



**NAUGATUCK VALLEY
COUNCIL of GOVERNMENTS**

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

AGENDA

**Executive Committee Meeting
Naugatuck Valley Council of Governments**

NVCOG Conference Room
49 Leavenworth Street
Waterbury, CT 06702
3 p.m., Wednesday, April 10, 2019

1. Pledge of Allegiance and Roll Call
2. Approval of the February 8, 2019 Record of Meeting (motion)
3. Recommendation of Appointment of Auditor FYE 2019 and 2020 – that Chair & Executive Director Sign 2019-20 Engagement Letter with MAWC for FYE 2019 and 2020, and Notify OPM by end of May (Michael Szpryngel, motion)
4. Update on Agency Budget Projection 2020 and Staffing Plan Discussion (Rick Dunne, Michael Szpryngel)
5. Discussion and Recommendation - MOU between NVCOG and Connecticut Brownfield Land Bank, Inc. (motion, Rick Dunne, Arthur Bogen)
6. Legislative Update Discussion (John DiCarlo)
7. Agency Insurance Policies Premium Review FY 2020 (Michael Szpryngel, Rick Dunne, Trish Bauer)
8. Executive Session
 - a. Employee Health Insurance Premium Discussion (if necessary)
 - b. Discussion of Current Lease Agreement and Options, 49 Leavenworth Street
 - c. Contractor Litigation Notification
 - d. Executive Director Review and Compensation, per Employment Agreement
9. Other
10. Adjournment

Called by
Neil O'Leary
Chairman



RECORD OF MEETING

NVCOG Executive Committee Meeting

NVCOG Conference Room

45 Leavenworth Street

Waterbury, CT, 06702

10 a.m., Friday, February 8, 2019

Executive Committee Members Present: Neil O’Leary, Waterbury; Mark Lauretti, Shelton; Pete Hess, Naugatuck; Ed Mone, Thomaston; Len Assard, Bethlehem; Chris Bielik, Beacon Falls; Tom Dunn, Wolcott.

Staff: Rick Dunne, Mark Nielsen, Michael Szpryngel, Lauren Rizzo, Joanna Rogalski.

1. Pledge of Allegiance and Roll Call

Chairman Neil O’Leary called the meeting to order at 10:00 a.m. Those in attendance recited the Pledge of Allegiance and the roll was called.

2. Approval of the January 10, 2019 Record of Meeting

On a motion by Ed Mone, seconded by Pete Hess, it was unanimously

VOTED: To accept the January 10, 2019 Record of Meeting as presented.

3. Discussion of NVCOG Legislative Agenda

Executive Director Rick Dunne reviewed a number of bills that NVCOG is tracking that are coming before the Connecticut General Assembly for the 2019 legislative session. It is anticipated that the Council may ultimately adopt an agenda of 3-5 specific items and further provide staff with guidance on a range of other items to govern discussion with policy makers during and following this legislative session. The draft NVCOG 2019 general assembly legislative session agenda includes: Transportation Funding and Grant and Approval Processes, Continuation of Funding for State Brownfields Program, Education, Strengthening the Role of Council of Governments, Expanding Municipal Shared Services Offerings, Updating Prevailing Wage Provisions, Increasing Sustainability Initiatives, and Increasing Funding for Work-Based Learning.

4. Other

Finance Director Mike Szpryngel provided a financial update through December 31, 2018 (halfway through the fiscal year). There have not been any unexpected reductions in NVCOG’s funding sources and there have been no significant overruns on budgeted expenses. Rick Dunne explained that this was being presented to the Executive Committee as an update only, and would be voted upon by the full NVCOG board at its March 8, 2019 meeting. At that time, the January financials will also be ready to be voted upon. Ed Mone inquired as to whether NVCOG’s financials were running according to plan, and Mr. Szpryngel affirmed that they were. He also responded to a question by Chris Bielik concerning Worker’s Compensation expenses.

Continued

5. **Executive Session & Adjournment**

At 11:33 a.m., on a motion by Chris Bielik, seconded by Ed Mone, it was unanimously

VOTED: To enter into Executive Session, subject to adjournment.

Respectfully submitted by
Lauren Rizzo
Administrative Services Coordinator
for
Ed Mone
Secretary



April 10, 2019

MEMORANDUM: 04102019-FIN-01

To: NVCOG Executive Committee
From: Michael P. Szpryngel, Finance Director
Subject: Appointment of Auditor

Auditor Discussion FYE 2019 and 2020

Initial 3 year contract with Michaud Accavallo Woodbridge and Cusano, LLC (MAWC) ended with the FY 2018 Audit; there is an option for 2 additional years, FYE 2019 and 2020, the audit cost being in line with initial cost proposal from Auditor RFP awarded in 2015, at **\$15,400 and \$15,700**, respectively. Staff recommends the Executive Committee to approve the auditor choice for FYE 2019 and 2020 today, and to notify OPM of our auditor choice by the end of May.



Guiding Successful People

Ansonia
158 Main Street, Suite 301
Ansonia, Connecticut 06401
P: 203-732-2311

Killingworth
166 Route 81
Killingworth, Connecticut 06419
P: 860-663-0110

New Haven
900 Chapel Street, Suite 620
New Haven, Connecticut 06510
P: 203-773-0384

Westport
611 Riverside Avenue
Westport, Connecticut 06880
P: 877-839-7423

Principals
Francis H. Michaud Jr. CPA
John A. Accavallo CPA
Sandra M. Woodbridge CPA
Dominic L. Cusano MBA CPA
Darin L. Offerdahl MBA CPA

**NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
PROFESSIONAL FEES**

<i>Assurance Services</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>
Audit of Financial Statements and Supplemental Information	\$ 10,000	\$ 10,300	\$ 10,600	\$ 10,900	\$ 11,200
State Single Audit	4,500	4,500	4,500	4,500	4,500
Total Engagement Fee	\$ 14,500	\$ 14,800	\$ 15,100	\$ 15,400	\$ 15,700

The above quoted fees are inclusive of all related out-of-pocket expenses. Fees for services outside of those requested will be based on hourly rates, or negotiated on a fixed-fee basis. No additional work would be undertaken without the written agreement of the Organization's management. Please note, because of our significant involvement within the governmental and not-for-profit industry, we are aware that controlling professional costs is a key issue facing your organization. Therefore, our proposed fees include our commitment to limiting any fee increase to the above quoted fee.

If circumstances arise where there is a need for us to perform additional services outside of the scope of the audit we will discuss this with you and arrive at an agreed upon fee or understanding in advance of performing such services. There will be no surprises.

We do not bill for routine phone calls and minor research, and welcome the opportunity to interact with management throughout the year on issues as they arise. If a request would involve a significant amount of time or effort, we would discuss that prior to undertaking any work and negotiate a fixed fee for the work to be performed.

Billing Rates

<i>Level</i>	<i>Rates</i>
Partner	\$ 185
Manager	145
Senior	120

Michaud Accavallo Woodbridge & Cusano, LLC

(Authorized Signature)

Partner
(Title)

860-663-0110
(Telephone)

4/19/2016
(Date)



Killingworth
166 Route 81
Killingworth, Connecticut 06419
P: 860-663-0110

Shelton
1000 Bridgeport Avenue,
Suite 210
Shelton, Connecticut 06484
P: 203-925-9600

Principals
John A. Accavallo CPA
Darin L. Offerdahl MBA CPA
Kerry L. Emerson

Sandra M. Woodbridge CPA*
Dominic L. Cusano MBA CPA*
*indicates retired

Guiding Successful People

April 2, 2019

To the Board of Directors and Management of the
Naugatuck Valley Council of Governments
49 Leavenworth Street
Waterbury, Connecticut 06702

We are pleased to confirm our understanding of the services we are to provide Naugatuck Valley Council of Governments for the years ended June 30, 2019 and June 30, 2020. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Naugatuck Valley Council of Governments as of and for the years ended June 30, 2019 and June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Naugatuck Valley Council of Governments basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. As part of our engagement, we will apply certain limited procedures to Naugatuck Valley Council of Governments RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison information

We have also been engaged to report on supplementary information other than RSI that accompanies Naugatuck Valley Council of Governments' financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Expenditures of Federal Awards.
- 2) Individual Non-Major Fund Financial Statements
- 3) Financial Summary for the State of Connecticut DOT
- 4) Schedule of Indirect Costs and Overhead Rate Calculation
- 5) Combining Balance Sheet
- 6) Combining Statement of Revenue, Expenditures and Changes in Fund Balance

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors of Naugatuck Valley Council of Governments. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Naugatuck Valley Council of Governments compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Naugatuck Valley Council of Governments major programs. The purpose of these procedures will be to express an opinion on Naugatuck Valley Council of Governments compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Naugatuck Valley Council of Governments in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the State of Connecticut Office of Policy Management; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of MAWC, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Office of Policy and Management, State of Connecticut or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of MAWC, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Office of Policy and Management, State of Connecticut. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

John A. Accavallo, CPA CGMA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for the June 30, 2019 and June 30, 2020 audits and State single audit is \$15,400 and \$15,700 respectively. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Naugatuck Valley Council of Governments and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

MAWC, LLC

RESPONSE:

This letter correctly sets forth the understanding of Naugatuck Valley Council of Governments.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Naugatuck Valley Council of Governments
Income Statement
Preliminary Budget V2 - FY 2020

Funding	Total Budget			G & A			Direct Pass Through		
	Adopted Budget FY 2019	Preliminary FY 2020 Adopted 1/11/19	Preliminary FY 2020 Current State Negotiations	Adopted Budget FY 2019	Preliminary FY 2020 Adopted 1/11/19	Preliminary FY 2020 Current State Negotiations	Adopted Budget FY 2019	Preliminary FY 2020 Adopted 1/11/19	Preliminary FY 2020 Current State Negotiations
PL Funding	1,477,525	1,188,760	1,261,216	997,764	905,060	1,145,708	479,761	283,700	115,507
Transportation Projects [1]	727,025	292,775	292,775	177,025	42,775	42,775	550,000	250,000	250,000
EPA-RLF	718,658	181,300	181,300	27,140	20,000	20,000	691,518	161,300	161,300
FTA	3,307,533	760,000	760,000	66,971	60,000	60,000	3,240,562	700,000	700,000
LOTICIP	93,493	143,600	155,300	93,493	93,600	105,300	-	50,000	50,000
State Projects	826,883	-	-	16,742	-	-	810,141	-	-
DECD	207,208	100,715	100,715	9,100	7,615	7,615	198,108	93,100	93,100
DEHMS	8,400	8,400	8,400	8,400	8,400	8,400	-	-	-
CERT	4,000	4,000	4,000	4,000	4,000	4,000	-	-	-
RSG [2]	428,405	428,405	209,534	428,405	428,405	209,534	-	-	-
DEEP	182,550	57,161	57,161	2,500	7,161	7,161	180,050	50,000	50,000
Regional Incentives	81,500	168,500	181,500	15,000	27,000	50,000	66,500	141,500	131,500
Waste Water [3]	289,744	641,000	618,000	23,077	23,000	-	266,667	618,000	618,000
Regional Election Monitor	10,000	-	10,000	-	-	-	10,000	-	10,000
Regional Planner Town Split	40,000	60,000	60,000	40,000	60,000	60,000	-	-	-
POCD [4]	-	-	-	-	-	-	-	-	-
Shelton GIS	-	-	-	-	-	-	-	-	-
Household Hazardous Waste	82,000	-	12,000	12,000	-	12,000	70,000	-	-
Municipal Dues [5]	162,892	223,152	254,403	162,892	223,152	225,526	-	-	28,877
Brownfield Dues	18,400	20,000	20,000	18,400	20,000	20,000	-	-	-
Capital Purchasing Program	-	6,500	6,500	-	-	-	-	6,500	6,500
Interest	2,000	2,000	2,000	2,000	2,000	2,000	-	-	-
Total Funding	8,668,216	4,286,268	4,194,804	2,104,909	1,932,168	1,980,020	6,563,307	2,354,100	2,214,784
Expenses									
Salaries	1,175,712	1,084,101	1,154,586	1,175,712	1,084,101	1,154,586	-	-	-
Payroll Taxes	89,942	83,200	88,326	89,942	83,200	88,326	-	-	-
Pension	67,092	76,353	81,015	67,092	76,353	81,015	-	-	-
Medical/Life/Disability	396,994	346,007	348,632	396,994	346,007	348,632	-	-	-
G&A - Schedule 1	375,169	342,507	342,507	375,169	342,507	342,507	-	-	-
Direct Pass Through - Schedule 1	6,563,307	2,354,100	2,214,784	-	-	-	6,563,307	2,354,100	2,214,784
Total Expenses	8,668,216	4,286,269	4,229,850	2,104,909	1,932,169	2,015,066	6,563,307	2,354,100	2,214,784
Fund Balance Increase (Decrease)	-	-	(35,046)	-	-	(35,046)	-	-	-

[1] Formally labeled "Federal Highway Projects"

[2] RSG Distribution Negotiations in Status

[3] Consolidated in 2020 as they are part of Region Incentives Grant.

[4] POCD is projected to be funded through RSG, assuming status quo

[5] Assuming Adopted Preliminary Dues 1/11/2019

Naugatuck Valley Council of Governments

Schedule 1 - G A

Preliminary Budget V2 - FY 2020

Expenses	Adopted Budget FY 2019	Preliminary FY 2020 Adopted 1/11/19	Preliminary FY 2020 Current State Negotiations
Advertisement	7,500	6,575	6,575
Capital Equipment [1]			
Computers	-	10,000	10,000
IT Equipment	-	4,000	4,000
Office Equipment	-	1,000	1,000
Computer Software & Maintenance			
Software	25,000	25,000	15,000
IT Maintenance Agreement	12,156	12,156	12,156
Contractors/Subcontractors	10,000	10,000	-
Dues/Professional/Conferences	7,250	7,250	7,250
Insurance			
Business / Office	12,000	12,360	14,000
Workers Comp	3,000	3,866	3,866
Lease Expense	2,500	2,500	2,500
Professional Services			
Accounting	25,000	22,000	20,000
Legal	50,000	50,000	40,000
Printing	7,500	8,500	8,500
Office Supplies	25,000	19,000	20,000
Rent	76,650	76,650	76,650
Repairs / Renovations	5,000	5,000	5,000
Telephone/Internet Service	13,000	13,650	13,650
Training/Professional Development	6,500	7,000	7,000
Travel/Meetings	30,000	20,000	30,000
Utilities			
Leavenworth	20,000	19,000	19,000
Derby Train Station [2]	-	-	9,600
Website	35,000	5,000	5,000
Miscellaneous [3]	-	-	1,000
Contingency	2,113	2,000	2,000
Total	375,169	342,507	333,747
Direct Expenses <Contractors/Subs>	6,563,307	2,354,100	2,214,784
Total Expenses	6,938,476	2,696,607	2,548,531

[1] Capital Computer Replacement was included in Computer Software & Maintenance in FY 19

[2] Derby Train Station Utilities were paid out of FTA funds in previous fiscal years due to VTD renovation; NVCOG planning a facility assement of the Train Station, possible FTA reimbursement for utilities during.

[3] Account had not been previously included

**Naugatuck Valley Council of Governments
Proposed Dues Scenarios - V2
Fiscal Year 2020**

City / Town	Population	FY 2015		FY 2019			Adopted Preliminary Dues			Scenario 1			Scenario 2		
		Year Prior to Merger		Adopted			1/11/2019			Pre-CTDOT Cuts			CTDOT Cuts		
		Per Capita Rate	Dues	Per Capita Rate	Dues	% change FY15 to FY19	Per Capita Rate	Dues	Variance FY19 to FY20	Per Capita Rate	Dues	Variance FY19 to FY20	Per Capita Rate	Dues	Variance FY19 to FY20
Ansonia	18,953	0.584	11,235	0.363	6,987	-38%	0.568	10,769	3,781	0.507	9,606	2,618	0.555	10,511	3,524
Beacon Falls	6,108	0.427	2,583	0.363	2,196	-15%	0.568	3,470	1,275	0.507	3,096	900	0.555	3,387	1,192
Bethlehem	3,490	0.427	1,540	0.363	1,309	-15%	0.568	1,983	674	0.507	1,769	459	0.555	1,936	626
Bristol [1]	60,498	0.483	29,210	0.363	21,953	-25%	0.568	34,374	12,421	0.507	30,661	8,708	0.555	33,552	11,599
Cheshire	29,274	0.427	12,494	0.363	10,622	-15%	0.568	16,633	6,011	0.507	14,836	4,215	0.555	16,235	5,613
Derby	12,700	0.584	7,531	0.363	4,683	-38%	0.568	7,216	2,532	0.507	6,436	1,753	0.555	7,043	2,360
Middlebury	7,658	0.427	3,235	0.363	2,750	-15%	0.568	4,351	1,601	0.507	3,881	1,131	0.555	4,247	1,497
Naugatuck	31,649	0.427	13,605	0.363	11,566	-15%	0.568	17,982	6,416	0.507	16,040	4,474	0.555	17,552	5,986
Oxford	12,972	0.427	5,416	0.363	4,604	-15%	0.568	7,370	2,767	0.507	6,574	1,970	0.555	7,194	2,590
Plymouth [1]	11,888	0.623	7,629	0.363	4,444	-42%	0.568	6,755	2,310	0.507	6,025	1,581	0.555	6,593	2,149
Prospect	9,748	0.427	4,016	0.363	3,414	-15%	0.568	5,539	2,125	0.507	4,940	1,526	0.555	5,406	1,992
Seymour	16,579	0.584	9,654	0.363	6,004	-38%	0.568	9,420	3,416	0.507	8,402	2,398	0.555	9,195	3,191
Shelton	41,282	0.584	23,090	0.363	14,360	-38%	0.568	23,456	9,096	0.507	20,922	6,562	0.555	22,895	8,535
Southbury	19,675	0.427	8,499	0.363	7,225	-15%	0.568	11,179	3,954	0.507	9,971	2,746	0.555	10,912	3,687
Thomaston	7,668	0.427	3,368	0.363	2,863	-15%	0.568	4,357	1,494	0.507	3,886	1,023	0.555	4,253	1,390
Waterbury	109,250	0.427	47,126	0.363	40,063	-15%	0.568	62,074	22,011	0.507	55,369	15,306	0.555	60,589	20,527
Watertown	21,976	0.427	9,613	0.363	8,173	-15%	0.568	12,486	4,314	0.507	11,138	2,965	0.555	12,188	4,015
Wolcott	16,696	0.427	7,122	0.363	6,055	-15%	0.568	9,486	3,432	0.507	8,462	2,407	0.555	9,260	3,205
Woodbury	9,686	0.427	4,259	0.363	3,621	-15%	0.568	5,503	1,882	0.507	4,909	1,288	0.555	5,372	1,751
Total	447,750		211,225		\$ 162,892			\$ 254,403	91,511		\$ 226,923	64,031		\$ 248,320	85,428

NVCOG Responsibility to Match Federal Highway PL Funds					
Annual Current Allocation	10%	12.4%	12.4%	10%	12.0%
Carry Over	10%	20%	20%	20%	20%

**Naugatuck Valley Council of Governments
Funding Requirements
Fiscal Year 2020**

	FY 2020		FY 2015		Preliminary Dues		Scenario 1		Scenario 2	
	PL Funding Source		Year Prior to Merger		Adopted 1/11/2019		Pre-CTDOT Cuts		CTDOT Cut	
	Federal	Non-Federal	State Match	NVCOG Match	State Match	NVCOG Match	State Match	NVCOG Match	State Match	NVCOG Match
Funding Split (Allocation / Carry Over)	80%	20%	10% / 10%	10% / 10%	7.6% / 0%	12.4% / 20%	10% / 0%	10% / 20%	8% / 0%	12% / 20%
FY 2020 PL Annual Allocation Required	855,872	213,968	77,925	77,925	82,677	124,016	106,984	106,984	85,587	128,381
FY 2017 PL Carry Over Match Required	319,756	79,939	8,845	8,845	-	106,276	-	79,939	-	79,939
Total PL Match Required	1,175,628	293,907	86,770	86,770	82,677	230,292	106,984	186,923	85,587	208,320
Required for Other Activities [1]				124,455		24,111		40,000		40,000
Dues Required for Status Quo				211,225		254,403		226,923		248,320
Dues per Capita				0.4717		0.5682		0.5068		0.5546

[1] EPA/Brownfields Program, POCD, Non Transportation Tasks, etc.

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS
AND
THE CONNECTICUT BROWNFIELD LAND BANK, INC.**

NOW COMES the Naugatuck Valley Council of Governments (“NVCOG”) and the Connecticut Brownfield Land Bank, Inc. to evidence their agreement as follows:

WHEREAS, NVCOG has been formed pursuant to Sections 4-124i through 4-124p of the Connecticut General Statutes as a planning organization, concerned with transportation, economic development, land use, brownfields redevelopment, environmental, and emergency planning for the Naugatuck Valley Region;

WHEREAS, pursuant to Section CGS 32-771 (d) of the Connecticut General Statutes, the Connecticut Brownfield Land Bank, Inc. is recognized as a certified land bank;

WHEREAS, NVCOG is desirous of supporting brownfield redevelopment and the Land Bank is desirous of working with the NVCOG to cooperate for the benefit of the State and region;

NOW, THEREFORE, NVCOG and the Land Bank agree to their **Mutual Roles & Responsibilities**: This indicates that the NVCOG and the Land Bank will coordinate activities and cooperate in support of all brownfield projects in the NVCOG entire region that consists of 19 towns and a half million people and in projects of the 26 municipalities eligible as members of the Regional Brownfield Partnership.

NVCOG Efforts: Plan and design infrastructure, conduct public involvement and information sessions, manage regional initiatives, provide brownfield resources, ensure conformity with plans of conservation and development, provide project planning and management services as required, and act as a resource for additional funding or grants.

Land Bank Efforts: The education of government officials, community leaders, economic development agencies and non-profit organizations on best practices of redeveloping brownfield sites, which would be beneficial to the community, seek funding, take title to sites with Tri-Party Agreements signed and funded.

IN WITNESS WHEREOF, the parties executed this MOU as of the date set forth below

NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS

By: _____
Rick Dunne
Executive Director

Date: _____

CONNECTICUT BROWNFIELD LAND BANK, INC.

By: _____
Arthur Bogen
President

Date: _____



NVCOG Hot List of Proposed 2019 CGA Bills

[House Bill 5003](#), AN ACT IMPLEMENTING A PAID FAMILY MEDICAL LEAVE PROGRAM.

[House Bill 5123](#), AN ACT PROHIBITING THE USE OF EMINENT DOMAIN FOR CERTAIN COMMERCIAL PURPOSES

[House Bill 5229](#), AN ACT CONCERNING THE REGULATION OF SIGNS BY ZONING COMMISSIONS

[House Bill 5254](#), AN ACT ESTABLISHING A PILOT PROGRAM AUTHORIZING MUNICIPALITIES TO IMPOSE A BUYER'S CONVEYANCE FEE ON REAL PROPERTY TO FUND THE PURCHASE AND STEWARDSHIP OF OPEN SPACE

[House Bill 5318](#), AN ACT ESTABLISHING LOCAL REPRESENTATION ON THE CONNECTICUT SITING COUNCIL FOR CERTAIN PROJECTS

[House Bill 6346](#), AN ACT CONCERNING THE REVIEW OF MUNICIPAL ARBITRATION AWARDS

[House Bill 7004](#), AN ACT CONCERNING CONCUSSION EDUCATION FOR COACHES OF YOUTH ATHLETIC ACTIVITIES

[House Bill 7152](#), AN ACT ACCELERATING THE DEPLOYMENT OF 5G WIRELESS FACILITIES

[House Bill 7157](#), AN ACT CONCERNING FUNDING FOR BIKEWAY PATHS, RECREATIONAL TRAILS AND GREENWAYS

[House Bill 7191](#), AN ACT INCREASING THE MINIMUM WAGE

[House Bill 7192](#), AN ACT CONCERNING MUNICIPAL AND REGIONAL OPPORTUNITIES AND EFFICIENCIES

[House Bill 7202](#), AN ACT CONCERNING THE SUSTAINABILITY OF CONNECTICUT'S TRANSPORTATION INFRASTRUCTURE

[House Bill 7207](#), AN ACT CONCERNING THE APPROVAL OF CERTAIN NEW MUNICIPAL CONSTRUCTION PROJECTS

[House Bill 7209](#), AN ACT ESTABLISHING THE CONNECTICUT MUNICIPAL REDEVELOPMENT AUTHORITY

[House Bill 7280](#), AN ACT CONCERNING SUPPORT FOR TRANSPORTATION INFRASTRUCTURE AND THE CREATION OF THE CONNECTICUT TRANSPORTATION FINANCE AUTHORITY

(Continued)

[House Bill 7295](#), AN ACT CONCERNING A RECYCLING PROGRAM FOR PAPER AND PACKAGING AND REQUIRING CERTAIN MUNICIPAL SOLID WASTE MANAGEMENT GOALS

[House Bill 7298](#), AN ACT CONCERNING THE PERMITTING FOR CERTAIN SOLID WASTE FACILITIES AND THE DESIGNATION OF RECYCLABLE ITEMS

[House Bill 7350](#), AN ACT CONCERNING REGIONAL COOPERATION AND THE SHARING OF SERVICES AMONG REGIONAL EDUCATIONAL SERVICE CENTERS AND MEMBER BOARDS OF EDUCATION

[House Bill 7361](#), AN ACT CONCERNING MUNICIPALITIES (Potential Placeholder Bill)

[House Bill 7362](#), AN ACT CONCERNING ZONING (Potential Placeholder Bill)

[House Bill 7363](#), AN ACT CONCERNING BUILDINGS (Potential Placeholder Bill)

[House Bill 7365](#), AN ACT CONCERNING MUNICIPAL DATA REPORTING

[House Bill 7403](#), AN ACT CONCERNING THE STATE BUDGET PROCESS

[House Bill 7405](#), AN ACT CONCERNING STATE MANDATES

[Senate Bill 1](#), AN ACT CONCERNING PAID FAMILY AND MEDICAL LEAVE (Governor's Bill – identical to HB 5003)

[Senate Bill 140](#), AN ACT EXPANDING ELIGIBILITY FOR TAX RELIEF FOR CERTAIN ELDERLY HOMEOWNERS

[Senate Bill 164](#), AN ACT INCLUDING CERTAIN MENTAL OR EMOTIONAL IMPAIRMENTS WITHIN THE DEFINITION OF "PERSONAL INJURY" UNDER THE WORKERS' COMPENSATION STATUTES

[Senate Bill 423](#), AN ACT CONCERNING FUNDING FOR CONNECTICUT'S TRANSPORTATION FUTURE

[Senate Bill 431](#), AN ACT CONCERNING PROPERTY TAX REFORM

[Senate Bill 475](#), AN ACT INCREASING THE SALES TAX RATE AND DEDICATING THE ADDITIONAL REVENUE TO MUNICIPALITIES

[Senate Bill 526](#), AN ACT REQUIRING A STUDY CONCERNING THE CREATION OF A MUNICIPAL OPTION TO AMEND THE MUNICIPAL FISCAL YEAR TO ALIGN WITH THE FEDERAL FISCAL YEAR

[Senate Bill 794](#), AN ACT CONCERNING FUNDING FOR FIRE SCHOOLS

(Continued)

[Senate Bill 846](#), AN ACT CONCERNING THE MUNICIPAL GAIN, THE PREPARATION OF UTILITY POLES AND ENTERPRISE FUNDS FOR MUNICIPAL BROADBAND SERVICES

[Senate Bill 872](#), AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR GENERAL GOVERNMENT

[Senate Bill 874](#), AN ACT CONCERNING EDUCATION INITIATIVES AND SERVICES IN CONNECTICUT

[Senate Bill 876](#), AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES

[Senate Bill 878](#), AN ACT ENHANCING PUBLIC-PRIVATE PARTNERSHIPS

[Senate Bill 881](#), AN ACT ESTABLISHING A PAID FAMILY AND MEDICAL LEAVE PROGRAM

[Senate Bill 882](#), AN ACT CONCERNING MUNICIPAL ARBITRATION AND THE MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

[Senate Bill 1072](#), AN ACT CONCERNING THE CONNECTICUT ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

[Senate Bill 1073](#), AN ACT CONCERNING CONSERVATION AND DEVELOPMENT (Potential Placeholder Bill)

[Senate Bill 1074](#), AN ACT CONCERNING ECONOMIC DEVELOPMENT (Potential Placeholder Bill)

[Senate Bill 1077](#), AN ACT CONCERNING SHARED MUNICIPAL SERVICES (Potential Placeholder Bill)

[Senate Bill 1081](#), AN ACT CONCERNING MUNICIPAL SET-ASIDE REQUIREMENTS

[Senate Bill 1095](#), AN ACT CONCERNING MUNICIPAL ETHICS

[Senate Bill 1116](#), (RAISED) AN ACT CONCERNING EXPENDITURES FOR MUNICIPAL AID