

**WESTERN CONNECTICUT COUNCIL
OF GOVERNMENTS**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
FINANCIAL STATEMENTS
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JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Western Connecticut Council of Governments
1 Riverside Road
Sandy Hook, CT 06482

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Western Connecticut Council of Governments as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise Western Connecticut Council of Governments basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Western Connecticut Council of Governments as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Western Connecticut Council of Governments 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

Western Connecticut Council of Governments 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 Western Connecticut Council of Governments ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAAS 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 GAAS, 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 Western Connecticut Council of Governments 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 Western Connecticut Council of Governments 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 and budgetary comparison information as listed in the table of contents, 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 Western Connecticut Council of Governments basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance by Project, Schedule of Direct and Indirect Costs, Determination of Indirect Cost Rate, and Financial Summary Report-CTDOT are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and by the State Single Audit Act, and are also not a required part of the basic financial statements.

The Schedule of Revenues, Expenditures and Changes in Fund Balance by Project, Schedule of Direct and Indirect Costs, Determination of Indirect Cost Rate, and Financial Summary Report-CTDOT, the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance are 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 Schedule of Revenues, Expenditures and Changes in Fund Balance by Project, Schedule of Direct and Indirect Costs, Determination of Indirect Cost Rate, and Financial Summary Report-CTDOT, the schedule of expenditures of federal awards, and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2023 on our consideration of Western Connecticut Council of Governments 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 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 Western Connecticut Council of Governments internal control over financial reporting and compliance.

Henry, Raymond & Thompson, LLC

Henry, Raymond & Thompson, LLC
South Windsor, Connecticut
November 15, 2023

WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

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

FINANCIAL HIGHLIGHTS

- The assets of WestCOG exceeded its liabilities at the close of the most recent fiscal year by \$2,573,507 (net position). Of this amount, \$2,535,980 (unrestricted net position) may be used to meet WestCOG's ongoing obligations.
- WestCOG's total net position increased by \$144,093.
- As of the close of the current fiscal year, WestCOG's governmental fund reported combined ending fund balances of \$2,535,980, an increase of \$159,878 in comparison with the prior year. The portion of the fund balance available for spending at WestCOG's discretion (unassigned fund balance) is \$2,415,980. WestCOG designated \$120,000 (assigned fund balance) to satisfy local matching requirements.
- Regarding the total fiscal picture of WestCOG and its fiduciary governance, it is our opinion that the current fund balance levels are not excessive and should be maintained according to management approval. Securing the level of fund balance mitigates against future potential and uncertain decisions by the State of Connecticut with respect to any disruption or reduction of funding to the Councils of Governments. We will assign the current fund balance level against these possible future liabilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to WestCOG's basic financial statements. WestCOG'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.

Basis of Presentation

WestCOG is considered a single-program governmental organization for financial reporting purposes. Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, requires the presentation of government-wide financial statements and fund financial statements. The government-wide financial statements consist of the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. WestCOG has no business-type activities.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of WestCOG's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how WestCOG's net position changed during the most recent fiscal year. All changes in net position are reported when 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 fiscal periods (e.g., uncollected revenues and earned but unused compensated absences).

Both of the government-wide financial statements display information about WestCOG's governmental activities, which consists of regional planning. WestCOG does not have any business-type activities.

The government-wide financial statements can be found on pages 10 and 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. WestCOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of WestCOG can be divided into two categories: governmental funds and fiduciary 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 WestCOG'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 WestCOG's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 12 and 17 of this report

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of WestCOG. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to WestCOG's own programs. The accounting used for fiduciary funds is much like that used for proprietary (business-type function) funds. WestCOG has one fiduciary fund it reports upon.

The basic fiduciary fund financial statements can be found on pages 16 and 17 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements 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 – 27 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management’s discussion and analysis that can be found on pages 28 – 33 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

WestCOG’s combined net position increased from \$2,429,414 on June 30, 2022 to \$2,573,507 on June 30, 2023. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Agency’s governmental activities.

	Table 1	
	<i>Net Position</i>	
	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 3,146,337	\$ 2,896,625
Capital assets	<u>376,854</u>	<u>488,400</u>
Total assets	3,523,191	3,385,025
Liabilities	<u>949,684</u>	<u>955,611</u>
Net	<u>\$ 2,573,507</u>	<u>\$ 2,429,414</u>
Net position:		
Invested in capital assets	\$ 37,527	\$ 53,312
Unrestricted	<u>2,535,980</u>	<u>2,376,102</u>
Total net position	<u>\$ 2,573,507</u>	<u>\$ 2,429,414</u>

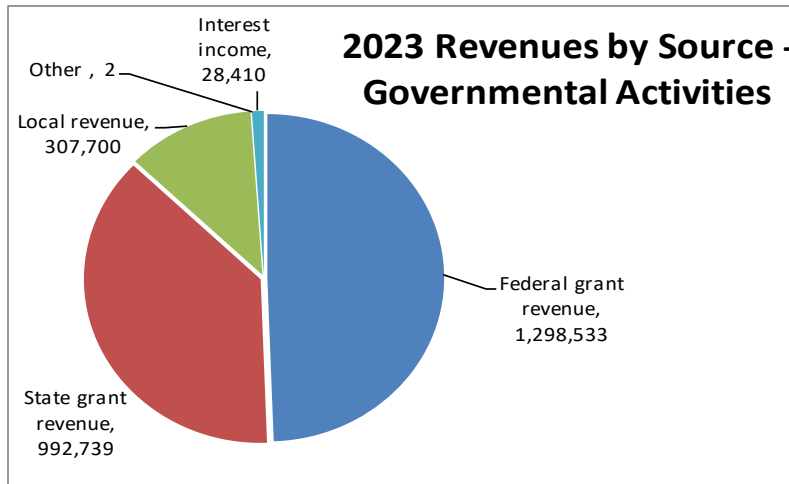
At June 30, 2023, \$37,527 or 1.5% of WestCOG’s net position reflects its net investment in capital assets. WestCOG uses these capital assets to provide services to member towns; consequently, these assets are not available for future spending.

The remainder of WestCOG’s net position of \$2,535,980 is considered unrestricted and may be used to meet WestCOG’s ongoing obligations. Overall, net position increased by \$144,093 in comparison to the prior year.

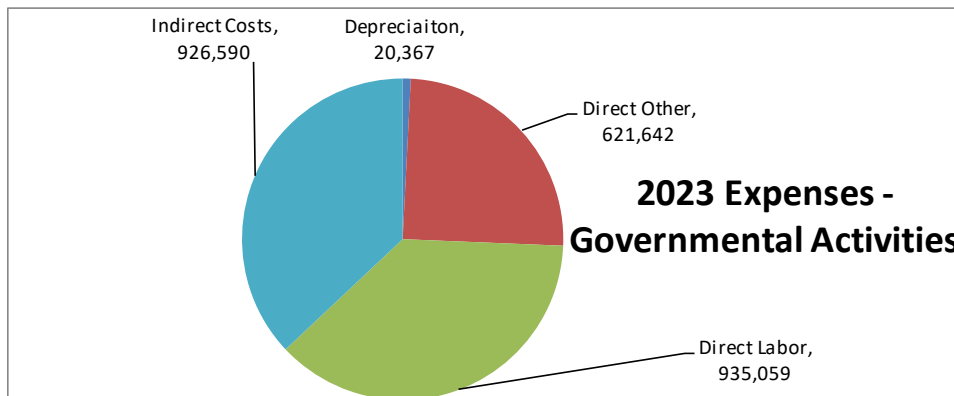
Changes in Net Position

Changes in net position for the years ended June 30, 2023 and 2022 are as follows:

Table 2		
Changes in Net Position		
	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Operating grants	\$ 2,298,972	\$ 1,509,159
General revenues:		
Unrestricted investment earnings	28,410	2,262
Miscellaneous	2	902
Local cash contributions	300,000	300,000
Total revenues	<u>2,627,384</u>	<u>1,812,323</u>
Program expenses:		
Consolidated Planning Grant US DOT	1,207,325	759,059
Local Transportation Capital Improvements	201,949	206,881
EDA Planning Partnership	139,997	140,017
Hazard Mitigation Plan	-	95,536
EDA Long Term Recovery	287,253	49,581
Nature Conservatory	-	26,509
DEMHS Grants	7,100	20,588
Public Health Emergency Planning	7,700	12,800
Regional Planning/Administration	631,967	343,352
Total program expenses	<u>2,483,291</u>	<u>1,654,323</u>
Increase in net position	<u>\$ 144,093</u>	<u>\$ 158,000</u>



For the year ended June 30, 2023, the Agency’s total revenues were \$2,627,384 compared to \$1,812,323 for the year ended June 30, 2022, a increase of \$815,061. The total cost of all programs and services for the year ended June 30, 2023 was \$2,483,291 compared to \$1,654,323 for the year ended June 30, 2022, an increase of \$828,968.



FINANCIAL ANALYSIS OF THE ENTITY’S FUNDS

Governmental Funds

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

General Fund Budgetary Highlights

WestCOG’s general fund revenues were \$1,783,483 under budget. The Agency’s general fund expenditures were under budget by an amount of \$1,927,576.

The Agency normally receives grant revenues based on actual expenditures submitted and approved by the granting agency.

CAPITAL ASSETS

At June 30, 2023, the Agency had \$826,129 invested in capital assets, which comprise capital assets, offset by accumulated depreciation and amortization of \$449,275 and capital lease liability of \$339,328 for net capital assets of \$37,527. This amount represents a net decrease of \$15,785 from last year, which includes additions of \$8,195, disposals of \$10,201 and depreciation of \$20,367.

	Governmental Activities	
	2023	2022
Capital Assets	<u>\$ 37,527</u>	<u>\$ 53,312</u>
Totals	<u><u>\$ 37,527</u></u>	<u><u>\$ 53,312</u></u>

ECONOMIC FACTORS

WestCOG is largely funded by the federal and state governments. In past years, this funding has been subject to substantial uncertainty, with rescissions and holdbacks of up to 40%, and significant delays to contracting and payment. Given expansions to federal spending, as well as improved state finances, WestCOG does not anticipate such volatility in the coming year.

While WestCOG's finances appear to be solid in the short term, the longer-term picture is less certain. The large fraction of WestCOG's budget that derives from two grants creates potential for disruption to its funding and operations. WestCOG has mitigated the impacts of such disruption through maintenance of a healthy unrestricted fund and adjustments to operations; in the future, the organization may also wish to consider opportunities to lessen susceptibility to disruption through diversification.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Agency's 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:

Francis Pickering, Executive Director
Western Connecticut Council of Governments
1 Riverside Road
Sandy Hook, CT 06482

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Government Activities</u>
Assets:	
Cash and cash equivalents	\$ 2,465,673
Accounts receivable	655,142
Prepaid expenses and other current assets	25,522
Right-to-use Asset, net	314,681
Office equipment	213,329
Accumulated depreciation	<u>(151,156)</u>
Total assets	<u>3,523,191</u>
Liabilities:	
Accounts payable	78,514
Deferred revenue	376,937
Accrued expenses	154,906
Lease Liability	<u>339,327</u>
Total liabilities	<u>949,684</u>
Net Position:	
Net investment in capital assets	37,527
Unrestricted net position	<u>2,535,980</u>
Total net position	<u>\$ 2,573,507</u>
Total liabilities and net position	<u><u>3,523,191</u></u>

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

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position
		Operating Grants	Government Activities
Governmental Activities:			
Planning Projects:			
Consolidated Planning	\$ 1,207,325	\$ 1,083,637	\$ (123,688)
LOTICIP	201,949	201,949	-
EDA Planning Partnership	139,997	70,000	(69,997)
EDA Long Term Recovery	287,253	258,528	(28,725)
DEMHS Grants	7,100	7,100	-
Health Dept Emergency Planning	7,700	7,700	-
Regional Planning/Administration	<u>631,967</u>	<u>670,058</u>	<u>38,091</u>
	<u>\$ 2,483,291</u>	<u>\$ 2,298,972</u>	<u>(184,319)</u>
General Revenues:			
Local cash contributions			300,000
Miscellaneous Income			2
Interest income			<u>28,410</u>
Total general revenues			328,412
Change in net position			144,093
Net position, beginning			<u>2,429,414</u>
Net position, ending			<u>\$ 2,573,507</u>

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

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 2,465,673
Accounts receivable	655,142
Prepaid expenses and other current assets	25,522
Total assets	\$ 3,146,337
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 78,514
Deferred revenue	376,937
Accrued expenses	154,906
Total liabilities	610,357
FUND BALANCE	
Assigned	120,000
Unassigned	2,415,980
Total fund balances	2,535,980
Total liabilities and fund balance	\$ 3,146,337

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

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO
THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total fund balance-Governmental fund	\$ 2,535,980
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the government fund financial statements

Governmental Capital Assets	213,329	
Accumulated depreciation	<u>(151,156)</u>	
Net Capital Assets		62,173

Right-to-use leased assets used in governmental activities are not financial resources and therefore are not reported in the government fund financial statements

Right-to-use asset	314,681	
Lease Liability	<u>(339,327)</u>	
Net Right-to-use asset		<u>(24,646)</u>

Net assets of governmental activities	<u><u>\$ 2,573,507</u></u>
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The accompanying notes are an integral part of the financial statements.

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>
Revenues:	
US DOT	\$ 962,905
US DHS	7,100
US EDA	328,528
CTDOT	322,681
Conn OPM	670,058
Local Other	7,700
Local dues	300,000
Misc. Income	2
Interest Income	28,410
Total revenues	<u>2,627,384</u>
Expenditures:	
Salaries	1,211,122
Group Insurance	230,793
Lease expenditures	93,368
Payroll Taxes	93,798
Pension	95,640
Consultants	569,619
Accounting / Legal	26,714
Service Agreements	31,752
Utilities	29,939
Bond & Insurance	21,124
Travel/Meetings	13,704
Dues & Subscriptions	11,402
Supplies	5,082
Equipment/software	11,751
Miscellaneous	4,716
Legal Notice/Advertisements	4,800
Postage	469
Reproduction	3,518
Capital outlay:	
Equipment acquisition	8,195
Total expenditures	<u>2,467,506</u>
Excess of revenues over expenditures	<u>159,878</u>
Net change in fund balance	159,878
Fund balance, Beginning	<u>2,376,102</u>
Fund balance, Ending	<u>\$ 2,535,980</u>

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

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Total net change in fund balance-Governmental Funds	\$ 159,878
Current year capital outlays are expenditures in the governmental fund financial statements, but they are shown as increases in capital assets in the government-wide financial	8,195
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of the current year's depreciation is to decrease net assets.	(20,367)
Current year decrease in lease liability are expenditures in the governmental fund financial statements, but they are shown as a decrease in liabilities in the government-wide financial	95,760
Amortization of right to use asset is not recognized as an expense in government funds since it does not require the use of current financial resources. The effect of current year amortization is to decrease net assets.	<u>(99,373)</u>
Change in net assets of Governmental activities	<u><u>\$ 144,093</u></u>

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

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION – FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Pension Trust Fund</u>
Assets:	
Investments:	
Equity mutual funds	\$ 536,030
Contribution receivable	<u>46,395</u>
Total assets	<u>\$ 582,425</u>
Net Position:	
Restricted for Pension Benefits	<u>\$ 582,425</u>

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

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Pension Trust Fund
Additions:	
Employer contributions	\$ 86,161
Investment income (loss):	
Interest	23,346
Net increase (decrease) in the fair value of investments	31,841
Total additions	141,348
Distributions	1,057
Change in Net Position	140,291
Net Position at the beginning of year	442,134
Net Position at the end of year	\$ 582,425

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

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1 - Summary of Significant Accounting Policies

Western Connecticut Council of Governments is operating under the applicable laws and regulations of the State of Connecticut. The Agency prepares its basic financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in AU Section 411 of the American Institute of Certified Public Accountants and it complies with the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity

Western Connecticut Council of Governments, in accordance with section 8-31b of the Connecticut General Statutes, which states that each regional planning agency and each council of elected officials shall be restructured to form a regional council of governments, was officially established on January 1, 2015. Western Connecticut Council of Governments is the result of the combination of South Western Regional Planning Agency and Housatonic Valley Council of Elected Officials.

The Agency is a non-taxable association of area municipalities. The Agency's primary responsibility is to provide planning services for the region's land use management, and transportation planning under CGS §4.124i et. seq. and Federal 23 CFR 450. There are no component units included within the reporting entity. In addition, the income of the Agency is exempt from federal taxation under Section 115 of the Internal Revenue Code because it is a political subdivision of the State of Connecticut.

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are agency-wide financial statements. They report information on all of the agency's non-fiduciary activities. Governmental activities include programs supported primarily by grants and local contributions. The Agency has no business type activities that rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The agency-wide financial statements use 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 the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

increases and decreases in current assets (i.e. revenue and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable.

Revenues from local sources consist primarily of local dues. Local dues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made.

Fund Accounting

The Agency reports the following major governmental fund:

1. The General Fund – The general fund is the Agency’s primary operating fund. It accounts for all financial resources.

Other Accounting Policies

Capital Assets

Capital assets, which include office equipment and leasehold improvements, are reported in the applicable governmental activities column in the agency-wide financial statements. Capital assets are defined by the Agency as assets with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

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

Office equipment of the Agency is depreciated using the straight-line method over the estimated useful lives of 3 to 30 years.

Budget

The Agency adopts an “appropriated budget” on a basis consistent with U.S. GAAP for the General Fund. The Agency is required to present the adopted and final amended budgeted revenues and expenditures for this fund. The General Fund Budget appears in Exhibit I.

The Agency Board of Directors requires that the budget is presented to the Board for final approval in June, for the following fiscal year, and adheres to this policy annually.

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Net Position and Fund Balance

Government-Wide Financial Statements

When the Agency incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position has to be returned because it was not used. Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets-The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Unrestricted-The difference between the assets and liabilities that is not reported in Net Investment in Capital Assets.

Governmental Fund Financial Statements

In the fund financial statements, governmental funds report fund balances as either a reserved fund balance or an unreserved fund balance.

Compensated Absences

The agency accrues paid benefit leave time for nonexempt and part time employees monthly, based on the length of service at the organization. An employees accrued paid benefit leave is capped at twice the annual accrual, however; once this cap has been reached, the employee can no longer accrue any paid benefits leave time until the accrued time is reduced to levels below the set cap. An exception can be made by the Executive Director on an individual basis. The agency allows sick leave to be accrued at one day per month for nonexempt employees, up to a maximum of 12 days. Accrued sick leave may be carried over; however, no more than 12 weeks can be carried over from one year to the next, to be used under the Family and Medical Leaver Act. Sick pay is not paid to employees upon termination of employment.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Deferred Revenues

The Agency reports unearned deferred revenue in the governmental fund balance sheet. Deferred revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period.

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Subsequent Events

As of November 15, 2023, the Agency evaluated all subsequent events and has noted no recognized or non-recognized event or transactions subsequent to June 30, 2023.

Note 2 – Cash, Cash Equivalents and Investments

A reconciliation of the Agency’s cash and cash equivalents as of June 30, 2023 is as follows:

Government-Wide Statement of Net Position:

Cash deposits	\$ 1,719,429
Cash equivalents	<u>746,244</u>
	<u>\$ 2,465,673</u>

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out-of-state bank,” as defined by the Statutes, which is not a “qualified public depository.” The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

Policy of Cash Equivalents

For purposes of the statement of net position, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. Cash equivalents include investments in the State Treasurer’s Short-Term Investment Fund (“STIF”) which totaled \$746,244 as of June 30, 2023.

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Agency’s deposits will not be returned. The Agency does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2023**

agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, the Agency's bank balances totaling \$2,465,673 were not fully insured under FDIC. As of June 30, 2023, \$2,064,115 of the Agency's bank balance was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 1,925,739
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Government's name	138,376
	\$ 2,064,115

As of the year ended June 30, 2023, the Agency held investments in a STIF account as indicated above.

Investments

An investment in equity mutual funds in the amount of \$536,030 as of June 30, 2023, is maintained in the Pension Trust Fund on the statement of fiduciary net assets.

Fair Value

WestCOG categorizes its fair market value measurements within the fair value hierarchy established by generally accepted accounting policies. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets for similar assets or with observable inputs (Level 2 measurement); and the lowest priority to unobservable inputs (Level 3 measurement). WestCOG's investments are all equity mutual funds categorized as level 1 fair value measurements as of June 30, 2023, valued using prices quoted in active markets for those securities.

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 3 - Capital Asset Activity

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

	<u>Beginning Balance</u>	<u>Sales or Disposition</u>	<u>Acquisitions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, at historic cost	215,335	\$ (10,201)	\$ 8,195	\$ 213,330
Less: Accumulated depreciation	140,991	(10,201)	20,367	151,156
Governmental activities capital assets, net	<u>\$ 74,344</u>	<u>\$ -</u>	<u>\$ (12,172)</u>	62,174
Lease assets (Note 10)				314,681
Less: Related lease liability				<u>(339,328)</u>
Total capital assets, net				<u>\$ 37,527</u>

Depreciation and Amortization expense was charged to governmental functions as follows:

Amortization of Right-of-use Asset	\$ 99,373
Depreciation - General Planning and Administration	<u>20,367</u>
Total Depreciation and Amortization Expense	<u>\$ 119,740</u>

Note 4 – Revenue

During the year ended June 30, 2023, the Agency received \$2,291,272 or 87% of its revenue from federal and state sources. During the current year, general fund source revenues consisted of the following:

Federal grant revenue	\$ 1,298,533	49.4%
State grant revenue	992,739	37.8%
Local revenue	307,700	11.7%
Other	2	0.0%
Interest income	28,410	1.1%
Total Revenue	<u>\$ 2,627,384</u>	<u>100.0%</u>

WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 5 - Accounts Receivable

Receivables as of year-end for the agency's general fund including any applicable allowances for uncollectible accounts consists of the following as of June 30, 2023:

State and federal grants	<u>\$ 655,142</u>
Net total receivables	<u><u>\$ 655,142</u></u>

Note 6 - Prepaid Expenses

Prepaid expenses consist of the following as of June 30, 2023:

Prepaid maintenance agreements	\$ 18,828
Prepaid dues	2,102
Prepaid heating oil	347
Security deposit	<u>4,245</u>
	<u><u>\$ 25,522</u></u>

Note 7 - Accrued Expenses

Accrued expenses consist of the following as of June 30, 2023:

Accrued vacation	\$ 108,511
Accrued Pension	<u>46,395</u>
	<u><u>\$ 154,906</u></u>

Note 8 – Payables

Accounts payable consist of the following as of June 30, 2023:

Due to CT DOT	<u>\$ 78,514</u>
	<u><u>\$ 78,514</u></u>

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 9 - Leasing Arrangements

The Agency has contracted with 1 Riverside Rd Sandy Hook, LLC, a Delaware Limited Liability company to lease office space. The lease agreement qualifies as other than short-term lease under GASB No. 87 and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception.

The agreement was executed on April 4, 2016, to lease office space and requires 120 monthly payments of \$4,244.69 as well as additional rent in the amount of \$2,163.96, with the required monthly payment totaling \$6,408.65 in the initial lease year. Effective the first day of the second lease year and as of the first day of each lease year thereafter throughout the remaining portion of the term of the lease, the base rent payable for the applicable succeeding lease year shall be the greater of: (i) the product obtained by multiplying the base rent payable during the immediately preceding lease year by one-hundred percent plus the increase, if any, in the Price Index from May to May in each of the immediately preceding two calendar years; and (ii) the product obtained by multiplying the base rent payable during the immediately preceding lease year by one-hundred and two percent. As a result of this lease, the Agency has recorded a right-to-use asset with a net book value of \$314,681 as of June 30, 2023.

The future minimum lease obligations (principal and interest) of these minimum lease payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 101,356	\$ 8,798	\$ 110,154
2025	\$ 106,672	\$ 5,685	\$ 112,357
2026	\$ 112,195	\$ 2,409	\$ 114,604
2027	\$ 19,092	\$ 72	\$ 19,164

Note 10 – Right-to-use Asset

The Agency has recorded a right-to-use lease asset as a result of implementing GASB No.87. The right-to-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use asset is amortized on a straight-line basis over the life of the related lease.

Right-to-use asset activity for the Agency for the year ended June 30, 2023, was as follows:

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right-to-use asset				
Leased office space	\$ 612,800	\$ -	\$ -	\$ 612,800
Total right-to-use asset	<u>612,800</u>	<u>-</u>	<u>-</u>	<u>612,800</u>
Less accumulated amortization for:				
Leased office space	<u>198,746</u>	<u>99,373</u>	<u>-</u>	<u>298,119</u>
Total accumulated amortization	<u>198,746</u>	<u>99,373</u>	<u>-</u>	<u>298,119</u>
Right-to-use asset, net	<u>\$ 414,054</u>	<u>\$ (99,373)</u>	<u>\$ -</u>	<u>\$ 314,681</u>

Note 11 - Pension Plan

The Agency maintained 401(a) defined contribution money purchase plan, Western Connecticut Council of Governments 401(a) Plan and Trust, which covers all employees who have completed six months of continuous service. An employee is required to complete a year of service during a plan year and be employed on the last day of such plan year to share in the allocation of the employer's non-elective contribution and forfeitures. The plan is a single-employer plan, administered by PASI, LLC.

The following is a summary of funding policies, contribution methods, and benefit provisions:

Employer contribution requirements	8% of employee's total compensation for the year; voluntary employee contributions are not allowed
Plan eligibility	Six months of continuous service
Normal retirement benefit	Age 65
Vesting	4 years
Disability benefit	Fully vested prior to normal retirement date

Pension expense for the year ended June 30, 2023 was \$86,160.

In addition to the defined contribution money purchase plan, the Agency sponsors two non-contributory 457(b) plans named Western Connecticut Council of Governments Voluntary Retirement Plans. Employees may voluntarily elect to defer a portion of their salaries to one of these two plans. There are no employer contribution to these plans.

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 12 - Commitments and Contingencies

The Agency has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, Agency management believes such disallowance, if any, will not be material.

Note 13 - Risk Management

The Agency is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies, which was formed for the purpose of establishing and administering an interlocal risk management program.

The Agency is also a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool providing statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The Agency pays an annual premium to the pool for its coverage. Premiums are assessed or determined based on the ultimate cost of the experience to date of a group of entities. The Agency does not accrue for any possible additional loss contingencies as it cannot estimate them from current information about reported and unreported claims. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred will be evaluated at various specified periods after effective date of coverage. The contribution (premium) is also subject to payroll audit at the close of the coverage period.

The agreement for formation of CIRMA provides that the pool will be self-sustaining through member premiums and will reinsure through commercial insurance companies. For the 2022-2023 policy year, reinsurance covered all claims in excess of \$1,000,000 per occurrence without limitation on the excess.

The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining, The Agency cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming.

The Agency continues to carry commercial insurance coverage for all other risks of loss, including commercial liability and automobile and employee dishonesty coverage. The Agency does not receive any noncash insurance benefits from the federal government as part of any grant program.

Note 14 – Economic Dependency

A large concentration of revenue is comprised of federal and state grants received from the State of Connecticut. Any loss or significant reduction of these grants could have a significant impact on Western Connecticut Council of Governments' financial position and program service.

Note 15 – Not-for-Profit/Related Party

During the FYE 2018 the Agency founded a Not-for-Profit. The Not-for-Profit organization did not receive any revenue for the year-ended June 30, 2023.

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 16 – Risks and Uncertainties

WestCOG is largely funded by the federal and state governments. In past years, this funding has been subject to substantial uncertainty, with rescissions and holdbacks of up to 40%, and significant delays to contracting and payment. Given expansions to federal spending, as well as improved state finances, WestCOG does not anticipate such volatility in the coming year.

WestCOG's finances appear solid in the short term. Over the longer term, as a grant-funded agency, the financial footing of the agency depends on the continuation of formula grants the agency receives. WestCOG does not have any reason to believe that total revenue under these grants will diminish, although cash flow may be impacted by disruptions such as delays in the legislative process and government shutdowns. WestCOG has mitigated the impacts of such disruption through maintenance of a healthy restricted fund, adjustments to municipal contributions, and revenue diversification.

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

EXHIBIT I

	Original		Actual	
	Budget	Final Budget	June 30, 2023	Variance
Revenue				
Consolidated Planning	\$ 2,475,794	\$ 2,475,794	\$ 1,083,637	\$ (1,392,157)
LOTICIP	215,000	215,000	201,949	(13,051)
EDA Planning Partnership	70,000	70,000	70,000	-
EDA Long Term Recovery	275,000	275,000	258,528	(16,472)
Build Grant	247,000	247,000	-	(247,000)
DEMHS Grants	8,000	8,000	7,100	(900)
Health Department	12,000	12,000	7,700	(4,300)
Conn OPM-SGIA	806,073	806,073	670,058	(136,015)
Local dues	300,000	300,000	300,000	-
Miscellaneous Income	-	-	2	2
Interest income	2,000	2,000	28,410	26,410
Total Revenues	<u>4,410,867</u>	<u>4,410,867</u>	<u>2,627,384</u>	<u>(1,783,483)</u>
Expenditures				
Salaries	1,200,000	1,200,000	1,211,122	11,122
Consultants	2,302,958	2,302,958	569,619	(1,733,339)
Rent	130,000	130,000	85,227	(44,773)
Group insurance	232,000	232,000	230,793	(1,207)
Payroll taxes	115,000	115,000	93,798	(21,202)
Pension	100,000	100,000	95,640	(4,360)
Accounting & legal	53,500	53,500	26,714	(26,786)
Legal Notice/Ads	1,000	1,000	4,800	3,800
Utilities	45,000	45,000	29,939	(15,061)
Service Agreements	43,000	43,000	31,752	(11,248)
Travel/Meetings	30,000	30,000	13,704	(16,296)
Bond & insurance	32,350	32,350	21,124	(11,226)
Dues & subscriptions	15,000	15,000	11,402	(3,598)
Supplies	10,000	10,000	5,082	(4,918)
Equipment/software	-	-	11,751	11,751
Miscellaneous	15,000	15,000	4,716	(10,284)
Depreciation	25,000	25,000	20,367	(4,633)
Other Professional Services	5,000	5,000	-	(5,000)
Reproduction	3,000	3,000	3,518	518
Equipment Lease	1,000	1,000	-	(1,000)
Interest	-	-	11,754	11,754
Contingency	28,059	28,059	-	(28,059)
Recruitment	3,000	3,000	-	(3,000)
Capital Expense	20,000	20,000	-	(20,000)
Postage	1,000	1,000	469	(531)
Total Expenses	<u>4,410,867</u>	<u>4,410,867</u>	<u>2,483,291</u>	<u>(1,927,576)</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ -</u>	<u>\$ -</u>	144,093	<u>\$ 144,093</u>
Net Position July 1, 2022			2,429,414	
Net Position June 30, 2023			<u>\$ 2,573,507</u>	

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

EXHIBIT II

	Total	Indirect / unallowed Costs	General Fund	OPM -RSG SGIA	Consolidated Planning Grant US	LOT/CIP	DEMHS Grants	BUILD Grant	EDA Planning Partnership	EDA Long Term Recovery	Health Dept Emergency Planning
Resources											
US DOT	\$ 962,905	\$ -	\$ -	\$ -	\$ 962,905	\$ -	\$ -		\$ -	\$ -	\$ -
USEDA	328,528							70,000	258,528		
USDHS/FEMA	7,100						7,100				
Total Federal Awards	1,298,533	-	-		962,905	-	7,100	70,000	258,528		-
Conn DOT	322,681				120,732	201,949					
Conn OPM	670,058			670,058							
Local dues	300,000		77,590		123,687			69,997	28,725		
Health Departments	7,700										7,700
Misc Income	2		2								
Interest Income	28,410		28,410								
Total Resources	2,627,384	-	106,002	670,058	1,207,325	201,949	7,100	139,997	287,253		7,700

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023**

EXHIBIT II – Con’t

	Total	Indirect / unallowed Costs	General Fund	OPM -RSG SGIA	Consolidated Planning Grant US	LOT/CIP	DEMHS Grants	BUILD Grant	EDA Planning Partnership	EDA Long Term Recovery	Health Dept Emergency Planning
Expenditures											
Salaries	1,211,122	276,063	-	170,075	532,999	99,124			68,160	64,701	-
Consultants	569,619	-		317,637	108,513					135,769	7,700
Rent	85,227	85,227									
Group insurance	230,793	230,793									
Payroll taxes	93,798	93,798									
Pension	95,640	95,640									
Accounting & legal	26,714	26,364		350							
Legal Notice/Ads	4,800	250			3974			576			
Utilities	29,939	29,939									
Depreciation	20,367	20,367									
Service Agreements	31,752	11,363		852	19,537						
Travel/Meetings	13,704	2,157		2,296	8,012	62			1,177		
Bond & insurance	21,124	21,124									
Dues & subscriptions	11,402	11,402									
Supplies	5,082	3,220		1,654	208						
Equipment/software	11,751	1,504		3,840	6,407						
Miscellaneous	4,716	4,716									
Interest Expense	11,754	11,754									
Reproduction	3,518	440		-	3,078						
Postage	469	469									
Indirect costs applied	-	(935,956)		173,354	524,597	102,763	7,100	(576)	70,660	58,058	-
Total Expenditures	\$ 2,483,291	\$ (9,366)	\$ -	\$ 670,058	\$1,207,325	\$ 201,949	\$ 7,100		\$ 139,997	\$ 258,528	\$ 7,700
Revenues in excess of expenditures	\$ 144,093	\$ 9,366	\$ 106,002	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 28,725	\$ -
Capital Additions	(8,195)										
Change in Lease Liability	3,613										
Depreciation	20,367										
Fund Balance July 1, 2022	2,376,102										
Fund Balance June 30, 2023	\$ 2,535,980										

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
SCHEDULE OF DIRECT AND INDIRECT COSTS
JUNE 30, 2023**

EXHIBIT III

	<u>TOTAL COSTS</u>	<u>DIRECT COSTS</u>	<u>INDIRECT COSTS</u>
Salaries	\$ 1,211,122	\$ 935,059	\$ 276,063
Consultants	569,619	569,619	-
Rent	85,227	-	85,227
Group insurance	230,793	-	230,793
Payroll taxes	93,798	-	93,798
Pension	95,640	-	95,640
Accounting & legal	26,714	350	26,364
Legal Notice/Ads	4,800	4,550	250
Utilities	29,939	-	29,939
Depreciation	20,367	-	20,367
Service Agreements	31,752	20,389	11,363
Travel/Meetings	13,704	11,547	2,157
Bond & insurance	21,124	-	21,124
Dues & subscriptions	11,402	-	11,402
Supplies	5,082	1,862	3,220
Equipment/software	11,751	10,247	1,504
Miscellaneous	4,716	-	4,716
Interest	11,754	-	11,754
Reproduction	3,518	3,078	440
Postage	469	-	469
Total Costs	<u><u>\$ 2,483,291</u></u>	<u><u>\$ 1,556,701</u></u>	926,590
Total Indirect Costs Absorbed by Agency			<u>-</u>
Total Allowable Indirect Costs			<u><u>\$ 926,590</u></u>

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
DETERMINATION OF INDIRECT COST RATE
JUNE 30, 2023**

EXHIBIT IV

Total payroll for the year	\$ 1,211,122	
Less administrative, support and leave	<u>276,063</u>	
Payroll base	<u>\$ 935,059</u>	<u>100.00%</u>
Total Indirect Costs	\$ 926,590	
Less unallowable costs	<u>(14,818)</u>	
Total Allowable Indirect Costs	<u>\$ 911,772</u>	<u>97.51%</u>

Summary of Indirect Costs

Non-assignable salaries	\$ 276,063	29.52%
Fringe and payroll taxes	316,020	33.80%
Overhead	<u>319,689</u>	<u>34.19%</u>
	<u>\$ 911,772</u>	<u>97.51%</u>

Unallowable Costs

Depreciation	\$ 13,759	
Misc	<u>1,059</u>	
	<u>\$ 14,818</u>	

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
FINANCIAL SUMMARY REPORT – CTDOT
YEAR ENDED JUNE 30, 2023**

EXHIBIT V

	SWMPO Consolidated Planning Grant State Project No. DOT07229996PL	HVMPO Consolidated Planning Grant State Project No. DOT07229996PL	Total
SOURCE OF FUNDS			
I. Maximum funds authorized			
US DOT	\$ 1,664,541	\$ 877,251	\$ 2,541,792
Conn DOT Match	208,067	109,656	317,723
Local match	208,067	109,656	317,723
	<u>2,080,675</u>	<u>1,096,563</u>	<u>3,177,238</u>
TOTAL			
II. Audited Expenditures			
Direct Salaries	333,414	199,585	532,999
Indirect at 97.51%	325,112	194,615	519,727
Direct Costs	121,563	29,150	150,713
TOTAL	<u>780,089</u>	<u>423,350</u>	<u>1,203,439</u>
III. Distribution of Audited Costs			
US DOT	624,071	338,680	962,751
Conn DOT Match	78,009	42,335	120,344
Local Match	78,009	42,335	120,344
TOTAL	<u>780,089</u>	<u>423,350</u>	<u>1,203,439</u>
IV. Conn DOT Responsibility			
US DOT	624,071	338,680	962,751
Conn DOT Match	78,009	42,335	120,344
TOTAL	<u>702,080</u>	<u>381,015</u>	<u>1,083,095</u>
Payment received to June 30, 2023	338,788	196,496	535,284
Payment received after June 30, 2023	381,776	195,584	577,360
TOTAL PAYMENTS RECEIVED	<u>720,564</u>	<u>392,080</u>	<u>1,112,644</u>
Due to ConnDOT	<u>\$ (18,484)</u>	<u>\$ (11,065)</u>	<u>\$ (29,549)</u>

**WESTERN CONNECTICUT COUNCIL
OF GOVERNMENTS**

FEDERAL SINGLE AUDIT REPORT

JUNE 30, 2023



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors
Western Connecticut Council of Governments:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Western Connecticut Council of Governments 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 *Western Connecticut Council of Governments* major federal programs for the year ended June 30, 2023. Western Connecticut Council of Governments 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, Western Connecticut Council of Governments 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Western Connecticut Council of Governments and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Western Connecticut Council of Governments 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 Western Connecticut Council of Governments 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 Western Connecticut Council of Governments compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Western Connecticut Council of Governments compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Western Connecticut Council of Governments compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Western Connecticut Council of Governments 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 Western Connecticut Council of Governments internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Henry, Raymond & Thompson, LLC

Henry, Raymond & Thompson, LLC
South Windsor, CT
November 15, 2023



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

To the Board of Directors
Western Connecticut 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Western Connecticut Council of Governments as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Western Connecticut Council of Governments basic financial statements, and have issued our report thereon dated November 15, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Connecticut Council of Governments internal control over financial reporting (internal control) as a basis for designing 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 Western Connecticut Council of Governments internal control. Accordingly, we do not express an opinion on the effectiveness of Western Connecticut Council of Governments internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Henry, Raymond & Thompson, LLC

Henry, Raymond & Thompson, LLC
South Windsor, CT
November 15, 2023

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster-Title	Federal Assitance Listing Number	Pass-Through Entity Number	Federal Expenditures
U.S. Department of Transportation:			
<i>Pass-through programs from Connecticut Department of Transportation Transportation Planning Cluster</i>			
Regional Transportation Planning	20.205	DOT07209996PL	\$ 962,905
Total U.S. Department of Transportation			<u>962,905</u>
U.S. Department of Commerce			
<i>Department of Economic and Community Development</i>			
Economic Adjustment Assistance	11.307		70,000
EDA Planning Partnership	11.300		258,528
Total US EDA			<u>328,528</u>
U.S. Department of Homeland Security			
<i>Pass-through program from State of Connecticut Department of Emergency Services and Public Protection Division of Emergency Management and Homeland Security</i>			
DEHMS region 5 Planning	97.067	12060-DPS32160-21877	7,100
Total U.S. Department of Homeland Security			<u>7,100</u>
Total Expenditures of Federal Awards			<u>\$ 1,298,533</u>

Notes to the schedule of expenditures of federal awards are an integral part of this schedule of supplementary information

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of Western Connecticut Council of Governments under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance, *Audit of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Western Connecticut Council of Governments, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Western Connecticut Council of Governments

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, *Cost Principals for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

INDIRECT COST RECOVERY

Western Connecticut Council of Governments has elected not to use the 10% de minimis indirect cost rate provided under section 200.414 of the Uniform Guidance.

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

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

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _ Yes No
- Significant deficiency(ies) identified? _ Yes none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of the Uniform Guidance? _ Yes No

Identification of major federal programs:
CFDA Number(s): 11.300 and 11.307 – Economic Development Cluster

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

Auditee qualified as low-risk auditee X Yes No

Section II - Financial Statement Findings

No findings

Section III - Federal Award Findings and Questioned Costs

No findings or questioned costs are reported relating to the Federal Award Programs.

**WESTERN CONNECTICUT COUNCIL
OF GOVERNMENTS**

STATE SINGLE AUDIT REPORT

JUNE 30, 2023



INDEPENDENT AUDITORS' 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

To the Board of Directors
Western Connecticut Council of Governments

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Western Connecticut Council of Governments 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 Western Connecticut Council of Governments major state programs for the year ended June 30, 2023. Western Connecticut Council of Governments major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Western Connecticut Council of Governments 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 issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Western Connecticut Council of Governments 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 Western Connecticut Council of Governments compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Western Connecticut Council of Governments 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 Western Connecticut Council of Governments internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of Western Connecticut Council of Governments as of and for the year ended June 30, 2023, and have issued our report thereon dated November 9, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Henry, Raymond & Thompson, LLC

Henry, Raymond & Thompson, LLC
South Windsor, CT
November 15, 2023

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023**

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Grant Program Core- CT Number</u>	<u>Expenditures</u>
Office of Policy and Management		
SGIA Regional Service Grant for RPOs (2021-2022)	12060-OPM20600-35457 Grant No. RSG-022-09	\$ 670,058
Department of Transportation		
Regional Transportation Planning	12062-DOT57551-22108	120,732
Local Transportation Capital Improvement Program Administration	13033-DOT57197-43584	<u>201,949</u>
Total State Grants		<u>\$ 992,739</u>

Notes to the schedule of expenditures of state financial assistance are an integral part of this schedule of supplementary information

**WESTERN CONNECTICUT 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 Western Connecticut 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Western Connecticut Council of Governments conform to accounting principles generally accepted in the United States of America as applicable to governmental entities.

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.

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.

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X none reported

Noncompliance material to financial statements noted? ___ Yes X No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X none reported

Type of auditor’s opinion issued on compliance for major programs: Unmodified

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

State Grantor and Program	State Core-CT Number	Expenditures
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Office of Policy and Management

Regional Performance Incentive Grant - SGIA Regional Service Grant	12060-OPM20600-35457	\$ 670,058
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- Dollar threshold used to distinguish between Type A and Type B programs \$ 200,000

**WESTERN CONNECTICUT COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS–STATE FINANCIAL
ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023**

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Section II – Financial Statement Findings

No findings

Section III – State Financial Assistance Findings and Questioned Costs

No findings

Status of Prior Audit Finding:

No findings