

## **CAPITOL REGION COUNCIL OF GOVERNMENTS**

### **FINANCIAL STATEMENTS**

**JUNE 30, 2015**

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
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JUNE 30, 2015**

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## Independent Auditors' Report

To the Board of Finance/Town Council  
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, 2015, 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, 2015 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.

## ***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 11 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 21, 2015 on our consideration of the Capitol Region Council of Governments's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 21, 2015

## **CAPITOL REGION COUNCIL OF GOVERNMENTS MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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, 2015.

### **FINANCIAL HIGHLIGHTS**

- The assets of CRCOG exceeded its liabilities at the close of the most recent fiscal year by \$856,546 (net position). Of this amount, \$845,638 (unrestricted net position) may be used to meet CRCOG's ongoing obligations.
- CRCOG's total net position increased by \$203,824 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 \$1,025,053, an increase of \$188,435 in comparison with the prior year. The portion of the fund balance available for spending at CRCOG's discretion (unassigned fund balance) is \$703,580.
- As of June 30, 2015, the balance for the General Fund was \$773,039, which includes unassigned funds of \$737,204.

### **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)**

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**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)**

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**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 nonmajor 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)**

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**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 \$856,546 and \$652,722 as of June 30, 2015 and 2014, respectively, and are summarized as follows:

	<b>Governmental Activities</b>	
	<u><b>2015</b></u>	<u><b>2014</b></u>
Current and other assets	\$ 6,971,514	\$ 6,339,014
Capital assets, net	10,908	14,708
Total assets	<u>6,982,422</u>	<u>6,353,722</u>
Long-term liabilities	104,999	106,944
Other liabilities	<u>6,020,877</u>	<u>5,594,056</u>
Total liabilities	<u>6,125,876</u>	<u>5,701,000</u>
Net position:		
Net investment in capital assets	10,908	14,708
Unrestricted	<u>845,638</u>	<u>638,014</u>
Total Net Position	<u>\$ 856,546</u>	<u>\$ 652,722</u>

At June 30, 2015, \$10,908 or 1.3% 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 \$845,638 is considered unrestricted and may be used to meet CRCOG's ongoing obligations. Overall, net position increased by \$203,824 in comparison to the prior year. The primary reason for this is an increase in intergovernmental revenue from the State of Connecticut.

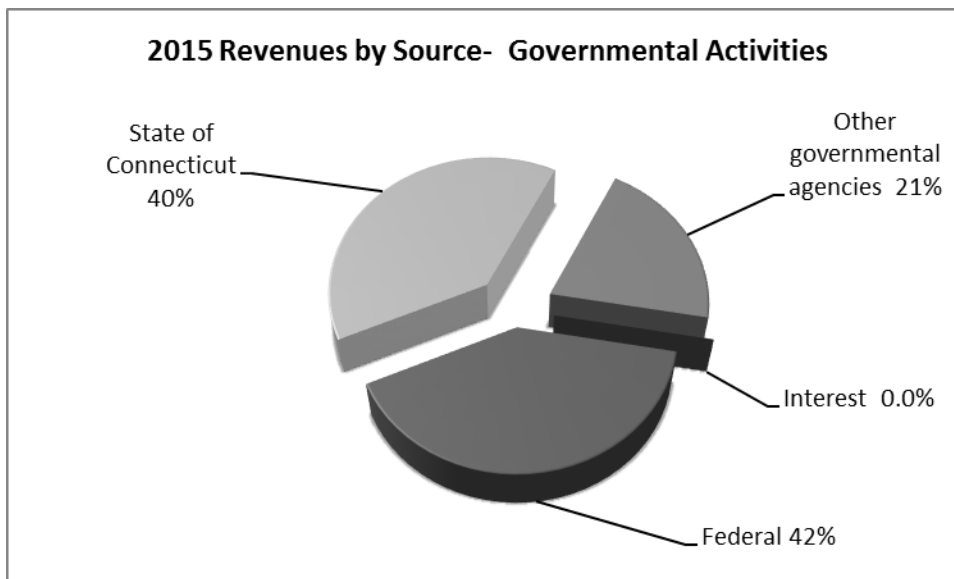
**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position**

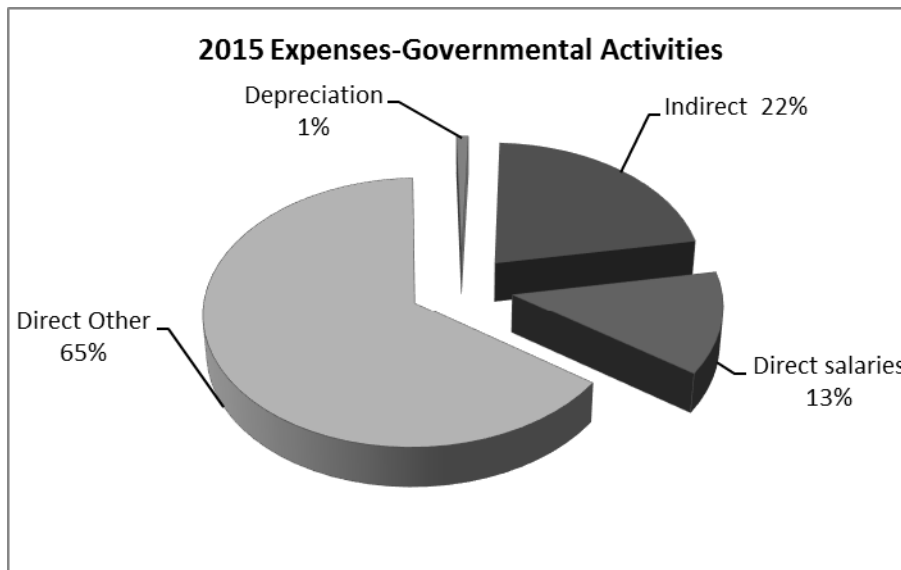
Changes in net position for the years ended June 30, 2015 and 2014 are as follows:

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>Revenues</b>		
Federal government	\$ 2,880,734	\$ 6,384,134
State of Connecticut	2,982,892	2,002,871
Other governmental agencies	1,570,533	1,604,177
Interest	<u>1,293</u>	<u>1,496</u>
Total revenues	<u>7,435,452</u>	<u>9,992,678</u>
<b>Expenses:</b>		
Direct salaries	916,962	940,324
Direct other	4,746,243	7,615,888
Depreciation	8,773	11,677
Indirect	<u>1,559,650</u>	<u>1,420,230</u>
Total expenses	<u>7,231,628</u>	<u>9,988,119</u>
Changes in net position	203,824	4,559
Net Position at beginning	<u>652,722</u>	<u>648,163</u>
Net Position at Ending	<u>\$ 856,546</u>	<u>\$ 652,722</u>



**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position (Continued)**



**Governmental Activities**

Governmental activities increased CRCOG's net position by \$188,435 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 \$1,025,053 an increase of \$188,435 in comparison with the prior year. The amount includes \$35,835 in Nonspendable, \$285,638 in Restricted and Committed Funds and Unassigned Funds of \$703,580, 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 \$773,039, of which \$737,204 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 \$95,065. Unassigned fund balance 12.9 times larger than General Fund expenditures.

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

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***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 \$726,519 during 2014-15

***Service Sharing Program Fund***

The Service Sharing Program Fund was established in 2007-08 to account for revenue and expenditures for 10 projects that involve shared services among member towns. It is funded in its entirety by a grant of \$5.2 million from the State of Connecticut. One of the original projects remained open during the 2014-15 fiscal year. Expenditures totaled \$208,716 in fiscal year 2014-15.

***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 \$1,399,767. At the end of the current fiscal year, there was no fund balance.

***FHWA Corridor Studies***

During Fiscal Year 2014-15 CRCOG received state funding for the following projects:

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.

***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 \$1,285,415. At the end of the current fiscal year, the fund balance was \$30,089, which was entirely classified as restricted.

***Work Access Program Fund***

The Work Access Program Fund accounts for revenues and expenditures incurred in providing eligible client transportation services to job and training opportunities not provided by existing transit systems. Expenditures totaled \$790,919. At the end of the current fiscal year, the fund balance was \$217, which was 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.

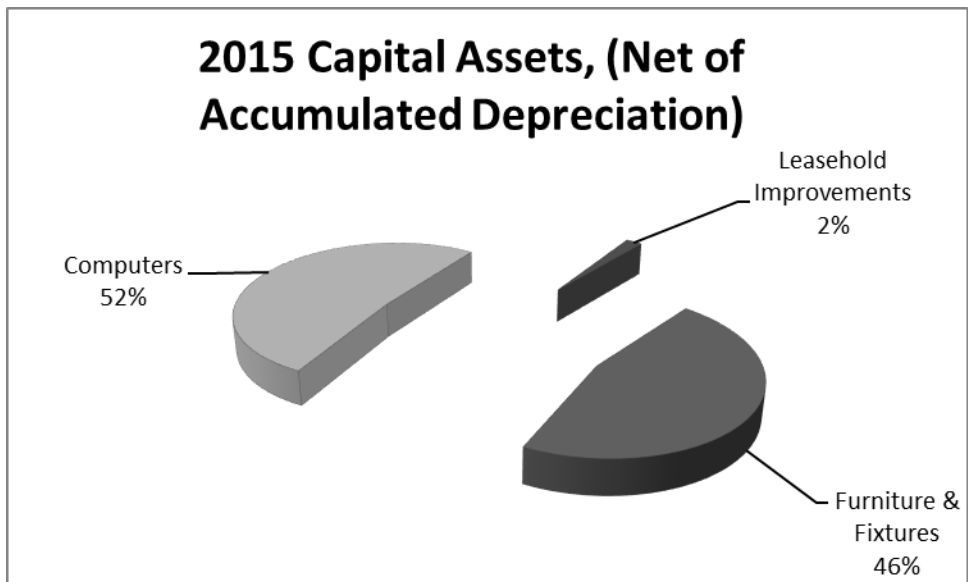
**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

**CAPITAL ASSETS**

CRCOG’s investment in capital assets for its governmental activities as of June 30, 2015 totaled \$10,908 (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>2015</u>	<u>2014</u>
Furniture and fixtures	\$ 5,076	\$ 8,447
Computers	5,625	5,833
Leasehold improvements	207	428
Totals	<u>\$ 10,908</u>	<u>\$ 14,708</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)**

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**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. However, due to the addition of eight new towns, federal funding will see an increase in FY 2015-16. CRCOG's local funding remains strong and stable, accounting for approximately a quarter of CRCOG's core budget. CRCOG increased its local dues for 2015-16. This increase is to more equally distribute dues allocations across towns and also to increase finding of a Regional Program Fund which will enable CRCOG to bring regional projects without outside funding. The State Grant in Aid (SGIA) grant, a major revenue source for regional planning agencies, was significantly increased and includes a 50 cent per capita state funding for each of the Council of Governments. Based on the increase funding, CRCOG has included \$611,979 in the FY 2015-16 budget.

CRCOG continues to see a significant reduction in federal funding in Homeland Security. To account for the shifts, personnel will shift from Homeland Security to Public Safety activities.

Salary adjustments of 4% were included in the 2015-16 fiscal year budget. Of the General Fund unassigned fund balance, which totaled \$773,039 on June 30, 2015, CRCOG did not appropriate any of this amount in the 2015-16 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, 2015**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 5,399,736
Due from State of Connecticut	1,122,405
Other governmental grants receivable	255,484
Other receivables	157,704
Prepaid assets	36,185
Capital assets, net of accumulated depreciation	10,908
Total assets	<u>6,982,422</u>
<b>Liabilities:</b>	
Accounts and other payables	1,004,226
Unearned revenue	4,942,235
Noncurrent liabilities:	
Due within one year	74,416
Due in more than one year	104,999
Total liabilities	<u>6,125,876</u>
<b>Net Position:</b>	
Net investment in capital assets	10,908
Unrestricted	<u>845,638</u>
Total Net Position	<u>\$ 856,546</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, 2015**

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>7,231,628</u>	\$ <u>-</u>	\$ <u>7,434,159</u>	\$ <u>-</u>	\$ 202,531
General revenues:					
Unrestricted investment earnings					<u>1,293</u>
Change in net position					203,824
Net Position at Beginning of Year					<u>652,722</u>
Net Position at End of Year					\$ <u>856,546</u>

The accompanying notes are an integral part of the financial statements



**CAPITOL REGION COUNCIL OF GOVERNMENTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<u>General Fund</u>	<u>Homeland Security Program</u>	<u>Regional Service Sharing Program</u>	<u>Public Safety Programs</u>	<u>Work Access Program</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>
<b>ASSETS</b>										
Cash and cash equivalents	\$ 4,060,322	\$	\$ 703,772	\$ 635,642	\$	\$	\$	\$	\$	\$ 5,399,736
Due from State of Connecticut		326,054		157,974		469,705	152,417		16,255	1,122,405
Other governmental grants receivable			78,000	102,927					74,557	255,484
Other receivables	157,704									157,704
Due from other funds		6,732		2,297,560	192,643	41,928	1,009,100	451,518	584,916	4,584,397
Prepaid assets	36,185									36,185
Total Assets	<u>\$ 4,254,211</u>	<u>\$ 332,786</u>	<u>\$ 781,772</u>	<u>\$ 3,194,103</u>	<u>\$ 192,643</u>	<u>\$ 511,633</u>	<u>\$ 1,161,517</u>	<u>\$ 451,518</u>	<u>\$ 675,728</u>	<u>\$ 11,555,911</u>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable	\$ 125,372	\$ 103,228	\$	\$ 210,343	\$ 82,103	\$ 5,275	\$ 168,882	\$ 79,066	\$ 69,455	\$ 843,724
Accrued payroll and other liabilities	50,179									50,179
Unearned revenue		165,998	42,937	2,953,671		41,928	993,839	372,452	371,410	4,942,235
Due to State of Connecticut					110,323					110,323
Due to other funds	3,305,621		738,835			464,430		2,921	72,590	4,584,397
Total liabilities	<u>3,481,172</u>	<u>269,226</u>	<u>781,772</u>	<u>3,164,014</u>	<u>192,426</u>	<u>511,633</u>	<u>1,162,721</u>	<u>454,439</u>	<u>513,455</u>	<u>10,530,858</u>
Fund Balances:										
Nonspendable	35,835									35,835
Restricted		63,560		30,089	217				86,446	180,312
Committed									105,326	105,326
Unassigned	737,204						(1,204)	(2,921)	(29,499)	703,580
Total fund balances	<u>773,039</u>	<u>63,560</u>	<u>-</u>	<u>30,089</u>	<u>217</u>	<u>-</u>	<u>(1,204)</u>	<u>(2,921)</u>	<u>162,273</u>	<u>1,025,053</u>
Total Liabilities and Fund Balances	<u>\$ 4,254,211</u>	<u>\$ 332,786</u>	<u>\$ 781,772</u>	<u>\$ 3,194,103</u>	<u>\$ 192,643</u>	<u>\$ 511,633</u>	<u>\$ 1,161,517</u>	<u>\$ 451,518</u>	<u>\$ 675,728</u>	<u>\$ 11,555,911</u>

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**CAPITOL REGION COUNCIL OF GOVERNMENTS  
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2015**

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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)		\$ 1,025,053
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 386,181	
Less accumulated depreciation	<u>(375,273)</u>	
Net capital assets		10,908
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>(179,415)</u>
Net Position of Governmental Activities (Exhibit I)		<u>\$ 856,546</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, 2015**

	General Fund	Homeland Security Program	Regional Service Sharing Program	Public Safety Programs	Work Access Program	FHWA	FHWA Corridor Studies	Regional Performance Incentive Program	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:										
Federal Government	\$	\$ 742,283	\$	\$ 305,276	\$	\$ 1,071,668	\$ 282,938	\$	\$ 478,569	\$ 2,880,734
State of Connecticut			207,658	288,421	791,099	153,352	165,000	713,888	663,474	2,982,892
Other governmental agencies	309,276			692,154		142,686	40,662		385,755	1,570,533
Interest income	235		1,058							1,293
Total revenues	<u>309,511</u>	<u>742,283</u>	<u>208,716</u>	<u>1,285,851</u>	<u>791,099</u>	<u>1,367,706</u>	<u>488,600</u>	<u>713,888</u>	<u>1,527,798</u>	<u>7,435,452</u>
Expenditures:										
Current:										
Direct costs:										
Salaries		50,566		14,314	17,041	443,722	39,990	17,927	333,402	916,962
Other	95,065	584,967	208,716	1,253,112	743,216	157,646	377,859	699,824	625,838	4,746,243
Indirect		90,986		17,989	30,662	798,399	71,955	32,259	541,562	1,583,812
Total expenditures	<u>95,065</u>	<u>726,519</u>	<u>208,716</u>	<u>1,285,415</u>	<u>790,919</u>	<u>1,399,767</u>	<u>489,804</u>	<u>750,010</u>	<u>1,500,802</u>	<u>7,247,017</u>
Excess (Deficiency) of Revenues over Expenditures	<u>214,446</u>	<u>15,764</u>	<u>-</u>	<u>436</u>	<u>180</u>	<u>(32,061)</u>	<u>(1,204)</u>	<u>(36,122)</u>	<u>26,996</u>	<u>188,435</u>
Other Financing Sources (Uses):										
Transfers in		10,431		16,697		32,061		33,246	191,799	284,234
Transfers out	(214,446)	(1,181)		(30,448)					(38,159)	(284,234)
Total other financing sources (uses)	<u>(214,446)</u>	<u>9,250</u>	<u>-</u>	<u>(13,751)</u>	<u>-</u>	<u>32,061</u>	<u>-</u>	<u>33,246</u>	<u>153,640</u>	<u>-</u>
Excess (Deficiency) of Revenues and Transfers in over Expenditures and Transfers out	<u>-</u>	<u>25,014</u>	<u>-</u>	<u>(13,315)</u>	<u>180</u>	<u>-</u>	<u>(1,204)</u>	<u>(2,876)</u>	<u>180,636</u>	<u>188,435</u>
Fund Balances at Beginning of Year	<u>773,039</u>	<u>38,546</u>	<u>-</u>	<u>43,404</u>	<u>37</u>	<u>-</u>	<u>-</u>	<u>(45)</u>	<u>(18,363)</u>	<u>836,618</u>
Fund Balances at End of Year	<u>\$ 773,039</u>	<u>\$ 63,560</u>	<u>\$ -</u>	<u>\$ 30,089</u>	<u>\$ 217</u>	<u>\$ -</u>	<u>\$ (1,204)</u>	<u>\$ (2,921)</u>	<u>\$ 162,273</u>	<u>\$ 1,025,053</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, 2015**

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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)	\$ 188,435
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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	4,973
Depreciation expense	(8,773)

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>19,189</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u><u>\$ 203,824</u></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, 2015**

	<u>Pension Trust Fund</u>	<u>Agency Fund</u>
Assets:		
Cash and cash equivalents	\$	\$ 29,907
Investments:		
Equity mutual funds	<u>1,962,768</u>	<u>                    </u>
Total assets	<u>1,962,768</u>	<u>\$ 29,907</u>
Liabilities:		
Due to others	<u>                    </u>	<u>\$ 29,907</u>
Total liabilities	<u>-</u>	<u>\$ 29,907</u>
Net Position:		
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 1,962,768</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, 2015**

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	<u>Pension Trust Fund</u>
Additions:	
Employer contributions	\$ 130,488
Investment income:	
Net increase in the fair value of investments	<u>45,061</u>
Total additions	<u>175,549</u>
Deductions:	
Benefits	<u>53,218</u>
Change in Net Position	122,331
Net Position at Beginning of Year	<u>1,840,437</u>
Net Position at End of Year	<u>\$ 1,962,768</u>

The accompanying notes are an integral part of the financial statements

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

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**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**

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**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.

**Regional Service Sharing Program**

This fund is used to account for revenues and expenditures in encouraging cooperation among municipalities in the provision of municipal services, in an effort to provide better, more efficient services while controlling costs. The major source of revenues for this fund is State 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.

**Work Access Program**

This fund is used to account for revenues and expenditures incurred in providing eligible client transportation services as well as job and training opportunities not currently offered by the existing transit system. The major source of revenues for this fund is State 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.



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

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### **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.

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.

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

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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.

**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. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. CRCOG does not report any deferred outflows in the government-wide statement of net position.

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

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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. CRCOG does not report any items as deferred outflows in the government-wide financial statements or fund financial statements.

### **I. 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.

### **J. 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).

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

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**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.

**K. 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.

**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, 2015. 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.

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

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**Fund Deficits**

Fund balance deficit existed as of June 30, 2015 in the following funds:

	<u>Amount</u>
Major Fund:	
FHWA Corridor Studies	\$ 1,204
Regional Performance Incentive Program	2,921
Nonmajor and Other Funds	
BRT	178
HUD SCI	2
Community Development Special Projects	26,312
Municipal Services	3,007

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

**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.

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

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**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*, \$3,678,056 of CRCOG's bank balance of \$3,957,963 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,285,250
Uninsured and collateral held by the pledging bank's trust department, not in the Government's name	<u>392,806</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 3,678,056</u>

**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, 2015, CRCOG's cash equivalents amounted to \$1,495,922. The entire balance consisted of investments in the State Treasurer's Short-Term Investment Fund (STIF). As of June 30, 2015, CRCOG's investments in STIF were rated AAA by Standard & Poor's.

**B. Investments**

As of June 30, 2015, CRCOG had \$1,962,768 invested in the 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.

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

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**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, 2015, 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.

**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Furniture and fixtures	\$ 194,495	\$ 1,662	\$	\$ 196,157
Computers	183,023	3,311		186,334
Leasehold improvements	<u>3,690</u>			<u>3,690</u>
Total capital assets being depreciated	<u>381,208</u>	<u>4,973</u>	<u>-</u>	<u>386,181</u>
Less accumulated depreciation for:				
Furniture and fixtures	(186,048)	(5,033)		(191,081)
Computers	(177,190)	(3,519)		(180,709)
Leasehold improvements	<u>(3,262)</u>	<u>(221)</u>		<u>(3,483)</u>
Total accumulated depreciation	<u>(366,500)</u>	<u>(8,773)</u>	<u>-</u>	<u>(375,273)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 14,708</u>	<u>\$ (3,800)</u>	<u>\$ -</u>	<u>\$ 10,908</u>

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

**5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The interfund receivables and payables balance at June 30, 2015 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Public Safety Program	General Fund	\$ 1,018,784
	Regional Service Sharing Program	738,835
	FHWA	464,430
	HUD SCI	2,921
	Nonmajor Governmental Funds	72,590
Work Access Program	General Fund	192,643
FHWA	General Fund	41,928
FHWA Corridor Studies	General Fund	1,009,100
Regional Performance Incentive Program	General Fund	451,518
Nonmajor Governmental Funds	General Fund	584,916
Homeland Security	General Fund	<u>6,732</u>
Total		<u>\$ 4,584,397</u>

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

Interfund transfers for the year ended June 30, 2015 consisted of the following:

	<u>Transfers In</u>					<u>Total Transfers Out</u>
	<u>Homeland Security</u>	<u>Public Safety</u>	<u>FHWA</u>	<u>Regional Performance Incentive Program</u>	<u>Nonmajor Governmental</u>	
Transfers out:						
General Fund	\$	\$	\$ 32,061	\$ 33,246	\$ 149,139	\$ 214,446
Homeland Security					1,181	1,181
Public Safety	10,431				20,017	30,448
Nonmajor governmental		<u>16,697</u>			<u>21,462</u>	<u>38,159</u>
Total Transfers In	<u>\$ 10,431</u>	<u>\$ 16,697</u>	<u>\$ 32,061</u>	<u>\$ 33,246</u>	<u>\$ 191,799</u>	<u>\$ 284,234</u>

Transfers are for regularly recurring operational transfers.



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

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**6. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 198,604	\$ 72,471	\$ (91,660)	\$ 179,415	\$ 74,416

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>	
2016	\$ 123,300
2017	123,300
2018	123,300
2019	<u>20,550</u>
Total	<u>\$ 390,450</u>

Rent expense totaled \$123,300 for the year ended June 30, 2015.

**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.

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

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 2014-2015 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, 2015 are as follows:

	<u>General Fund</u>	<u>Homeland Security Program</u>	<u>Public Safety Programs</u>	<u>Work Access Program</u>	<u>FHWA Corridor Studies</u>	<u>Regional Performance Incentive Program</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:								
Nonspendable:								
Prepays	\$ 35,835	\$	\$	\$	\$	\$	\$	\$ 35,835
Restricted for:								
Grants		63,560	30,089	217			86,446	180,312
Committed to:								
Waste Management							78,486	78,486
Capital projects							26,840	26,840
Unassigned	737,204				(1,204)	(2,921)	(29,499)	703,580
Total Fund Balances	\$ <u>773,039</u>	\$ <u>63,560</u>	\$ <u>30,089</u>	\$ <u>217</u>	\$ <u>(1,204)</u>	\$ <u>(2,921)</u>	\$ <u>162,273</u>	\$ <u>1,025,053</u>

**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 16 plan members as of June 30, 2015. Employer contributions totaled \$130,488 for the year ended June 30, 2015.

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

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**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:	
Allianceber International Growth	\$ 235,054
Goldman Sachs Mid Cap	148,618
RS Partners CL A	101,866
Vanguard Equity Income Admiral	249,801
Vanguard Morgan Growth Admiral	347,372
Vanguard GNMA Admiral	318,590

**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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal Government	\$ 3,615,999	\$ 4,264,736	\$ 2,880,734	\$ (1,384,002)
State of Connecticut	3,839,471	4,772,637	2,982,892	(1,789,745)
Other governmental agencies	2,094,975	2,117,538	1,570,533	(547,005)
Interest income			1,293	1,293
Total revenues	<u>9,550,445</u>	<u>11,154,911</u>	<u>7,435,452</u>	<u>(3,719,459)</u>
Expenditures:				
Direct:				
Salaries	1,229,235	1,229,235	916,962	312,273
Telephone	300	300	275	25
Publication, dues and advertising	20,250	22,350	19,974	2,376
Reproduction and printing	1,833	4,333	4,152	181
Recruitment	3,500	3,500	947	2,553
Computer, software and upgrades	12,609	20,722	16,030	4,692
Equipment maintenance - GIS	11,400	6,400	3,600	2,800
Insurance	2,000	2,000		2,000
Legal	5,590	15,140	14,647	493
Supplies, postage and other	23,450	20,950	1,712	19,238
Legislative liaison	23,621	23,621	23,600	21
Equipment	7,400	23,050	4,973	18,077
Furniture and furnishings	1,206	5,206	2,380	2,826
Leasehold improvements	2,500	1,500		1,500
Food	7,590	7,590	6,529	1,061
Mileage and parking	10,101	10,101	6,352	3,749
Consultants and professional services	794,457	794,457	250,458	543,999
Training and tuition reimbursement	14,065	10,565	1,500	9,065
Conferences and workshops	40,300	42,800	37,046	5,754
Refund			162,905	(162,905)
Rentals	3,800	3,800	750	3,050
Bad Debt Expense			1,890	(1,890)
Workshops for local governments	6,500	5,500	98	5,402
Annual meetings	2,500	2,500	1,542	958
Legislative reception	500	500		500
Technical support	4,248	4,248	4,240	8
Other miscellaneous expenses			19,394	(19,394)
Systems maintenance	986,876	986,876	286,704	700,172
Spanish language translation	3,200	1,200	39	1,161
Contingency	15,000	15,000		15,000
Contractual	4,608,709	4,617,345	3,874,509	742,836

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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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Indirect:				
Management support salaries	\$ 411,321	\$ 411,321	\$ 341,840	\$ 69,481
Fringe benefits and payroll taxes	666,849	666,849	629,631	37,218
Compensated absences			282,077	(282,077)
Rent, maintenance and utilities	145,216	140,716	136,234	4,482
Accounting, audit and pension services	35,000	31,000	31,000	-
Insurance	35,156	35,156	35,152	4
Employee merit program	59,380	59,380	59,380	-
Office supplies and expense	14,500	14,500	13,519	981
Postage	3,000	3,350	3,276	74
Reproduction and printing	13,500	13,500	12,651	849
Payroll processing	4,800	5,450	5,220	230
Equipment Maintenance	3,000	4,000	3,907	93
Computer software and data communications	8,000	8,000	3,539	4,461
Computer services	5,500	5,500	3,237	2,263
Telephone	14,000	14,000	11,208	2,792
Publication and dues	6,700	6,700	6,688	12
Section 125 administration	1,000	1,000		1,000
Legal services	3,000	3,000		3,000
Pension administration	5,500	5,500	5,250	250
Total expenditures	<u>9,278,162</u>	<u>9,309,711</u>	<u>7,247,017</u>	<u>2,062,694</u>
Excess of Revenues over Expenditures	272,283	1,845,200	188,435	(1,656,765)
Other Financing Sources (Uses):				
Transfers in		284,234	284,234	-
Transfers out		<u>(284,234)</u>	<u>(284,234)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>272,283</u>	\$ <u>1,845,200</u>	188,435	\$ <u>(1,656,765)</u>
Fund Balances at Beginning of Year			<u>836,618</u>	
Fund Balances at End of Year			\$ <u>1,025,053</u>	

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>Special Revenue</b>				
	<b>BRT</b>	<b>State Grant in Aid</b>	<b>Local Government Programs</b>	<b>Policy &amp; Planning Special Projects</b>	<b>Municipal Services</b>
<b>ASSETS</b>					
Due from State of Connecticut	\$ 178	\$	\$	\$	\$
Other governmental grants receivable				55,207	19,350
Due from other funds			29,291		50,988
<b>Total Assets</b>	<b>\$ 178</b>	<b>\$ -</b>	<b>\$ 29,291</b>	<b>\$ 55,207</b>	<b>\$ 70,338</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$	\$	\$ 1,769	\$ 9,287	\$ 8,356
Unearned revenue					64,989
Due to other funds	356			72,232	
<b>Total liabilities</b>	<b>356</b>	<b>-</b>	<b>1,769</b>	<b>81,519</b>	<b>73,345</b>
Fund balances:					
Restricted			27,522		
Committed					
Unassigned	(178)			(26,312)	(3,007)
<b>Total fund balances</b>	<b>(178)</b>	<b>-</b>	<b>27,522</b>	<b>(26,312)</b>	<b>(3,007)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 178</b>	<b>\$ -</b>	<b>\$ 29,291</b>	<b>\$ 55,207</b>	<b>\$ 70,338</b>

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**CAPITOL REGION COUNCIL OF GOVERNMENTS  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<u>Special Revenue</u>				<u>Capital Project</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Special Projects</u>	<u>Regional Solid Waste Management</u>	<u>UASI</u>	<u>HUD - SCI</u>	<u>Capital and Nonrecurring Fund</u>	
<b>ASSETS</b>						
Due from State of Connecticut	\$ 16,077	\$	\$	\$	\$	\$ 16,255
Other governmental grants receivable				-		74,557
Due from other funds	<u>338,717</u>	<u>139,074</u>	<u>6</u>		<u>26,840</u>	<u>584,916</u>
Total Assets	<u>\$ 354,794</u>	<u>\$ 139,074</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 26,840</u>	<u>\$ 675,728</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 50,043	\$	\$	\$	\$	\$ 69,455
Unearned revenue	245,833	60,588				371,410
Due to other funds				2		72,590
Total liabilities	<u>295,876</u>	<u>60,588</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>513,455</u>
Fund balances:						
Restricted	58,918		6			86,446
Committed		78,486			26,840	105,326
Unassigned				(2)		(29,499)
Total fund balances	<u>58,918</u>	<u>78,486</u>	<u>6</u>	<u>(2)</u>	<u>26,840</u>	<u>162,273</u>
Total Liabilities and Fund Balances	<u>\$ 354,794</u>	<u>\$ 139,074</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 26,840</u>	<u>\$ 675,728</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, 2015**

	<b>Special Revenue</b>				
	<b>BRT</b>	<b>State Grant in Aid</b>	<b>Local Government Programs</b>	<b>Policy &amp; Planning Special Projects</b>	<b>Municipal Services</b>
Revenues:					
Federal government	\$	\$	\$	\$ 39,250	\$
State of Connecticut		611,980			
Other governmental agencies			55,893	99,302	172,871
Total revenues	<u>-</u>	<u>611,980</u>	<u>55,893</u>	<u>138,552</u>	<u>172,871</u>
Expenditures:					
Current:					
Direct costs:					
Salaries		227,800	17,508	17,347	54,936
Other		9,195	12,792	10,552	30,411
Indirect costs:		374,985	25,593	24,996	87,525
Total expenditures	<u>-</u>	<u>611,980</u>	<u>55,893</u>	<u>52,895</u>	<u>172,872</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,657</u>	<u>(1)</u>
Other Financing Sources (Uses):					
Transfers in					
Transfers out					
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,657</u>	<u>(1)</u>
Fund Balances at Beginning of Year	<u>(178)</u>	<u>-</u>	<u>27,522</u>	<u>(111,969)</u>	<u>(3,006)</u>
Fund Balances at End of Year	<u>\$ (178)</u>	<u>\$ -</u>	<u>\$ 27,522</u>	<u>\$ (26,312)</u>	<u>\$ (3,007)</u>

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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, 2015**

	Special Revenue				Capital Project	Total Nonmajor Governmental Funds
	Special Projects	Regional Solid Waste Management	UASI	HUD - SCI	Capital and Nonrecurring Fund	
Revenues:						
Federal government	\$ 16,077	\$	\$	\$ 423,242	\$	\$ 478,569
State of Connecticut	51,494					663,474
Other governmental agencies	1,105	56,584				385,755
Total revenues	<u>68,676</u>	<u>56,584</u>	<u>-</u>	<u>423,242</u>	<u>-</u>	<u>1,527,798</u>
Expenditures:						
Current:						
Direct costs:						
Salaries	8,499	565	670	6,077		333,402
Other	48,451	55,002		459,435		625,838
Indirect costs:	15,293	1,017	1,207	10,946		541,562
Total expenditures	<u>72,243</u>	<u>56,584</u>	<u>1,877</u>	<u>476,458</u>	<u>-</u>	<u>1,500,802</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,567)</u>	<u>-</u>	<u>(1,877)</u>	<u>(53,216)</u>	<u>-</u>	<u>26,996</u>
Other Financing Sources (Uses):						
Transfers in	62,485		4,502	124,812		191,799
Transfers out				(38,159)		(38,159)
Total other financing sources	<u>62,485</u>	<u>-</u>	<u>4,502</u>	<u>86,653</u>	<u>-</u>	<u>153,640</u>
Excess (Deficiency) of Revenues over Expenditures	58,918	-	2,625	33,437	-	180,636
Fund Balances at Beginning of Year	<u>-</u>	<u>78,486</u>	<u>(2,619)</u>	<u>(33,439)</u>	<u>26,840</u>	<u>(18,363)</u>
Fund Balances at End of Year	<u>\$ 58,918</u>	<u>\$ 78,486</u>	<u>\$ 6</u>	<u>\$ (2)</u>	<u>\$ 26,840</u>	<u>\$ 162,273</u>

**CAPITOL REGION OF GOVERNMENTS  
STATEMENT OF CHANGES IN FIDUCIARY  
ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

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	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
<b>ASSETS</b>				
Cash	\$ <u>29,907</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>29,907</u>
<b>LIABILITIES</b>				
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, 2015**

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## Indirect Costs:

Management support salaries	\$ 341,840
Fringe benefits and payroll taxes	629,631
Compensated absences	282,077
Rent, maintenance and utilities	136,234
Accounting, audit and pension services	31,000
Insurance	35,152
Employee merit program	59,380
Office supplies and expense	13,519
Postage	3,276
Reproduction and printing	12,651
Payroll processing	5,220
Equipment maintenance	3,907
Computer software and data communications	3,539
Computer services	3,237
Telephone	11,208
Publication and dues	6,688
Pension administration	5,250
Total indirect costs	<u>1,583,809</u>
Depreciation and Amortization Expenses Allocation	<u>8,773</u>
Total	<u>\$ 1,592,582</u>
Total payroll	\$ 1,540,887
Less: indirect payroll	341,840
Less: compensated absences	<u>282,077</u>
Payroll Base	<u>\$ 916,970</u>
Indirect Cost Rate	<u>173.7%</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
 FINANCIAL SUMMARY FOR THE STATE OF CONNECTICUT  
 DEPARTMENT OF TRANSPORTATION  
 FOR THE YEAR ENDED JUNE 30, 2015**

	<u>FHWA 11.6-01 (07)</u>	<u>CCMPO</u>	<u>New Britain BRT</u>	<u>TOD On-Call</u>	<u>LOTICIP Farm / HFD</u>	<u>LOTICIP Eastern</u>	<u>COMP Transit</u>	<u>LOTICIP</u>	<u>Total</u>
<b>Maximum Funds Authorized</b>									
FHWA	\$ 2,132,152	\$ 365,431	\$	\$	\$	\$	\$ 490,200	\$	\$ 3,587,783
Conn-DOT - FHWA	266,520	45,679		53,303			3,800		483,302
FTA			48,000						48,000
Conn-DOT - FTA			12,000	6,663	340,000	540,000		294,360	1,193,023
Local	266,520	45,679		6,663					358,862
	<u>\$ 2,665,192</u>	<u>\$ 456,789</u>	<u>\$ 60,000</u>	<u>\$ 66,629</u>	<u>\$ 340,000</u>	<u>\$ 540,000</u>	<u>\$ 494,000</u>	<u>\$ 294,360</u>	<u>\$ 5,670,970</u>
<b>Authorized Expenditures</b>									
Direct Costs:									
Salaries	\$ 414,931	\$ 28,791	\$ 8,751	\$ 5,855	\$	\$	\$ 1,728	\$ 44,459	\$ 520,284
Other	86,065	45,728		34,756			178,306	66,601	1,113,533
Indirect Costs	720,145	49,969	13,321	10,161			2,999	77,162	897,761
	<u>\$ 1,221,141</u>	<u>\$ 124,488</u>	<u>\$ 22,072</u>	<u>\$ 50,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,033</u>	<u>\$ 188,222</u>	<u>\$ 2,531,578</u>
<b>Distribution of Audited Costs</b>									
FHWA	\$ 976,912	\$ 99,590	\$ 17,658	\$ 40,618	\$	\$	\$ 146,426	\$	\$ 1,874,685
Conn-DOT - FHWA	122,114	12,449	4,415	5,077			36,607	188,223	481,480
Local	122,114	12,449	25,000	5,077					199,861
	<u>\$ 1,221,140</u>	<u>\$ 124,488</u>	<u>\$ 47,073</u>	<u>\$ 50,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,033</u>	<u>\$ 188,223</u>	<u>\$ 2,556,026</u>
<b>ConnDOT Responsibility</b>									
FHWA	\$ 976,912	\$ 99,590	\$ 17,658	\$ 40,618	\$	\$	\$ 146,426	\$	\$ 1,874,241
Conn-DOT - FHWA	122,114	12,449	4,415	5,077			36,607		293,720
Conn-DOT - FTA								188,223	188,223
	<u>\$ 1,099,026</u>	<u>\$ 112,039</u>	<u>\$ 22,073</u>	<u>\$ 45,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,033</u>	<u>\$ 188,223</u>	<u>\$ 2,356,184</u>
<b>Payments Received</b>									
Payments received through June 30, 2015	\$ 755,316	\$ -	\$ 21,867	\$ 30,140	\$ 340,000	\$ 540,000	\$ 164,721	\$ 294,360	\$ 2,847,711
Payments received through December 22, 2015	257,732	106,600	**	14,331			17,943		396,606
Total payments received	<u>1,013,048</u>	<u>106,600</u>	<u>21,867</u>	<u>44,471</u>	<u>340,000</u>	<u>540,000</u>	<u>182,664</u>	<u>294,360</u>	<u>3,244,317</u>
<b>Due from (to) ConnDOT</b>	<u>\$ 85,978</u>	<u>\$ 5,439</u>	<u>\$ 206</u>	<u>\$ 1,224</u>	<u>\$ (340,000)</u>	<u>\$ (540,000)</u>	<u>\$ 369</u>	<u>\$ (106,137)</u>	<u>\$ (888,133)</u>

\*\* CRCOG received \$19,394 from CONNDOT as a result of the CCRPA FY2013-2014 audit. This amount was paid to the Town of Plainville. This amount is not reflected in authorized expenditures of payments received.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
 SCHEDULE OF SOURCES AND USES - LOCAL ASSESSMENTS  
 FOR THE YEAR ENDED JUNE 30, 2015**

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**SOURCES**

Local Assessments		\$ <u>593,900</u>
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**USES**

Fund Transfers			
Transportation (Match Requirements)	\$	327,559	
Local Government Programs		2,616	
Regl Solid Waste Management		<u>38,202</u>	
			\$ 368,377
Council Administration			
Direct Expenditures		309,511	
Use of Fund Balance		<u>(83,988)</u>	
			<u>225,523</u>
<b>Total Uses</b>			\$ <u>593,900</u>