 4. Submit Application Package

**Convenience Comes to Federal Grants**  
Download the Grants.gov Mobile App to search and submit on the go.

Download on the App Store | GET IT ON Google Play

**Reminder:** Federal agencies do not publish personal financial assistance opportunities on Grants.gov. Federal funding opportunities published on Grants.gov are for organizations and entities supporting the development and management of government-funded programs and projects. For more information about personal financial assistance benefits, please visit [Benefits.gov](https://www.benefits.gov).



**4. Submit Application Package on Grants.gov by July 25, 2024 at 11:59PM EST**



# Important Dates

<b>Wednesday, April 24, 2024</b>	<b>Notice of Funding Opportunity (NOFO) Opens</b>
<b>Anticipated June 2024 – Date TBA</b>	<b>CHDV Webinar: Evaluation Criteria, Grant Forms, and Popular Q&amp;A</b> <i>Registration information will be made available at <a href="http://www.epa.gov/clean-heavy-duty-vehicles-program">http://www.epa.gov/clean-heavy-duty-vehicles-program</a> under the “Webinars” section</i>
<b>Monday, July 8, 2024 at 11:59 PM ET</b>	<b>Final Date to Submit Questions</b>
<b>Thursday, July 25, 2024 at 11:59 PM ET</b>	<b>NOFO Closes – Application Deadline</b> <i>Application packages must be submitted electronically to EPA through Grants.gov (<a href="http://www.grants.gov">www.grants.gov</a>) no later than Thursday, July 25, 2024, at 11:59 p.m. Eastern Time (ET) in order to be considered for funding</i>
<b>November 2024</b>	<b>Anticipated Notification of Selection</b>
<b>December 2024</b>	<b>Anticipated Awards</b>

# Summary

## 2024 CHDV NOFO

- Q&A documents will be posted bi-weekly on the CHDV webpage.
- Application packages must be submitted to the EPA via Grants.gov no later than **Thursday, July 25, 2024 at 11:59 p.m. ET.**

## Next Steps

- Register your organization with Sam.gov and Grants.gov
- Begin coordinating with utilities, school boards, and other partners
- Start engaging your community
- Visit the CHDV website for resources and updates
- Prepare and submit your application package

## Resources

- [EPA's CHDV Program website](#)
- The CHDV helpline ([cleanhdvehicles@epa.gov](mailto:cleanhdvehicles@epa.gov))
- Technical assistance helpline ([cleanhdvehiclesTA@nrel.gov](mailto:cleanhdvehiclesTA@nrel.gov))
- Registration for the **Evaluation Criteria, Grant Forms, and Popular Q&A Webinar** will be available on the CHDV website

## Stay in Touch

- View the full 2024 CHDV Grant NOFO at [epa.gov/clean-heavy-duty-vehicles-program/clean-heavy-duty-vehicles-grant-program](https://www.epa.gov/clean-heavy-duty-vehicles-program/clean-heavy-duty-vehicles-grant-program)
- Submit questions to [cleanhdvehicles@epa.gov](mailto:cleanhdvehicles@epa.gov)
- Don't miss any updates! To sign up for the listserv, please visit <https://www.epa.gov/clean-heavy-duty-vehicles-program>

## ATTACHMENT J

- Eligible vehicles
  - Class 6 and 7 school buses
  - Class 6 and 7 vocational vehicles including
    - Refuse haulers/ dump trucks
    - Delivery trucks
    - Utility trucks
    - Bucket trucks
    - Other box trucks
    - Not limited to
    - Must fall between 19,501lbs and 33,000 lbs, any vehicle
  - Must apply for 3 vehicles minimum or 10 school buses minimum
- Eligible new replacement
  - Diesel engine older than 2010
  - Internal combustion engine newer than 2011
- Eligible infrastructure
  - EPA Funds cannot be used for infrastructure costs associated with work on the utility's side of the electrical meter
  - All other costs for behind the meter expenses are covered in the grant including workforce development and training
  - Fueling infrastructure for hydrogen fuel cell vehicles
- Funding amounts
  - EPA region 1 expected to be awarded 50,000,000 in funding
    - Includes New England
  - Individual award amount between 500,000 and 60,000,000
- Cost Share
  - School bus 25%
  - Refuse hauler and street sweeper 50%
  - Transit bus 66%
  - All other vehicles 35%



# ATTACHMENT K



May 23, 2024

Community Investment Fund 2030  
450 Columbus Blvd., Suite 5  
Hartford, CT 06103

SUBJECT: Winsted Housing and Advanced Makerspace / Round 5 CIF 2030

Dear Board Members of the Connecticut Community Investment Fund 2030,

I am writing on behalf of the Northwest Hills Council of Governments (NHCOCG) to express our full support for the Winsted Health Center's proposal to redevelop the property located at 115 Spencer Street into the Winsted Housing and Advanced Makerspace (WHAM).

As outlined in our 2024-2029 Comprehensive Economic Development Strategy report to the US Economic Development Agency, the WHAM project aligns perfectly with the goals and objectives set forth by NHCOCG to foster sustainable economic growth and community development in our region.

The WHAM project presents a multifaceted approach to addressing critical needs in our community while also promoting innovation, entrepreneurship, and collaboration. As noted in our report, the project is considered Shovel Ready, having completed the required predevelopment work funded by CIF and receiving subsequent CDS support from Congressman John Larson. Specifically, we believe that the WHAM will achieve the following objectives:

1. **Address Critical Housing Needs:** The development of 40 units of veteran-prioritized affordable housing will provide much-needed support not only to those who have served our country while also addressing the ongoing housing shortage in our region.
2. **Encourage Startup Creation and Business Growth:** Through its partnership with the CT State Northwestern Entrepreneurship Center, the WHAM will serve as a catalyst for startup creation, business growth, and expansion, thereby stimulating economic activity and job creation.
3. **Support Workforce Development and Technology Innovation:** The onsite community-accessible Makerspace, shared meeting, and event spaces will provide valuable resources for workforce development, training, and technology innovation, empowering individuals and businesses to thrive in the digital age.
4. **Promote Tourism and Hospitality:** By positioning the Makerspace/Center as a "Third Place" where people can exchange ideas, build relationships, and have a good time, the WHAM will contribute to the promotion of tourism and hospitality in our region, attracting visitors and fostering a vibrant community atmosphere.



5. **Strengthen the Region's Creative Economy:** WHAM's commitment to providing shared technical resources and digital platforms will not only benefit businesses but also artists, tradespeople, researchers, and educators by fostering cross-disciplinary collaboration and innovation that will catalyze job creation and economic growth.

In conclusion, we believe that the WHAM project represents a unique opportunity to address pressing needs in our community while also fostering economic growth, innovation, and collective advancement. We urge you to lend support to this important initiative and look forward to seeing the positive impact it will have on our region.

Thank you for your attention to this matter.

Sincerely,

Robert Phillips, AICP  
Executive Director

## ATTACHMENT L



May 23, 2024

To: CT Department of Housing- Community Development Block Grant/ Small Cities Program  
C/O Jocelyn Ayer, Litchfield County Center for Housing Opportunity  
[Jocelyn@thehousingcollective.org](mailto:Jocelyn@thehousingcollective.org)

Re: Support for **Town of Salisbury CDBG/Small Cities Application**

I am writing to support the Town of Salisbury's Small Cities/CDBG application for infrastructure funding to support 20 new affordable homes at Dresser Woods. This project is consistent with Northwest CT's Regional Plan of Conservation & Development and the federally designated Northwest CT Economic Development District's (EDD) newly adopted Comprehensive Economic Development Strategy (CEDS).

The Northwest (CT) NEXT Plan of Conservation and Development identified the need to "support the efforts of local affordable housing organizations to create housing options for young adults and young families in their towns throughout the region" as a way to attract and retain young residents. This was echoed by the business community and therefore, "Addressing the Housing Needs of the Region" became 1 of the 5 Goals identified in the EDD's 2024-2029 Comprehensive Economic Development Strategy as a way to attract qualified workforce.

Specifically in Salisbury, there are 200 households earning under 80% of the Area Median Income, which are spending more than 50% of their income on housing. These new affordable rental homes will be affordable to those earning under 80% of the Area Median Income.

The need to create additional housing options has been clearly identified; however, the cost to build these units can be prohibitive. The CDBG funding requested here will support the infrastructure needed for this project and is essential to creating these housing options that attract and retain young residents and support the business community in our region. We hope you will strongly consider funding this request.

Sincerely,

Robert Phillips, AICP  
Executive Director

# ATTACHMENT M



May 28, 2024

To: CT Department of Housing- Community Development Block Grant/ Small Cities Program  
C/O Jocelyn Ayer, Litchfield County Center for Housing Opportunity  
[Jocelyn@thehousingcollective.org](mailto:Jocelyn@thehousingcollective.org)

Re: Support for **Town of Sharon CDBG/Small Cities Application**

I am writing to support the Town of Sharon's Small Cities/CDBG application that will support converting the town's former Community Center building into four affordable apartments that will be owned and managed by the Sharon Housing Trust . This project is consistent with the Northwest CT's Regional Plan of Conservation & Development and the federally designated Northwest CT Economic Development District's (EDD) newly adopted Comprehensive Economic Development Strategy (CEDs).

The Northwest (CT) NEXT Plan of Conservation and Development identified the need to "support the efforts of local affordable housing organizations to create housing options for young adults and young families in their towns throughout the region" as a way to attract and retain young residents. This was echoed by the business community and therefore, "Addressing the Housing Needs of the Region" became 1 of the 5 Goals identified in the EDD's 2024-2029 Comprehensive Economic Development Strategy as a way to attract qualified workforce.

Specifically in Sharon, there are 175 households earning under 80% of the Area Median Income, spending more than 50% of their income on housing. This project will be affordable to those earning under 80% of the Area Median Income.

The need to create additional housing options has been clearly identified; however, the cost to build these units are often prohibitive. The CDBG funding requested here will make this project feasible and is essential to creating housing options that attract and retain young residents and support the business community in our region. We hope you will strongly consider funding this request.

Sincerely,

Robert Phillips, AICP  
Executive Director

## ATTACHMENT N



May 23, 2024

To: CT Department of Housing Community Development Block Grant/ Small Cities Program  
C/O Jocelyn Ayer, Litchfield County Center for Housing Opportunity  
[Jocelyn@thehousingcollective.org](mailto:Jocelyn@thehousingcollective.org)

Re: Support for **Town of Warren/Small Cities Application**

I am writing to support the Town of Warren's Small Cities/CDBG application for 8 new affordable homes at Warren Village, a new development located near Town Hall. This project is consistent with the Northwest CT's Regional Plan of Conservation & Development and the federally designated Northwest CT Economic Development District's (EDD) newly adopted Comprehensive Economic Development Strategy (CEDS).

The Northwest (CT) NEXT Plan of Conservation and Development identified the need to "support the efforts of local affordable housing organizations to create housing options for young adults and young families in their towns throughout the region" as a way to attract and retain young residents. This was echoed by the business community and therefore, "Addressing the Housing Needs of the Region" became 1 of the 5 Goals identified in the EDD's 2024-2029 Comprehensive Economic Development Strategy as a way to attract qualified workforce.

Specifically in Warren, there are 75 households earning under 80% of the Area Median Income, which are severely housing cost burdened -spending over 50% of their income on housing. This project will be affordable for those earning under 80% of the Area Median Income and it will be the first dedicated affordable housing in the Town of Warren.

The need to create additional housing options has been clearly identified; however, the cost to build these units are prohibitive especially in rural areas without public water and sewer. The CDBG funding requested here will make this project feasible and is essential to creating housing options that attract and retain young residents and support the business community in our region. We hope you will strongly consider funding this request.

Sincerely,

Robert Phillips, AICP  
Executive Director