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CAPITOL REGION COUNCIL OF GOVERNMENTS

FINANCIAL STATEMENTS

JUNE 30, 2016

CAPITOL REGION COUNCIL OF GOVERNMENTS
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JUNE 30, 2016

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Independent Auditors' Report

To the Audit Committee of the
Capitol Region Council of Governments

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Capitol Region Council of Governments as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Capitol Region Council of Governments' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Capitol Region Council of Governments as of June 30, 2016 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2016, the Capitol Region Council of Governments adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and the budgetary comparison information on pages 34 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Capitol Region Council of Governments's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2016 on our consideration of the Capitol Region 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Capitol Region Council of Governments' internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 16, 2016

CAPITOL REGION COUNCIL OF GOVERNMENTS MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Capitol Region Council of Governments (CRCOG), we offer readers of CRCOG's financial statements this narrative overview and analysis of the financial activities of CRCOG for the fiscal year ended June 30, 2016.

FINANCIAL HIGHLIGHTS

- The assets of CRCOG exceeded its liabilities at the close of the most recent fiscal year by \$904,437 (net position). Of this amount, \$895,541 (unrestricted net position) may be used to meet CRCOG's ongoing obligations.
- CRCOG's total net position increased by \$47,891 due to increases in revenue primarily from state programs.
- As of the close of the current fiscal year, CRCOG's governmental funds reported combined ending fund balances of \$1,114,209, an increase of \$89,156 in comparison with the prior year. The portion of the fund balance available for spending at CRCOG's discretion (unassigned fund balance) is \$713,436.
- As of June 30, 2016, the balance for the General Fund was \$851,728, which includes unassigned funds of \$728,242.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

CRCOG 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. CRCOG has no business-type activities.

Government-Wide Financial Statements

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

**CAPITOL REGION COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements (Continued)

The statement of net position presents information on all of CRCOG'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 CRCOG is improving or deteriorating.

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

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

The government-wide financial statements include only CRCOG because there are no legally separate organizations for which CRCOG is legally accountable.

The government-wide financial statements can be found on Exhibits I and II 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. CRCOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of CRCOG 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 CRCOG'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 CRCOG'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.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

CRCOG maintains 18 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the Homeland Security Program Fund, the Service Sharing Fund, the Public Safety Programs Fund, the Work Access Programs Fund, the FHWA Fund, the UASI Fund and the HUD-SCI Fund. All 8 are considered to be major funds. Data from the other 10 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibits III and IV of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of CRCOG. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to CRCOG's own programs. The accounting used for fiduciary funds is much like that used for proprietary (business-type function) funds. CRCOG has three fiduciary funds it reports upon: Pension Trust, Private Purpose Trust and one Agency Fund.

The basic fiduciary fund financial statements can be found on Exhibits V and VI 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 of 21-33 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 34-35 of this report.

Combining and individual fund statements and schedules and other supplementary information can be found on pages 36-43 of this report.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. Total net position of CRCOG totaled \$904,437 and \$856,546 as of June 30, 2016 and 2015, respectively, and are summarized as follows:

	Governmental Activities	
	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 7,428,157	\$ 6,971,514
Capital assets, net	8,896	10,908
Total assets	<u>7,437,053</u>	<u>6,982,422</u>
Long-term liabilities	100,045	104,999
Other liabilities	<u>6,432,571</u>	<u>6,020,877</u>
Total liabilities	<u>6,532,616</u>	<u>6,125,876</u>
Net position:		
Net investment in capital assets	8,896	10,908
Unrestricted	<u>895,541</u>	<u>845,638</u>
Total Net Position	<u>\$ 904,437</u>	<u>\$ 856,546</u>

At June 30, 2016, \$8,896 or 0.98% of CRCOG's net position reflect its net investment in capital assets. CRCOG uses these capital assets to provide services to member towns; consequently, these assets are not available for future spending.

The remainder of CRCOG's net position of \$895,541 is considered unrestricted and may be used to meet CRCOG's ongoing obligations. Overall, net position increased by \$47,891 in comparison to the prior year. The primary reason for this is an increase in intergovernmental revenue from the State of Connecticut.

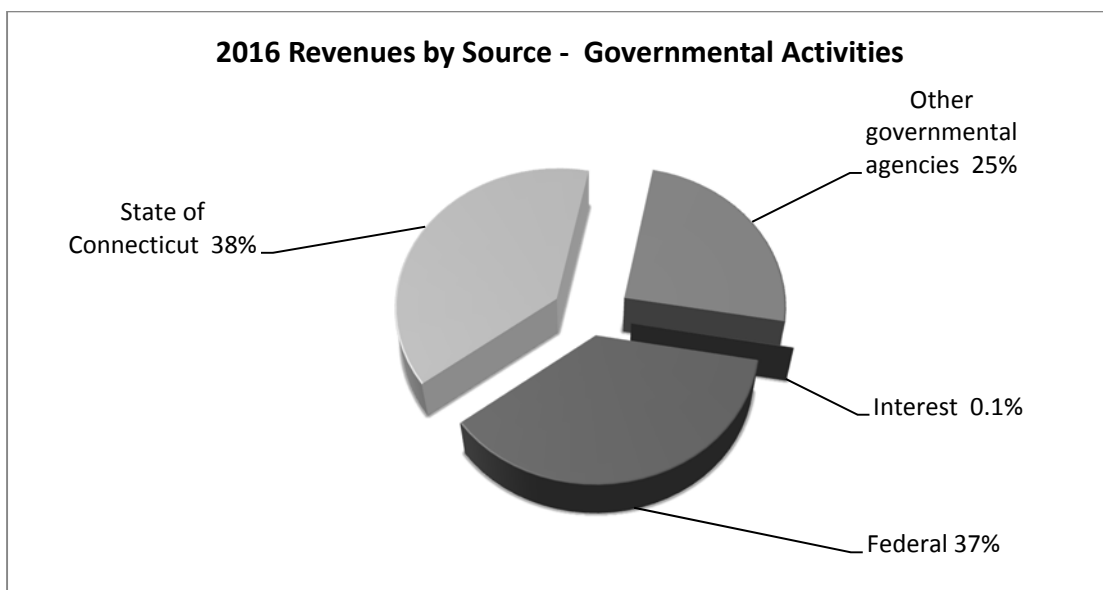
**CAPITOL REGION COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

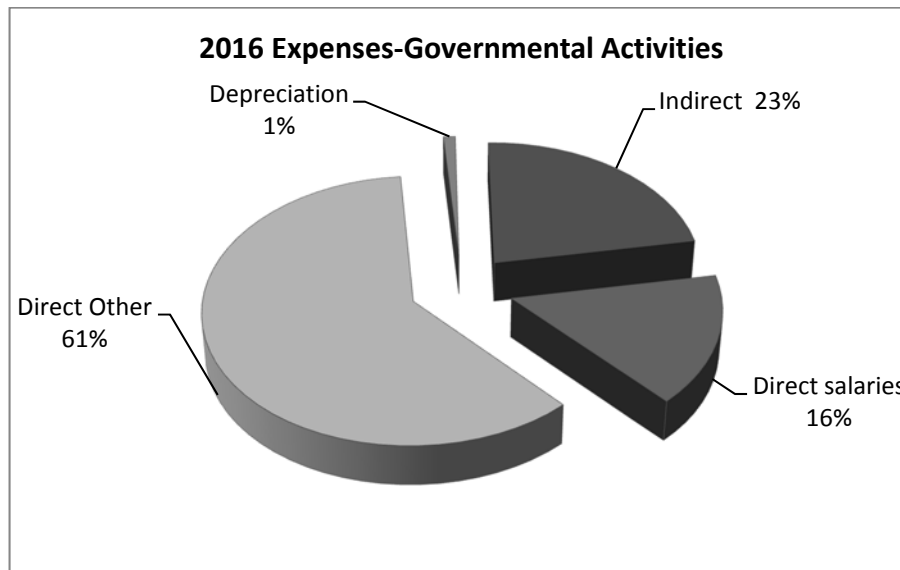
Changes in net position for the years ended June 30, 2016 and 2015 are as follows:

	Governmental Activities	
	2016	2015
Revenues		
Federal government	\$ 2,623,492	\$ 2,880,734
State of Connecticut	2,719,268	2,982,892
Other governmental agencies	1,738,291	1,570,533
Interest	5,085	1,293
Total revenues	<u>7,086,136</u>	<u>7,435,452</u>
Expenses:		
Direct salaries	1,120,502	916,962
Direct other	4,311,080	4,746,243
Depreciation	6,112	8,773
Indirect	<u>1,600,551</u>	<u>1,559,650</u>
Total expenses	<u>7,038,245</u>	<u>7,231,628</u>
Changes in net position	47,891	203,824
Net Position at beginning	<u>856,546</u>	<u>652,722</u>
Net Position at Ending	<u>\$ 904,437</u>	<u>\$ 856,546</u>



GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



Governmental Activities

Governmental activities increased CRCOG’s net position by \$89,156 due to an increase in intergovernmental grant revenue, primarily state grants and from other governmental agencies.

FINANCIAL ANALYSIS OF THE ENTITY’S FUNDS

Governmental Funds

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

As of the end of the current fiscal year, CRCOG’s governmental funds reported combined ending fund balances of \$1,114,209 an increase of \$89,156 in comparison with the prior year. The amount includes \$123,486 in Nonspendable, \$277,287 in Restricted and Committed Funds and Unassigned Funds of \$713,437, which is available for spending at CRCOG’s discretion.

General Fund

The General Fund is the chief operating fund of CRCOG. At the end of the current fiscal year, the fund balance of the General Fund was \$851,728, of which \$728,242 was classified as unassigned. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. Total expenditures during the year were \$108,282. Unassigned fund balance 14.9 times larger than General Fund expenditures.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Homeland Security Program Fund

The Homeland Security Program Fund accounts for revenues and expenditures related to the Homeland Security Programs funded by the U.S. Department of Homeland Security and passed through to the State of Connecticut on a cost-reimbursement basis; thus, there is no ending fund balance. CRCOG serves as the administrator and fiscal agent on behalf of 41 municipalities. There were expenditures of \$792,151 during 2015-16

Regional Performance Incentive Program

CRCOG received a \$4.9 million dollar grant from OPM to be utilized to enable municipalities to work more efficiently and share various services. This includes: the Statewide Flight of which \$745,893 was expended in FY 2015-16 with another \$1.5 million to be expended in FY 2016-17; HR Portal of which \$64,468 was expended in FY 2015-16 with \$100,000 to be expended in FY 2016-17; the Electronic Document Management (EDMS) \$300,000 for a project which should be in pilot during FY 2016-17 and the CAPTAIN 4G project of which \$100,000 to be expended in FY 2016-17.

FHWA Fund

The FHWA Fund is used to account for revenues and expenditures related to urban and rural transportation planning on a cost-reimbursement basis. Expenditures during the year totaled \$1,687,889. At the end of the current fiscal year, there was no fund balance.

FHWA Corridor Studies

CRCOG received state funding for the following projects during FY 2014-15:

Farmington/Hartford Transportation Study (\$340,000): Funding for CRCOG and selected consultants to perform a Transportation Study for the area surrounding Farmington's UConn Medical Center and the soon to be relocated Greater Hartford UConn Branch Campus.

Eastern Gateways Study (\$540,000: Funding for CRCOG and selected consultants to perform a Transportation Study for the major routes surrounding UConn Storrs with emphasis on Routes 44 and 195.

Work is ongoing on these projects. Expenditures during fiscal year 2015-16 totaled \$19,688 for the Farmington/Hartford Transportation Study and \$153,335 for the Eastern Gateways Study.

Public Safety Programs Fund

The Public Safety Programs Fund accounts for revenues and expenditures incurred in providing various public safety projects to the CRCOG member municipalities. Expenditures during the year totaled \$1,289,384. At the end of the current fiscal year, the fund balance was \$43,405, which was entirely classified as restricted.

BUDGETARY HIGHLIGHTS

Budgets are adopted by the CRCOG Policy Board on a modified accrual basis. The adopted annual budget covers the General Fund and the Special Revenue Funds on a combined basis.

No additional appropriations were made during the year in the General Fund.

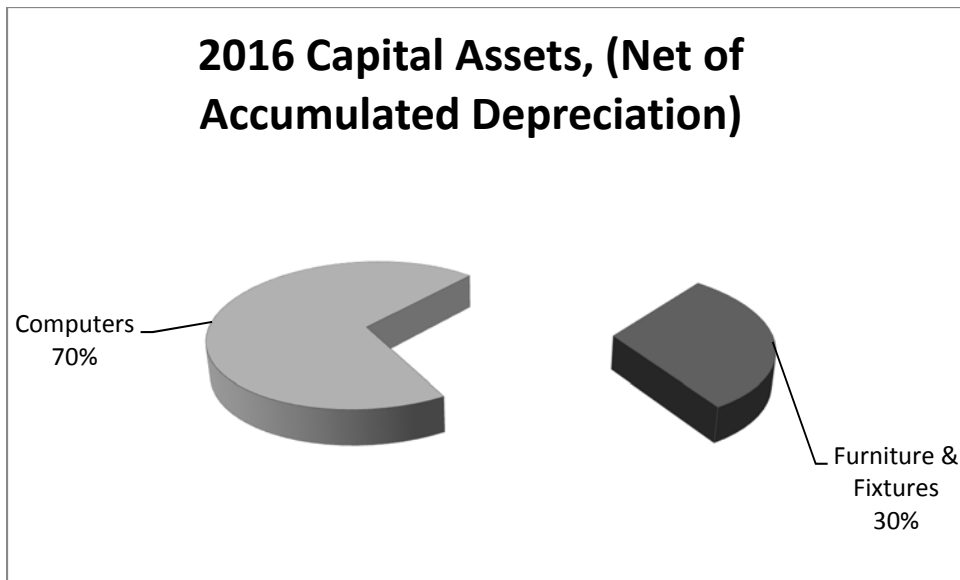
**CAPITOL REGION COUNCIL OF GOVERNMENTS
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

CAPITAL ASSETS

CRCOG’s investment in capital assets for its governmental activities as of June 30, 2016 totaled \$8,896 (net of accumulated depreciation). This investment in capital assets includes computers, furniture and fixtures, equipment and leasehold improvements.

The following table is a two-year comparison of the investment in capital assets presented for governmental activities:

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Furniture and fixtures	\$ 2,687	\$ 5,076
Computers	6,209	5,625
Leasehold improvements		207
Totals	<u>\$ 8,896</u>	<u>\$ 10,908</u>



Additional information on CRCOG’s capital assets can be found in Note 4 on page 29 of this report.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

CRCOG is highly dependent on intergovernmental revenue from the State of Connecticut and the federal government. All local government entities in Connecticut are facing significant financial uncertainty, including projected state deficits and federal funding cuts. CRCOG's local funding remains strong and stable, accounting for approximately a quarter of CRCOG's core budget.

State Grant In Aid (SGIA) was a large portion of CRCOG's FY 2015-16 budget (\$612,508). This amount was reduced to \$538,070 (per OPM). Because of the large state deficit, CRCOG included within the budget, a contingency plan if the SGIA funding was cut during the legislative session.

Homeland Security Funding's decline appears to have leveled off but is approximately half of previous years. The reduction is primarily on the grants and pass-through portion of CRCOG's budget and does not impact CRCOG staffing and operations.

CRCOG received Regional Performance Incentive Program grants from the state to enable municipalities to work more efficiently and share various services. Funding is primarily allocated to consultant expenses with CRCOG staff serving as project managers and facilitators for the project. A portion of funds was received in 2015-16. Anticipated funding during FY 2016-17 includes the following: Statewide Flight: \$1.5 million; EDMS: \$300,000, which should be in Pilot during FY 2017; HR-Portal: \$100,000; and CAPTAIN 4G: \$100,000.

Salary adjustments of 2% were included in the 2016-17 fiscal year budget. Of the General Fund unassigned fund balance, which totaled \$728,242 on June 30, 2016, CRCOG did not appropriate any of this amount in the 2016-17 fiscal year budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of CRCOG's finances for all those with an interest in CRCOG's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ms. Winsome Barnaby, Finance Director, CRCOG, 241 Main Street, Hartford, CT 06106-5310.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2016**

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 6,249,151
Due from State of Connecticut	839,007
Other governmental grants receivable	128,265
Other receivables	87,898
Prepaid and other assets	123,836
Capital assets, net of accumulated depreciation	8,896
Total assets	<u>7,437,053</u>
Liabilities:	
Accounts and other payables	768,084
Unearned revenue	5,545,864
Noncurrent liabilities:	
Due within one year	118,623
Due in more than one year	100,045
Total liabilities	<u>6,532,616</u>
Net Position:	
Net investment in capital assets	8,896
Unrestricted	<u>895,541</u>
Total Net Position	<u>\$ 904,437</u>

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
				Governmental Activities	
Governmental activities:					
Regional Planning	\$ <u>7,038,245</u>	\$ <u>-</u>	\$ <u>7,081,051</u>	\$ <u>-</u>	\$ 42,806
General revenues:					
Unrestricted investment earnings					<u>5,085</u>
Change in net position					47,891
Net Position at Beginning of Year					<u>856,546</u>
Net Position at End of Year					\$ <u><u>904,437</u></u>

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION COUNCIL OF GOVERNMENTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>General Fund</u>	<u>Homeland Security Program</u>	<u>Public Safety Programs</u>	<u>FHWA</u>	<u>FHWA Corridor Studies</u>	<u>Regional Performance Incentive Program</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS								
Cash and cash equivalents	\$ 5,611,666	\$	\$ 637,485	\$	\$	\$	\$	\$ 6,249,151
Due from State of Connecticut		257,339	79,185	401,691	68,030		32,762	839,007
Other governmental grants receivable			2,004				126,261	128,265
Other receivables	87,898							87,898
Due from other funds			2,372,998	41,908	1,083,435	716,558	891,006	5,105,905
Prepaid/and other assets	<u>123,836</u>							<u>123,836</u>
Total Assets	<u>\$ 5,823,400</u>	<u>\$ 257,339</u>	<u>\$ 3,091,672</u>	<u>\$ 443,599</u>	<u>\$ 1,151,465</u>	<u>\$ 716,558</u>	<u>\$ 1,050,029</u>	<u>\$ 12,534,062</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 111,978	\$ 41,861	\$ 83,553	\$ 141,689	\$ 150,673	\$ 48,137	\$ 62,671	\$ 640,562
Accrued payroll and other liabilities	65,910							65,910
Unearned revenue	51,200	93,682	2,964,714	41,908	1,001,483	668,421	724,456	5,545,864
Due to State of Connecticut				61,612				61,612
Due to other funds	<u>4,742,584</u>	<u>81,067</u>		<u>198,390</u>		<u>147</u>	<u>83,717</u>	<u>5,105,905</u>
Total liabilities	<u>4,971,672</u>	<u>216,610</u>	<u>3,048,267</u>	<u>443,599</u>	<u>1,152,156</u>	<u>716,705</u>	<u>870,844</u>	<u>11,419,853</u>
Fund Balances:								
Nonspendable	123,486							123,486
Restricted		40,729	43,405				87,827	171,961
Committed							105,326	105,326
Unassigned	<u>728,242</u>				<u>(691)</u>	<u>(147)</u>	<u>(13,968)</u>	<u>713,436</u>
Total fund balances	<u>851,728</u>	<u>40,729</u>	<u>43,405</u>	<u>-</u>	<u>(691)</u>	<u>(147)</u>	<u>179,185</u>	<u>1,114,209</u>
Total Liabilities and Fund Balances	<u>\$ 5,823,400</u>	<u>\$ 257,339</u>	<u>\$ 3,091,672</u>	<u>\$ 443,599</u>	<u>\$ 1,151,465</u>	<u>\$ 716,558</u>	<u>\$ 1,050,029</u>	<u>\$ 12,534,062</u>

(Continued on next page)

**CAPITOL REGION COUNCIL OF GOVERNMENTS
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2016**

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net position
(Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)		\$ 1,114,209
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 390,281	
Less accumulated depreciation	<u>(381,385)</u>	
Net capital assets		8,896
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences		<u>(218,668)</u>
Net Position of Governmental Activities (Exhibit I)		<u><u>\$ 904,437</u></u>

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Homeland Security Program</u>	<u>Public Safety Programs</u>	<u>FHWA</u>	<u>FHWA Corridor Studies</u>	<u>Regional Performance Incentive Program</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:								
Federal Government	\$	\$ 767,529	\$ 203,523	\$ 1,304,938	\$ 227,527	\$	\$ 119,975	\$ 2,623,492
State of Connecticut			227,985	163,117	355,169	1,254,033	718,964	2,719,268
Other governmental agencies	248,968		871,312	195,092	76,528		346,391	1,738,291
Interest income	1,767		1,671				1,647	5,085
Total revenues	<u>250,735</u>	<u>767,529</u>	<u>1,304,491</u>	<u>1,663,147</u>	<u>659,224</u>	<u>1,254,033</u>	<u>1,186,977</u>	<u>7,086,136</u>
Expenditures:								
Current:								
Direct costs:								
Salaries		63,990	12,471	568,470	53,045	33,254	389,272	1,120,502
Other	108,282	635,417	1,263,985	295,518	527,288	1,175,449	305,141	4,311,080
Indirect		92,744	12,928	823,901	76,879	47,002	511,944	1,565,398
Total expenditures	<u>108,282</u>	<u>792,151</u>	<u>1,289,384</u>	<u>1,687,889</u>	<u>657,212</u>	<u>1,255,705</u>	<u>1,206,357</u>	<u>6,996,980</u>
Excess (Deficiency) of Revenues over Expenditures	<u>142,453</u>	<u>(24,622)</u>	<u>15,107</u>	<u>(24,742)</u>	<u>2,012</u>	<u>(1,672)</u>	<u>(19,380)</u>	<u>89,156</u>
Other Financing Sources (Uses):								
Transfers in	1,726	1,819	28	24,742	405	4,446	36,075	69,241
Transfers out	(65,490)	(28)	(1,819)		(1,904)			(69,241)
Total other financing sources (uses)	<u>(63,764)</u>	<u>1,791</u>	<u>(1,791)</u>	<u>24,742</u>	<u>(1,499)</u>	<u>4,446</u>	<u>36,075</u>	<u>-</u>
Excess (Deficiency) of Revenues and Transfers in over Expenditures and Transfers out	<u>78,689</u>	<u>(22,831)</u>	<u>13,316</u>	<u>-</u>	<u>513</u>	<u>2,774</u>	<u>16,695</u>	<u>89,156</u>
Fund Balances at Beginning of Year	<u>773,039</u>	<u>63,560</u>	<u>30,089</u>	<u>-</u>	<u>(1,204)</u>	<u>(2,921)</u>	<u>162,490</u>	<u>1,025,053</u>
Fund Balances at End of Year	<u>\$ 851,728</u>	<u>\$ 40,729</u>	<u>\$ 43,405</u>	<u>\$ -</u>	<u>\$ (691)</u>	<u>\$ (147)</u>	<u>\$ 179,185</u>	<u>\$ 1,114,209</u>

(Continued on next page)

**CAPITOL REGION COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 89,156
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	4,100
Depreciation expense	(6,112)

Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	<u>(39,253)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 47,891</u>
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The accompanying notes are an integral part of the financial statements

**CAPITOL REGION COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016**

	<u>Pension Trust Fund</u>	<u>Agency Fund</u>
Assets:		
Cash and cash equivalents	\$	\$ 29,907
Investments:		
Equity mutual funds	1,905,084	
Contributions receivable	<u>12,085</u>	
Total assets	<u>1,917,169</u>	<u>\$ 29,907</u>
Liabilities:		
Due to others		<u>\$ 29,907</u>
Total liabilities	<u>-</u>	<u>\$ 29,907</u>
Net Position:		
Restricted for Pension Benefits	<u>\$ 1,917,169</u>	

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION COUNCIL OF GOVERNMENTS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Pension Trust Fund</u>
Additions:	
Employer contributions	\$ 146,543
Investment income (loss):	
Net decrease in the fair value of investments	<u>(17,892)</u>
Total additions	128,651
Deductions:	
Benefits	<u>174,250</u>
Change in Net Position	(45,599)
Net Position at Beginning of Year	<u>1,962,768</u>
Net Position at End of Year	<u>\$ 1,917,169</u>

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Capitol Region of Council of Governments (CRCOG) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of CRCOG are described below.

A. Reporting Entity

CRCOG was established January 28, 1976 and organized under the laws of the State of Connecticut in accordance with General Statutes Sections 4-124i through 4-124p and Special Act No. 73-79 of the Connecticut General Assembly.

The Capitol Region Council of Governments is considered to be a legally separate organization under a joint venture agreement with the member municipalities. CRCOG has the right to enter into legal contracts and incur its own debt. CRCOG's mission, as a regional planning agency, is to provide a centralized agency responsible for coordinating regional planning activities that benefit its members. CRCOG has the authority to apply for Federal and State funds to further the activities and purpose of the agency.

Each member community appoints representatives to sit on CRCOG's Policy Board. The Policy Board is responsible for establishing and approving CRCOG policies, resolutions and its annual budget. Member assessments are charged on a per-capita basis and approved by the Policy Board.

B. Government-Wide and Fund Financial Statements

CRCOG is considered a single-program government for financial reporting purposes. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of CRCOG. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported primarily through member town assessments and intergovernmental revenues. CRCOG has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues. For CRCOG's purposes, all revenues and expenses are primarily related to a single function, regional planning.

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

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments from member towns are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, CRCOG considers revenues pertaining to member town assessments, grants and contracts, and interest associated with the current period to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

CRCOG reports the following major governmental funds:

General Fund

This fund is CRCOG's primary operating fund. It accounts for all financial resources of CRCOG, except those required to be accounted for in another fund.

Homeland Security Program

This fund is used to account for revenues and expenditures relating to Homeland Security planning and implementation in the CRCOG planning region. The major source of revenues for this fund is Federal Grants.

Public Safety Programs

This fund is used to account for revenues and expenditures incurred in providing various public safety projects to the member municipalities served by CRCOG. The major source of revenues for this fund are State and Federal Grants.

FHWA

This fund is used to account for revenues and expenditures relating to urban and rural transportation planning in the CRCOG planning region. The major source of revenues for this fund are State, Federal and Local Grants.

FHWA Corridor Studies

CRCOG LOTCIP Administration: Funding for CRCOG and selected consultants to assist the DOT in administering the State Local Transportation Capital Improvement Program. Work tasks include soliciting for/selecting projects, reviewing project applications, reviewing design submissions, endorsing various project submissions, transmitting project materials to DOT, quarterly program reporting to DOT, etc.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

Farmington/Hartford Transportation Study: Funding for CRCOG and selected consultants to perform a Transportation Study for the area surrounding Farmington's UConn Medical Center and the soon to be relocated Greater Hartford UConn Branch Campus.

Eastern Gateways Study: Funding for CRCOG and selected consultants to perform a Transportation Study for the major routes surrounding UConn Storrs with emphasis on Routes 44 and 195.

Regional Performance Incentive Program

This fund is designed to encourage municipalities to work together in various municipal shared projects in various areas including services, IT, GIS, public safety, transportation and other areas. The RPIP program is funded by a percentage of hotel and rental car taxes. CRCOG's most recent RPIP projects include the Nutmeg Network Demonstration projects: VOIP, Hosting Services, Video Streaming, HR Portal and EDMS. Past RPIP projects have included Online Permitting, Back Office Study, Regional Web GIS Update, Law Enforcement Data Sharing among others.

In addition, CRCOG reports the following fund types:

The Pension Trust Fund

This fund is used to account for resources held in trust for the members and beneficiaries of the Capitol Region Council of Governments Employee Money Purchase Pension Plan, which is a defined contribution plan. This plan is discussed more fully in Note 10.

Agency Fund

This fund is used to account for resources held by CRCOG in a purely custodial capacity. CRCOG utilizes this fund to account for assets held for the Capitol Region Partnership.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between certain CRCOG's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is CRCOG's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Deposits and Investments

CRCOG's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize CRCOG to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments are reported at fair value.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include furniture and fixtures, computers, equipment and leasehold improvements, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Capital assets of CRCOG are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Computers	3
Leasehold improvements	5
Office equipment	5
Furniture and fixtures	7

H. Compensated Absences

CRCOG allows employees to accrue vacation and sick leave up to certain limits. Vacation leave accruals are based on length of service. Any vacation leave time carried over to a succeeding year is lost if not used by the end of that year. Sick leave can be accrued to a maximum of 60 days. Upon termination, the employee is entitled to a maximum benefit of 50% of the sick leave accrual or less depending on the length of service. Vacation and sick leave expenditures are recognized in the governmental fund financial statements in the current year when expended, or if the vested amount is expected to be paid with current available resources.

The liability is recorded in the government-wide statement of net position. The General Fund is used to liquidate compensated absence liabilities.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

I. Fund Equity

Equity in the government-wide financial statements is defined as “net position” and is classified in the following categories:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted

This component of net position consists of restricted assets reduced by liabilities related to those assets. The restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. CRCOG currently has no assets under restriction.

Unrestricted

This component of net position consists of net amount of the assets that does not meet the definition of “restricted” or “net investment in capital assets.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Policy Board).

Assigned Fund Balance

For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Policy Board.

Unassigned Fund Balance

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

J. Accounting 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 reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

CRCOG's annual budget is a management tool that assists its users in analyzing financial activity for CRCOG's fiscal year ended June 30, 2016. CRCOG's budget includes the General Fund and all special revenue funds.

CRCOG's primary funding sources are member government assessments and federal, state and local grants with grant periods that may or may not coincide with CRCOG's fiscal year. These grants normally are for a 12-month period; however, they can be awarded for periods shorter or longer than 12 months.

Because of CRCOG's dependency on federal, state and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. CRCOG's annual budget differs from that of a local government in two respects: 1) the uncertain nature of grant awards from other governmental entities, and 2) the conversion of grant budgets to a fiscal year basis.

The resultant final budget is subject to constant change within the fiscal year due to:

- Increases/decreases in actual grant awards from those estimated;
- Changes in grant periods;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards that fail to materialize.

The Policy Board formally approves CRCOG's annual budget but greater emphasis is placed on complying with grant terms and conditions on a grant by grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline grant restrictions and allowances.

These excess expenditures were funded using available fund balance and do not represent a violation of any regulatory or statutory provisions.

Fund Deficits

Fund balance deficit existed as of June 30, 2016 in the following funds:

	<u>Amount</u>
Major Fund:	
FHWA Corridor Studies	\$ 691
Regional Performance Incentive Program	147
Nonmajor and Other Funds	
Policy & Planning Special Projects	5,852
Municipal Services	3,013
Regional Service Sharing Program	5,103

These fund balance deficits will be funded by future grants and transfers from the General Fund.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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) permits CRCOG 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.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate-of-return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, CRCOG’s deposit will not be returned. CRCOG 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 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*, \$5,444,720 of CRCOG’s bank balance of \$5,724,627 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,875,248
Uninsured and collateral held by the pledging bank’s trust department, not in the Government’s name	<u>569,472</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 5,444,720</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2016, CRCOG's cash equivalents amounted to \$794,447. The entire balance consisted of investments in the State Treasurer's Short-Term Investment Fund (STIF). As of June 30, 2016, CRCOG's investments in STIF were rated AAA by Standard & Poor's.

B. Investments

As of June 30, 2016, CRCOG had \$1,905,084 invested in equity mutual funds. These investments are maintained in the pension trust fund in the statement of net position.

Interest Rate Risk

CRCOG does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. CRCOG has an investment policy that allows the same type of investments as State Statutes.

Concentration of Credit Risk

CRCOG has no policy limiting an investment in any one issuer that is in excess of 5% of CRCOG's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to CRCOG or that sells investments to or buys them for CRCOG), CRCOG will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. CRCOG does not have a policy for custodial credit risk. At June 30, 2016, CRCOG did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in CRCOG's name.

Fair Value

The Capitol Region Council of Governments adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. The new disclosure is presented below:

The Capitol Region Council of Governments categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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 or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements).

The Capitol Region Council of Governments' investments are all categorized as Level 1 fair value measurements as of June 30, 2016.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Furniture and fixtures	\$ 196,157	\$	\$	\$ 196,157
Computers	186,334	4,100		190,434
Leasehold improvements	3,690			3,690
Total capital assets being depreciated	<u>386,181</u>	<u>4,100</u>	<u>-</u>	<u>390,281</u>
Less accumulated depreciation for:				
Furniture and fixtures	(191,081)	(2,389)		(193,470)
Computers	(180,709)	(3,516)		(184,225)
Leasehold improvements	(3,483)	(207)		(3,690)
Total accumulated depreciation	<u>(375,273)</u>	<u>(6,112)</u>	<u>-</u>	<u>(381,385)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 10,908</u>	<u>\$ (2,012)</u>	<u>\$ -</u>	<u>\$ 8,896</u>

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The interfund receivables and payables balance at June 30, 2016 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Public Safety Program	General Fund	\$ 2,009,677
	Homeland Security Program	81,067
	FHWA	198,390
	Regional Performance Incentive Program	147
	Nonmajor Governmental Funds	83,717
FHWA	General Fund	41,908
FHWA Corridor Studies	General Fund	1,083,435
Regional Performance Incentive Program	General Fund	716,558
Nonmajor Governmental Funds	General Fund	<u>891,006</u>
Total		<u>\$ 5,105,905</u>

Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

Interfund transfers for the year ended June 30, 2016 consisted of the following:

	Transfers In							Total Transfers Out
	General Fund	Homelan Security	Public Safety	FHWA	FHWA Corridor Study	Regional Performance Incentive Program	Nonmajor Governmental	
Transfers out:								
General Fund	\$	\$	\$	\$ 24,742	\$ 405	\$ 4,446	\$ 35,897	\$ 65,490
Homeland Security			28					28
Public Safety		1,819						1,819
FHWA Corridor Study	<u>1,726</u>						<u>178</u>	<u>1,904</u>
Total Transfers In	<u>\$ 1,726</u>	<u>\$ 1,819</u>	<u>\$ 28</u>	<u>\$ 24,742</u>	<u>\$ 405</u>	<u>\$ 4,446</u>	<u>\$ 36,075</u>	<u>\$ 69,241</u>

Transfers are for regularly recurring operational transfers.

6. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ <u>179,415</u>	\$ <u>113,669</u>	\$ <u>(74,416)</u>	\$ <u>218,668</u>	\$ <u>118,623</u>

Compensated absences are generally liquidated by the General Fund.

7. LEASE COMMITMENTS

CRCOG leases approximately 6,800 sq. ft. of floor space located on the fourth floor of a building situated at 241 Main Street, Hartford, Connecticut. The original lease commenced on January 1, 2003 and terminated on December 31, 2007. On June 11, 2007, the lease was renewed through August 2008. On January 2, 2013, the lease was renewed through August 2018. Minimum lease payments under this lease are as follows:

<u>Year Ending June 30</u>	
2017	\$ 123,300
2018	123,300
2019	<u>20,550</u>
Total	<u>\$ 267,150</u>

Rent expense totaled \$123,300 for the year ended June 30, 2016.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

8. RISK MANAGEMENT

CRCOG 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.

CRCOG 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. CRCOG 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. CRCOG 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 2015-2016 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, CRCOG cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming.

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

9. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2016 are as follows:

	<u>General Fund</u>	<u>Homeland Security Program</u>	<u>Public Safety Programs</u>	<u>FHWA Corridor Studies</u>	<u>Regional Performance Incentive Program</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:							
Nonspendable:							
Prepays	\$ 123,486	\$	\$	\$	\$	\$	\$ 123,486
Restricted for:							
Grants		40,729	43,405			87,827	171,961
Committed to:							
Waste management						78,486	78,486
Capital projects						26,840	26,840
Unassigned	<u>728,242</u>			<u>(691)</u>	<u>(147)</u>	<u>(13,968)</u>	<u>713,436</u>
Total Fund Balances	<u>\$ 851,728</u>	<u>\$ 40,729</u>	<u>\$ 43,405</u>	<u>\$ (691)</u>	<u>\$ (147)</u>	<u>\$ 179,185</u>	<u>\$ 1,114,209</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Pension Trust Fund

A. Plan Description

CRCOG maintains a defined contribution money purchase plan (the Plan) that covers all employees who have completed 6 months of service and have attained age 21. Plan provisions are established and may be amended by the Plan Trustees. At age 65, participants are entitled to a lump-sum payment as a retirement benefit. Employer contributions are vested at 20% per year until completion of 5 years of service, at which time an employee is fully vested. The Plan is noncontributory for employees and provides for employer contributions of 10% of the participant's salary.

The Plan does not issue stand-alone financial statements and is part of CRCOG's financial reporting entity since CRCOG has trustee responsibilities related to the participant accounts that contain employer contributions. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund.

There were 22 plan members as of June 30, 2016. Employer contributions totaled \$146,543 for the year ended June 30, 2016.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The Plan is accounted for using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Plan assets are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price.

Investments are recorded at fair value. Short-term investments are reported at cost, which approximates fair value. Fair value of other securities is determined by the mean of the most recent bid and asked prices as obtained from dealers that make markets in such securities. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of CRCOG, with the assistance of a valuation service. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned, and gains and losses on sales or exchanges are recognized on the transaction date.

The following investments in mutual funds represent 5% or more of Plan assets as of June 30, 2015:

Investments:	
DFA International Core Equity	\$ 232,793
Goldman Sachs Mid Cap	140,242
Vanguard Equity Income Admiral	240,185
Vanguard Morgan Growth Admiral	296,882
Vanguard Small-Cap Index Admiral	109,181
Vanguard GNMA Admiral	320,783

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS**

11. 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 CRCOG's financial position and program service.

12. CONTINGENT LIABILITIES

In the opinion of CRCOG Counsel, there are no unpaid or pending judgments against CRCOG and no legal proceedings that would adversely affect the financial position of CRCOG.

**CAPITOL REGION COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal Government	\$ 3,388,281	\$ 3,270,338	\$ 2,623,492	\$ (646,846)
State of Connecticut	2,425,477	3,026,479	2,719,268	(307,211)
Other governmental agencies	2,182,831	2,041,936	1,738,291	(303,645)
Interest income			5,085	5,085
Total revenues	<u>7,996,589</u>	<u>8,338,753</u>	<u>7,086,136</u>	<u>(1,252,617)</u>
Expenditures:				
Direct:				
Salaries	1,355,939	1,350,981	1,121,116	229,865
Telephone	300	700	698	2
Publication, dues and advertising	19,500	21,600	20,090	1,510
Reproduction and printing	1,550	1,550		1,550
Recruitment	3,500	500	351	149
Computer, software and upgrades	19,688	66,572	41,501	25,071
Equipment maintenance - GIS	9,735	3,850	3,776	74
Insurance	2,000			-
Legal	7,250	13,307	10,192	3,115
Supplies, postage and other	6,575	5,425	4,937	488
Legislative liaison	23,621	23,621	23,100	521
Equipment	14,100	13,000	4,680	8,320
Furniture and furnishings	1,500	2,300	2,090	210
Leasehold improvements	2,500			-
Food	9,520	13,770	11,499	2,271
Mileage and parking	9,814	8,964	6,869	2,095
Consultants and professional services	8,400	397,210	362,916	34,294
Training and tuition reimbursement	18,600	22,980	8,560	14,420
Conferences and workshops	47,600	52,600	44,635	7,965
Refund			66,472	(66,472)
Rentals	2,800	2,650	550	2,100
Bad debt expense			3,825	(3,825)
Workshops for local governments	4,600	2,600	1,104	1,496
Annual meetings	3,500	3,000	2,952	48
Legislative reception	500			-
Technical support		4,200	4,200	-
Other miscellaneous expenses		3,800	3,274	526
Systems maintenance		300,000	269,771	30,229
Spanish language translation	4,200	4,200		4,200
Contingency	30,000	30,000		30,000
Contractual	4,815,531	4,142,587	3,412,427	730,160

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**CAPITOL REGION COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Indirect:				
Management support salaries	\$ 423,627	\$ 405,856	\$ 374,978	\$ 30,878
Fringe benefits and payroll taxes	774,562	779,411	658,750	120,661
Compensated absences			254,287	(254,287)
Rent, maintenance and utilities	145,216	142,666	135,004	7,662
Accounting, audit and pension services	36,000	36,000	34,000	2,000
Insurance	35,156	37,156	36,426	730
Office supplies and expense	15,500	15,500	13,814	1,686
Postage	3,000	3,100	3,042	58
Reproduction and printing	14,500	14,500	10,690	3,810
Payroll processing	5,200	5,450	5,330	120
Equipment maintenance	6,135	6,135	5,926	209
Computer software and data communications	6,000	6,000	4,302	1,698
Computer services	5,500	5,500	4,569	931
Telephone	14,000	14,000	10,018	3,982
Publication and dues	7,200	7,200	6,688	512
Section 125 administration	1,100	1,300	1,193	107
Legal services	3,000	3,000	1,128	1,872
Pension administration	5,500	5,500	5,250	250
Total expenditures	<u>7,924,019</u>	<u>7,980,241</u>	<u>6,996,980</u>	<u>983,261</u>
Excess of Revenues over Expenditures	72,570	358,512	89,156	(269,356)
Other Financing Sources (Uses):				
Transfers in		69,241	69,241	-
Transfers out		<u>(69,241)</u>	<u>(69,241)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ 72,570</u>	<u>\$ 358,512</u>	89,156	<u>\$ (269,356)</u>
Fund Balances at Beginning of Year			<u>1,025,053</u>	
Fund Balances at End of Year			<u>\$ 1,114,209</u>	

**CAPITOL REGION COUNCIL OF GOVERNMENTS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016**

	Special Revenue						
	BRT	State Grant in Aid	Local Government Programs	Policy & Planning Special Projects	Municipal Services	Special Projects	Regional Solid Waste Management
ASSETS							
Due from State of Connecticut	\$	\$	\$	\$	\$	\$ 32,762	\$
Other governmental grants receivable				109,661	13,600		
Due from other funds		14,946	71,096		199,921	324,235	144,775
Total Assets	\$ -	\$ 14,946	\$ 71,096	\$ 109,661	\$ 213,521	\$ 356,997	\$ 144,775
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	\$	\$ 1,327	\$ 39,899	\$ 640	\$ 20,805	\$
Unearned revenue		14,946	42,247		215,894	276,110	66,289
Due to other funds				75,614			
Total liabilities	-	14,946	43,574	115,513	216,534	296,915	66,289
Fund balances:							
Restricted			27,522			60,082	
Committed							78,486
Unassigned				(5,852)	(3,013)		
Total fund balances	-	-	27,522	(5,852)	(3,013)	60,082	78,486
Total Liabilities and Fund Balances	\$ -	\$ 14,946	\$ 71,096	\$ 109,661	\$ 213,521	\$ 356,997	\$ 144,775

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**CAPITOL REGION COUNCIL OF GOVERNMENTS
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016**

	Special Revenue			Capital Project	Total Nonmajor Governmental Funds
	UASI	HUD - SCI	Regional Service Sharing Program	Capital and Nonrecurring Fund	
ASSETS					
Due from State of Connecticut	\$	\$	\$	\$	\$ 32,762
Other governmental grants receivable			3,000		126,261
Due from other funds	6			26,840	891,006
Total Assets	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 26,840</u>	<u>\$ 1,050,029</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$	\$	\$	\$	\$ 62,671
Unearned revenue				108,970	724,456
Due to other funds			8,103		83,717
Total liabilities	<u>-</u>	<u>-</u>	<u>8,103</u>	<u>-</u>	<u>870,844</u>
Fund balances:					
Restricted	6			217	87,827
Committed				26,840	105,326
Unassigned			(5,103)		(13,968)
Total fund balances	<u>6</u>	<u>-</u>	<u>(5,103)</u>	<u>26,840</u>	<u>179,185</u>
Total Liabilities and Fund Balances	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 26,840</u>	<u>\$ 1,050,029</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016**

	Special Revenue						Regional Solid Waste Management
	BRT	State Grant in Aid	Local Government Programs	Policy & Planning Special Projects	Municipal Services	Special Projects	
Revenues:							
Federal government	\$	\$	\$	\$ 93,476	\$	\$ 31,117	\$
State of Connecticut		597,033		74,161	4,635		
Other governmental agencies			193,017	7,753	117,633	3,795	24,191
Interest income							
Total revenues	-	597,033	193,017	175,390	122,268	34,912	24,191
Expenditures:							
Current:							
Direct costs:							
Salaries		256,395	77,035	20,337	33,871	979	103
Other		3,109	12,504	144,128	43,707	31,350	23,939
Indirect costs:		337,529	103,478	23,872	44,696	1,419	149
Total expenditures	-	597,033	193,017	188,337	122,274	33,748	24,191
Excess (Deficiency) of Revenues over Expenditures	-	-	-	(12,947)	(6)	1,164	-
Other Financing Sources (Uses):							
Transfers in	178			33,407			
Total other financing sources	178	-	-	33,407	-	-	-
Excess (Deficiency) of Revenues over Expenditures	178	-	-	20,460	(6)	1,164	-
Fund Balances at Beginning of Year	(178)	-	27,522	(26,312)	(3,007)	58,918	78,486
Fund Balances at End of Year	\$ -	\$ -	\$ 27,522	\$ (5,852)	\$ (3,013)	\$ 60,082	\$ 78,486

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**CAPITOL REGION COUNCIL OF GOVERNMENTS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016**

	Special Revenue			Work Access Program	Capital Project Capital and Nonrecurring Fund	Total Nonmajor Governmental Funds
	UASI	HUD - SCI	Regional Service Sharing Program			
Revenues:						
Federal government	\$	\$	\$	\$	\$	\$ 119,975
State of Connecticut			42,937	1,353		718,964
Other governmental agencies		2				346,391
Interest income			1,647			1,647
Total revenues	<u>-</u>	<u>2</u>	<u>44,584</u>	<u>1,353</u>	<u>-</u>	<u>1,186,977</u>
Expenditures:						
Current:						
Direct costs:						
Salaries				552		389,272
Other			52,177			305,141
Indirect costs:				801		511,944
Total expenditures	<u></u>	<u></u>	<u>52,177</u>	<u>1,353</u>	<u>-</u>	<u>1,206,357</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>2</u>	<u>(7,593)</u>	<u>-</u>	<u>-</u>	<u>(19,380)</u>
Other Financing Sources (Uses):						
Transfers in			2,490			36,075
Total other financing sources	<u>-</u>	<u>-</u>	<u>2,490</u>	<u>-</u>	<u>-</u>	<u>36,075</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>2</u>	<u>(5,103)</u>	<u>-</u>	<u>-</u>	<u>16,695</u>
Fund Balances at Beginning of Year	<u>6</u>	<u>(2)</u>	<u>-</u>	<u>217</u>	<u>26,840</u>	<u>162,490</u>
Fund Balances at End of Year	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ (5,103)</u>	<u>\$ 217</u>	<u>\$ 26,840</u>	<u>\$ 179,185</u>

**CAPITOL REGION OF GOVERNMENTS
STATEMENT OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
ASSETS				
Cash	\$ <u>29,907</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>29,907</u>
LIABILITIES				
Due to others	\$ <u>29,907</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>29,907</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS
INDIRECT RATE CALCULATION
FOR THE YEAR ENDED JUNE 30, 2016**

Indirect Costs:

Management support salaries	\$ 374,978
Fringe benefits and payroll taxes	658,750
Compensated absences	254,287
Rent, maintenance and utilities	135,004
Accounting, audit and pension services	34,000
Insurance	36,429
Office supplies and expense	13,814
Postage	3,042
Reproduction and printing	10,690
Payroll processing	5,330
Equipment maintenance	5,926
Computer software and data communications	4,302
Computer services	4,569
Telephone	10,018
Publication and dues	6,688
Legal services	1,128
Pension administration	5,250
Section 125 Admin	1,193
Total indirect costs	<u>1,565,398</u>
Depreciation and Amortization Expenses Allocation	<u>6,112</u>
Total	<u>\$ 1,571,510</u>
Total payroll	\$ 1,749,767
Less: indirect payroll	374,978
Less: compensated absences	<u>254,287</u>
Payroll Base	<u>\$ 1,120,502</u>
Indirect Cost Rate	<u>140.3%</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS
 FINANCIAL SUMMARY FOR THE STATE OF CONNECTICUT
 DEPARTMENT OF TRANSPORTATION
 FOR THE YEAR ENDED JUNE 30, 2016**

	FHWA 11.6-01 (07)	TOD On-Call	LOTICIP Farm / HFD	LOTICIP Eastern	COMP Transit	LOTICIP	Total
Maximum Funds Authorized							
FHWA	\$ 1,456,839	\$ 57,466	\$	\$	\$ 489,299	\$	\$ 2,603,604
Conn-DOT - FHWA	182,105				122,325		418,430
Conn-DOT - FTA		2,500	340,000	540,000		672,360	1,554,860
Local	182,105	6,663			38,102		266,870
	<u>\$ 1,821,049</u>	<u>\$ 66,629</u>	<u>\$ 340,000</u>	<u>\$ 540,000</u>	<u>\$ 649,726</u>	<u>\$ 672,360</u>	<u>\$ 4,843,764</u>
Authorized Expenditures							
Direct Costs:							
Salaries	\$ 568,470	\$ 10,338	\$	\$	\$ 1,890	\$ 92,143	\$ 688,610
Other	197,402	41,625	19,688	163,050	424,637	128,919	1,677,398
Indirect Costs	796,843	14,491			2,649	147,077	985,064
	<u>\$ 1,562,715</u>	<u>\$ 66,454</u>	<u>\$ 19,688</u>	<u>\$ 163,050</u>	<u>\$ 429,176</u>	<u>\$ 368,139</u>	<u>\$ 3,351,072</u>
Distribution of Audited Costs							
FHWA	\$ 1,250,172	\$ 53,163	\$	\$	\$ 312,859	\$	\$ 2,209,675
Conn-DOT - FHWA	156,271	6,645	19,688	163,050	78,215	368,138	904,602
Local	156,271	6,645			38,102		236,239
	<u>\$ 1,562,714</u>	<u>\$ 66,453</u>	<u>\$ 19,688</u>	<u>\$ 163,050</u>	<u>\$ 429,176</u>	<u>\$ 368,138</u>	<u>\$ 3,350,516</u>
ConnDOT Responsibility							
FHWA	\$ 1,250,172	\$ 53,163	\$	\$	\$ 312,859	\$	\$ 2,209,231
Conn-DOT - FHWA	156,271	6,645			78,215		354,189
Conn-DOT - FTA			19,688	163,050		368,138	550,876
	<u>\$ 1,406,443</u>	<u>\$ 59,808</u>	<u>\$ 19,688</u>	<u>\$ 163,050</u>	<u>\$ 391,074</u>	<u>\$ 368,138</u>	<u>\$ 3,114,296</u>
Payments Received							
Payments received through June 30, 2016	\$ 1,152,343	\$ 52,890	\$ 340,000	\$ 540,000	\$ 336,003	\$ 672,360	\$ 3,794,903
Payments received after June 30, 2016	315,712	7,939			55,298		378,949
Total payments received	<u>1,468,055</u>	<u>60,829</u>	<u>340,000</u>	<u>540,000</u>	<u>391,301</u>	<u>672,360</u>	<u>4,173,852</u>
Due from (to) ConnDOT	<u>\$ (61,612)</u>	<u>\$ (1,021)</u>	<u>\$ (320,312)</u>	<u>\$ (376,950)</u>	<u>\$ (227)</u>	<u>\$ (304,222)</u>	<u>\$ (1,059,556)</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS
SCHEDULE OF SOURCES AND USES - LOCAL ASSESSMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

SOURCES

Local Assessments		\$	<u>739,030</u>
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USES

Fund Transfers:

Transportation (Match Requirements)	\$	356,373	
Local Government Programs		51,200	
Regl Solid Waste Management		<u>100,000</u>	
			\$ 507,573

Council Administration:

Direct Expenditures		108,487	
Use of Fund Balance		<u>122,970</u>	
			<u>231,457</u>

Total Uses			\$ <u>739,030</u>
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