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CAPITOL REGION COUNCIL OF GOVERNMENTS

FINANCIAL STATEMENTS

JUNE 30, 2017

**CAPITOL REGION COUNCIL OF GOVERNMENTS
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JUNE 30, 2017**

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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, 2017, 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, 2017 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 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' 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 15, 2017 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Capitol Region Council of Governments' 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 15, 2017

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, 2017

FINANCIAL HIGHLIGHTS

- The assets of CRCOG exceeded its liabilities at the close of the most recent fiscal year by \$982,767 (net position). Of this amount, \$955,694 (unrestricted net position) may be used to meet CRCOG's ongoing obligations.
- CRCOG's total net position increased by \$78,330 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 \$1,189,908 an increase of \$75,699 in comparison with the prior year. The portion of the fund balance available for spending at CRCOG's discretion (unassigned fund balance) is \$842,655.
- As of June 30, 2017, the balance for the General Fund was \$916,177, which includes unassigned funds of \$842,765.

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.

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 16 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 Regional Performance Incentive Program, the Public Safety Programs Fund, the FHWA Fund, and the FHWA Corridor Studies. All 6 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 \$982,767 and \$904,437 as of June 30, 2017 and 2016, respectively, and are summarized as follows:

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 6,978,286	\$ 7,428,157
Capital assets, net	27,073	8,896
Total assets	<u>7,005,359</u>	<u>7,437,053</u>
Long-term liabilities	103,155	100,045
Other liabilities	<u>5,919,437</u>	<u>6,432,571</u>
Total liabilities	<u>6,022,592</u>	<u>6,532,616</u>
Net position:		
Net investment in capital assets	27,073	8,896
Unrestricted	<u>955,694</u>	<u>895,541</u>
Total Net Position	<u>\$ 982,767</u>	<u>\$ 904,437</u>

At June 30, 2017, \$27,073, or 2.75% 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 \$955,694 is considered unrestricted and may be used to meet CRCOG's ongoing obligations. Overall, net position increased by \$78,330 in comparison to the prior year. The primary reason for this is an increase in intergovernmental revenue from the State of Connecticut.

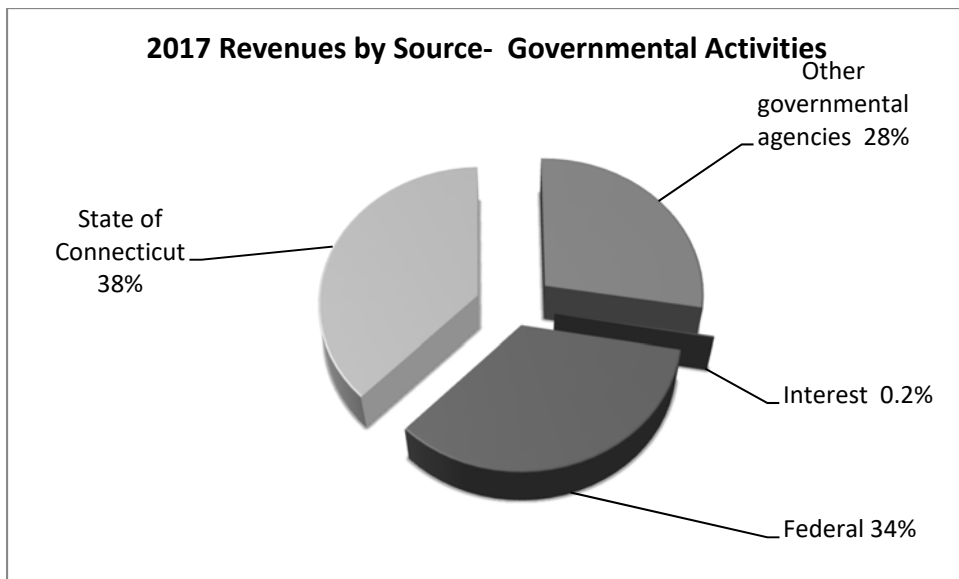
**CAPITOL REGION COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

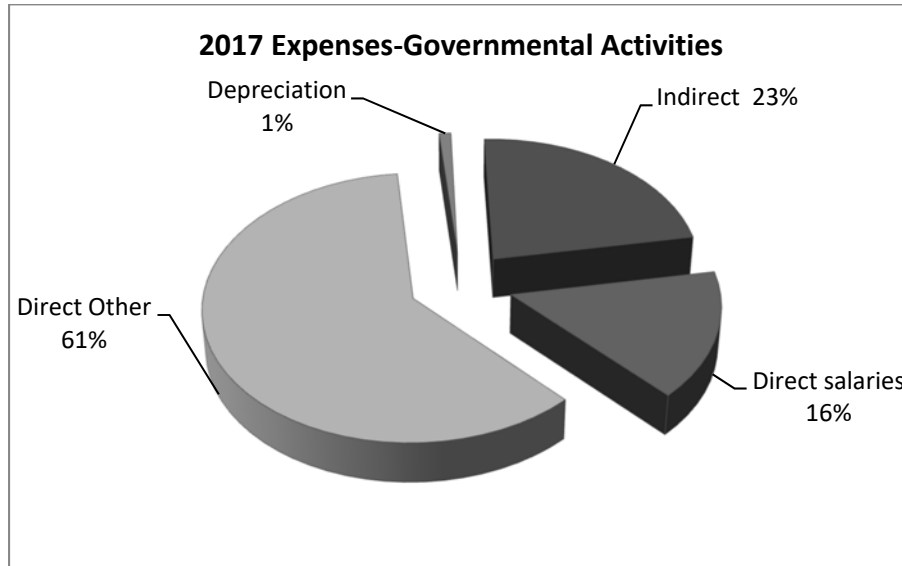
Changes in net position for the years ended June 30, 2017 and 2016 are as follows:

	Governmental Activities	
	2017	2016
Revenues		
Federal government	\$ 2,593,047	\$ 2,623,492
State of Connecticut	2,821,462	2,719,268
Other governmental agencies	2,091,766	1,738,291
Interest	<u>15,492</u>	<u>5,085</u>
Total revenues	<u>7,521,767</u>	<u>7,086,136</u>
Expenses:		
Direct salaries	1,162,118	1,120,502
Direct other	4,552,238	4,311,080
Depreciation	21,157	6,112
Indirect	<u>1,707,924</u>	<u>1,600,551</u>
Total expenses	<u>7,443,437</u>	<u>7,038,245</u>
Changes in net position	78,330	47,891
Net Position at beginning	<u>904,437</u>	<u>856,546</u>
Net Position at Ending	<u>\$ 982,767</u>	<u>\$ 904,437</u>



GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



Governmental Activities

Governmental activities increased CRCOG's net position by \$75,699 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 \$1,189,908 an increase of \$75,699 in comparison with the prior year. The amount includes \$73,412 in Nonspendable, \$273,841 in Restricted and Committed fund balance, and Unassigned fund balance of \$842,655, 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 \$916,177, of which \$842,765 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 \$120,562. Unassigned fund balance 14.3 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 \$521,632 during 2016-17

Regional Performance Incentive Program

CRCOG received a \$4.9 million grant from OPM to be utilized to enable municipalities to work more efficiently and share various services. This includes: The Statewide Flight of which \$1,122,323 was expended in FY 2016-17 for a total of \$1,868,216 expended to date of which \$76,247 was expended in FY 2016-17 with \$265,035 to be expended in FY 2017-18; the Electronic Document Management (EDMS) of which \$266,739 was expended through FY 2016-17 with an estimated \$323,000 to be spent in FY 2017-18; and the CAPTAIN 4G project of which \$151,093 was expended through FY 2016-17 with an estimated \$243,000 to be expended in FY 2017-18.

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 \$1,950,071. 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 2016-17 totaled \$74,664 for the Farmington/Hartford Transportation Study and \$154,089 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 \$1,444,788. At the end of the current fiscal year, the fund balance was \$50,863, 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.

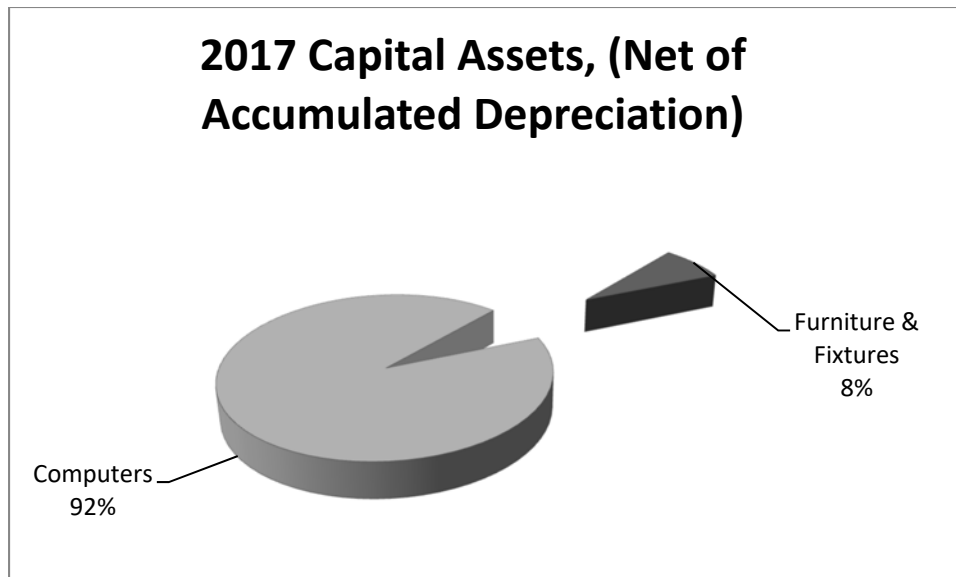
**CAPITOL REGION COUNCIL OF GOVERNMENTS
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

CAPITAL ASSETS

CRCOG’s investment in capital assets for its governmental activities as of June 30, 2017 totaled \$27,073 (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>2017</u>	<u>2016</u>
Furniture and fixtures	\$ 2,063	\$ 2,687
Computers	<u>25,010</u>	<u>6,209</u>
Totals	<u>\$ 27,073</u>	<u>\$ 8,896</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.

CRCOG has traditionally carried over a large portion of FHWA funding and in the last few years, with significant temporary grant funding from other sources, the carryover amount has been unusually high. CRCOG is continuing a concerted effort in FY 2017-2018 to focus on FHWA related tasks to expend more of the FHWA funding.

In 2016-17 CRCOG received a Natural Hazard Mitigation Grant for which the majority of the work will be done in 2017-18 and 2018-19. The grant requires a high local match and much of the funding is anticipated to be for consultants. One primary reason for the high use of consultants on the project is that CRCOG has not recovered overhead for staff time in similar projects.

The Regional Services Grant (RSG) was a large portion of CRCOG's FY 2016-17 budget (\$538,075). Due to the State budget deficit, this amount was reduced to \$403,556. Because of the large state deficit, CRCOG did not include funding for this grant in the 2017-18 but will prepare a revised budget if funding becomes available.

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. Funding received in FY 2016-17 included the following: Statewide Flight: \$1.1million; EDMS: \$266,738; HR-Portal: \$100,000; and CAPTAIN 4G: \$151,852. Funding for these projects will continue in FY 2017-18

Salary adjustments of 2% COLA and 1% Merit were included in the 2017-18 fiscal year budget. Of the General Fund unassigned fund balance, which totaled \$840,579 on June 30, 2017, CRCOG did not appropriate any of this amount in the 2017-18 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, 2017**

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 5,700,488
Due from State of Connecticut	865,472
Other governmental grants receivable	317,958
Other receivables	20,606
Prepaid and other assets	73,762
Capital assets, net of accumulated depreciation	27,073
Total assets	<u>7,005,359</u>
Liabilities:	
Accounts and other payables	729,504
Unearned revenue	5,058,874
Noncurrent liabilities:	
Due within one year	131,059
Due in more than one year	103,155
Total liabilities	<u>6,022,592</u>
Net Position:	
Net investment in capital assets	27,073
Unrestricted	<u>955,694</u>
Total Net Position	<u>\$ 982,767</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, 2017**

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>7,443,437</u>	\$ <u>-</u>	\$ <u>7,506,275</u>	\$ <u>-</u>	\$ 62,838
General revenues:					
Unrestricted investment earnings					<u>15,492</u>
Change in net position					78,330
Net Position at Beginning of Year					<u>904,437</u>
Net Position at End of Year					\$ <u><u>982,767</u></u>

The accompanying notes are an integral part of the financial statements

**CAPITOL REGION COUNCIL OF GOVERNMENTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<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	\$ 5,059,100	\$	\$ 641,388	\$	\$	\$	\$	\$ 5,700,488
Due from State of Connecticut		173,412	14,761	602,340	74,959			865,472
Other governmental grants receivable						130,293	187,665	317,958
Other receivables	20,606							20,606
Due from other funds			2,077,484		1,109,002	513,996	937,762	4,638,244
Prepaid and other assets	<u>73,762</u>							<u>73,762</u>
Total Assets	<u>\$ 5,153,468</u>	<u>\$ 173,412</u>	<u>\$ 2,733,633</u>	<u>\$ 602,340</u>	<u>\$ 1,183,961</u>	<u>\$ 644,289</u>	<u>\$ 1,125,427</u>	<u>\$ 11,616,530</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 81,195	\$ 13,797	\$ 21,605	\$ 36,771	\$ 149,117	\$ 261,729	\$ 142,318	\$ 706,532
Accrued payroll and other liabilities	22,972							22,972
Unearned revenue	150,001	134	2,661,165	41,908	1,034,844	382,670	788,152	5,058,874
Due to other funds	<u>3,983,123</u>	<u>122,705</u>		<u>523,661</u>			<u>8,755</u>	<u>4,638,244</u>
Total liabilities	<u>4,237,291</u>	<u>136,636</u>	<u>2,682,770</u>	<u>602,340</u>	<u>1,183,961</u>	<u>644,399</u>	<u>939,225</u>	<u>10,426,622</u>
Fund Balances:								
Nonspendable	73,412							73,412
Restricted		36,776	50,863				80,896	168,535
Committed							105,306	105,306
Unassigned	<u>842,765</u>					<u>(110)</u>		<u>842,655</u>
Total fund balances	<u>916,177</u>	<u>36,776</u>	<u>50,863</u>	<u>-</u>	<u>-</u>	<u>(110)</u>	<u>186,202</u>	<u>1,189,908</u>
Total Liabilities and Fund Balances	<u>\$ 5,153,468</u>	<u>\$ 173,412</u>	<u>\$ 2,733,633</u>	<u>\$ 602,340</u>	<u>\$ 1,183,961</u>	<u>\$ 644,289</u>	<u>\$ 1,125,427</u>	<u>\$ 11,616,530</u>

(Continued on next page)

**CAPITOL REGION COUNCIL OF GOVERNMENTS
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2017**

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)		\$ 1,189,908
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 308,318	
Less accumulated depreciation	<u>(281,245)</u>	
Net capital assets		27,073
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>(234,214)</u>
Net Position of Governmental Activities (Exhibit I)		\$ <u><u>982,767</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, 2017**

	General Fund	Homeland Security Program	Public Safety Programs	FHWA	FHWA Corridor Studies	Regional Performance Incentive Program	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:								
Federal Government	\$	\$ 525,520	\$ 109,737	\$ 1,532,761	\$ 208,358	\$	\$ 216,671	\$ 2,593,047
State of Connecticut			204,652	141,798	600,338	1,494,295	380,379	2,821,462
Other governmental agencies	169,414		1,120,161	275,512	1,481		525,198	2,091,766
Interest income	5,637		9,855					15,492
Total revenues	<u>175,051</u>	<u>525,520</u>	<u>1,444,405</u>	<u>1,950,071</u>	<u>810,177</u>	<u>1,494,295</u>	<u>1,122,248</u>	<u>7,521,767</u>
Expenditures:								
Current:								
Direct costs:								
Salaries		58,231	45,183	629,619	93,676	29,777	305,632	1,162,118
Other	120,562	371,690	1,337,733	349,709	571,962	1,428,473	371,923	4,552,052
Indirect		91,711	61,872	970,743	147,260	41,485	418,827	1,731,898
Total expenditures	<u>120,562</u>	<u>521,632</u>	<u>1,444,788</u>	<u>1,950,071</u>	<u>812,898</u>	<u>1,499,735</u>	<u>1,096,382</u>	<u>7,446,068</u>
Excess (Deficiency) of Revenues over Expenditures	<u>54,489</u>	<u>3,888</u>	<u>(383)</u>	<u>-</u>	<u>(2,721)</u>	<u>(5,440)</u>	<u>25,866</u>	<u>75,699</u>
Other Financing Sources (Uses):								
Transfers in	38,724	182	8,023		3,412	5,477	19,875	75,693
Transfers out	<u>(28,764)</u>	<u>(8,023)</u>	<u>(182)</u>				<u>(38,724)</u>	<u>(75,693)</u>
Total other financing sources (uses)	<u>9,960</u>	<u>(7,841)</u>	<u>7,841</u>	<u>-</u>	<u>3,412</u>	<u>5,477</u>	<u>(18,849)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Transfers in over Expenditures and Transfers out	<u>64,449</u>	<u>(3,953)</u>	<u>7,458</u>	<u>-</u>	<u>691</u>	<u>37</u>	<u>7,017</u>	<u>75,699</u>
Fund Balances at Beginning 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>
Fund Balances at End of Year	<u>\$ 916,177</u>	<u>\$ 36,776</u>	<u>\$ 50,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (110)</u>	<u>\$ 186,202</u>	<u>\$ 1,189,908</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, 2017**

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)	\$ 75,699
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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	39,520
Depreciation expense	(21,157)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	(186)
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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>(15,546)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 78,330</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, 2017**

	<u>Pension Trust Fund</u>	<u>Agency Fund</u>
Assets:		
Cash and cash equivalents	\$	\$ 29,907
Investments:		
Equity mutual funds	2,075,673	
Contributions receivable	<u>20,397</u>	
Total assets	<u>2,096,070</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>\$ 2,096,070</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, 2017**

	<u>Pension Trust Fund</u>
Additions:	
Employer contributions	\$ 170,191
Investment income:	
Net increase in the fair value of investments	<u>157,013</u>
Total additions	327,204
Deductions:	
Benefits	<u>148,303</u>
Change in Net Position	178,901
Net Position at Beginning of Year	<u>1,917,169</u>
Net Position at End of Year	<u>\$ 2,096,070</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.

CRCOG reports unearned revenue on its financial statements. Unearned revenues arise when resources are received by CRCOG before it has legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when CRCOG has a legal claim to the resources by meeting all eligibility requirements, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

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.

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

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**

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

Accounts and other receivables consist primarily of claims for reimbursement of costs under various federal and states grant programs and open accounts on services provided to its members. No allowance for doubtful accounts has been included in the financial statements because any uncollectible amounts are considered insignificant.

F. Interfund 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.”

G. 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.

H. 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 acquisition 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

**CAPITOL REGION COUNCIL OF GOVERNMENTS
NOTES TO 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).

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.

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

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, 2017. 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 of \$110 existed as of June 30, 2017 in the Regional Performance Incentive Program Fund. The fund balance deficit 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*, \$4,999,769 of CRCOG’s bank balance of \$5,279,676 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,474,792
Uninsured and collateral held by the pledging bank’s trust department, not in the Government’s name	<u>524,977</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 4,999,769</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, 2017, CRCOG's cash equivalents amounted to \$799,310. The entire balance consisted of investments in the State Treasurer's Short-Term Investment Fund (STIF). As of June 30, 2017, CRCOG's investments in STIF were rated AAA by Standard & Poor's.

B. Investments

As of June 30, 2017, CRCOG had \$2,075,673 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, 2017, 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 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, 2017.

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

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 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	\$	\$ 41,688	\$ 154,469
Computers	190,434	39,520	79,795	150,159
Leasehold improvements	3,690			3,690
Total capital assets being depreciated	<u>390,281</u>	<u>39,520</u>	<u>121,483</u>	<u>308,318</u>
Less accumulated depreciation for:				
Furniture and fixtures	(193,470)	(624)	41,688	(152,406)
Computers	(184,225)	(20,533)	79,609	(125,149)
Leasehold improvements	(3,690)			(3,690)
Total accumulated depreciation	<u>(381,385)</u>	<u>(21,157)</u>	<u>121,297</u>	<u>(281,245)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 8,896</u>	<u>\$ 18,363</u>	<u>\$ 186</u>	<u>\$ 27,073</u>

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The interfund receivables and payables balance at June 30, 2017 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Public Safety Program	General Fund	\$ 1,422,363
	Homeland Security Program	122,705
	FHWA	523,661
	Nonmajor Governmental Funds	8,755
FHWA Corridor Studies	General Fund	1,109,002
Regional Performance Incentive Program	General Fund	513,996
Nonmajor Governmental Funds	General Fund	<u>937,762</u>
Total		<u>\$ 4,638,244</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, 2017 consisted of the following:

	<u>Transfers In</u>						<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Homelan Security</u>	<u>Public Safety</u>	<u>FHWA Corridor Study</u>	<u>Regional Performance Incentive Program</u>	<u>Nonmajor Governmental</u>	
Transfers out:							
General Fund	\$	\$	\$	\$ 3,412	\$ 5,477	\$ 19,875	\$ 28,764
Homeland Security			8,023				8,023
Public Safety		182					182
Nonmajor governmental	38,724						38,724
Total Transfers In	\$ <u>38,724</u>	\$ <u>182</u>	\$ <u>8,023</u>	\$ <u>3,412</u>	\$ <u>5,477</u>	\$ <u>19,875</u>	\$ <u>75,693</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, 2017 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	\$ <u>218,668</u>	\$ <u>134,169</u>	\$ <u>(118,623)</u>	\$ <u>234,214</u>	\$ <u>131,059</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>	
2018	\$ 123,300
2019	<u>20,550</u>
Total	\$ <u>143,850</u>

Rent expense totaled \$135,006 for the year ended June 30, 2017.

**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, 2017 are as follows:

	<u>General Fund</u>	<u>Homeland Security Program</u>	<u>Public Safety Programs</u>	<u>Regional Performance Incentive Program</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Prepays	\$ 73,412	\$	\$	\$	\$	\$ 73,412
Restricted for:						
Grants		36,776	50,863		80,896	168,535
Committed to:						
Waste management					78,466	78,466
Capital projects					26,840	26,840
Unassigned	<u>842,765</u>			<u>(110)</u>		<u>842,655</u>
Total Fund Balances	<u>\$ 916,177</u>	<u>\$ 36,776</u>	<u>\$ 50,863</u>	<u>\$ (110)</u>	<u>\$ 186,202</u>	<u>\$ 1,189,908</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 24 plan members as of June 30, 2017. Employer contributions totaled \$170,191 for the year ended June 30, 2017.

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, 2017:

Investments:	
AB Large Cap Growth	\$ 189,212
Fidelity 500 Index Inv (IFUSEX)	154,598
Guaranteed Interest Fund	451,083
Vanguard Equity - Income Admiral	311,851
Vanguard GNMA Admiral	377,615

**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, 2017**

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:				
Federal Government	\$ 3,936,948	\$ 3,857,822	\$ 2,593,047	\$ (1,264,775)
State of Connecticut	2,632,382	4,089,413	2,821,462	(1,267,951)
Other governmental agencies	2,095,273	2,053,345	2,091,766	38,421
Interest income			15,492	15,492
Total revenues	<u>8,664,603</u>	<u>10,000,580</u>	<u>7,521,767</u>	<u>(2,478,813)</u>
Expenditures:				
Direct:				
Salaries	1,524,864	1,484,968	1,465,398	19,570
Telephone	1,150	1,150	934	216
Publication, dues and advertising	24,979	25,570	23,504	2,066
Reproduction and printing	3,150	6,550		6,550
Recruitment	1,500			-
Computer, software and upgrades	27,901	71,588	17,091	54,497
Equipment maintenance - GIS	3,700	9,735	3,600	6,135
Computer Services		12,700	12,667	33
Legal	7,250	8,550	6,622	1,928
Supplies, postage and other	7,050	6,050	3,640	2,410
Legislative liaison	24,802	24,802	23,850	952
Equipment	20,200	18,930	9,481	9,449
Furniture and furnishings	2,000	2,000		2,000
Leasehold improvements	2,500	2,500		2,500
Food	11,140	11,000	10,128	872
Mileage and parking	11,100	9,800	7,428	2,372
Consultants and professional services	12,500	166,040	140,890	25,150
Training and tuition reimbursement	9,838	4,550	1,000	3,550
Conferences and workshops	46,500	54,620	37,609	17,011
Rentals	4,750	4,050	2,788	1,262
Workshops for local governments	3,700	2,750	836	1,914
Annual meetings	3,500	3,500	2,847	653
Legislative reception	500	500		500
Technical support	4,200	4,200	4,200	-
Network Services	615,800	615,800	455,104	160,696
Other miscellaneous expenses		1,600	1,573	27
Systems maintenance	300,000	300,000	286,704	13,296
Spanish language translation	5,200	4,200	320	3,880
Contingency	25,128	30,000		30,000
Contractual	4,428,348	5,551,204	3,196,851	2,354,353

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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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Indirect:				
Management support salaries	461,021	429,545	389,084	\$ 40,461
Fringe benefits and payroll taxes	773,231	807,985	739,295	68,690
Compensated absences			303,279	(303,279)
Bonus		17,892	17,892	-
Rent, maintenance and utilities	141,216	140,616	135,006	5,610
Accounting, audit and pension services	36,000	36,000	30,000	6,000
Insurance	38,850	39,500	39,420	80
Office supplies and expense	14,000	15,500	14,232	1,268
Postage	3,000	4,000	1,611	2,389
Reproduction and printing	13,000	14,500	12,900	1,600
Payroll processing	5,500	6,350	6,254	96
Equipment maintenance	6,135	6,135	5,360	775
Computer software and data communications	6,000	6,000	5,827	173
Computer services	5,500	6,750	6,659	91
Telephone	12,000	14,000	11,629	2,371
Publication and dues	7,200	7,200	6,688	512
Section 125 administration	1,200	1,200	1,117	83
Legal services	2,000	3,000		3,000
Pension administration	5,500	5,500	4,750	750
	<u>8,664,603</u>	<u>10,000,580</u>	<u>7,446,068</u>	<u>2,554,512</u>
Excess of Revenues over Expenditures	-	-	75,699	75,699
Other Financing Sources (Uses):				
Transfers in		75,693	75,693	-
Transfers out		(75,693)	(75,693)	-
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	75,699	\$ <u>75,699</u>
Fund Balances at Beginning of Year			<u>1,114,209</u>	
Fund Balances at End of Year			\$ <u>1,189,908</u>	

**CAPITOL REGION COUNCIL OF GOVERNMENTS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017**

	Special Revenue					
	<u>State Grant in Aid</u>	<u>Local Government Programs</u>	<u>Policy & Planning Special Projects</u>	<u>Municipal Services</u>	<u>Special Projects</u>	<u>Regional Solid Waste Management</u>
ASSETS						
Due from State of Connecticut	\$	\$	\$	\$	\$	\$
Other governmental grants receivable			60,805	126,860		
Due from other funds	<u>127,630</u>	<u>206</u>	<u>60,805</u>	<u>47,380</u>	<u>472,365</u>	<u>156,340</u>
Total Assets	<u>\$ 127,630</u>	<u>\$ 206</u>	<u>\$ 60,805</u>	<u>\$ 174,240</u>	<u>\$ 472,365</u>	<u>\$ 156,340</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$	\$ 206	\$ 52,050	\$ 191	\$ 89,871	\$
Unearned revenue	127,630			174,049	301,598	77,874
Due to other funds			8,755			
Total liabilities	<u>127,630</u>	<u>206</u>	<u>60,805</u>	<u>174,240</u>	<u>391,469</u>	<u>77,874</u>
Fund balances:						
Restricted					80,896	
Committed						78,466
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,896</u>	<u>78,466</u>
Total Liabilities and Fund Balances	<u>\$ 127,630</u>	<u>\$ 206</u>	<u>\$ 60,805</u>	<u>\$ 174,240</u>	<u>\$ 472,365</u>	<u>\$ 156,340</u>

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**CAPITOL REGION COUNCIL OF GOVERNMENTS
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017**

	<u>UASI</u>	<u>Special Revenue Regional Service Sharing Program</u>	<u>Work Access Program</u>	<u>Capital Project Capital and Nonrecurring Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Due from State of Connecticut	\$	\$	\$	\$	\$ -
Other governmental grants receivable					187,665
Due from other funds			107,001	26,840	937,762
			<u>107,001</u>	<u>26,840</u>	<u>937,762</u>
Total Assets	\$ <u>0</u>	\$ <u>-</u>	\$ <u>107,001</u>	\$ <u>26,840</u>	\$ <u>1,125,427</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$	\$	\$	\$	\$ 142,318
Unearned revenue			107,001		788,152
Due to other funds					8,755
Total liabilities	<u>-</u>	<u>-</u>	<u>107,001</u>	<u>-</u>	<u>939,225</u>
Fund balances:					
Restricted					80,896
Committed				26,840	105,306
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,840</u>	<u>186,202</u>
Total Liabilities and Fund Balances	\$ <u>-</u>	\$ <u>-</u>	\$ <u>107,001</u>	\$ <u>26,840</u>	\$ <u>1,125,427</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, 2017**

	Special Revenue					Regional Solid Waste Management
	State Grant in Aid	Local Government Programs	Policy & Planning Special Projects	Municipal Services	Special Projects	
Revenues:						
Federal government	\$	\$	\$ 212,843	\$	\$ 3,828	\$
State of Connecticut	290,872		81,063	6,475		
Other governmental agencies		159,014	42,247	282,568	22,989	18,380
Total revenues	<u>290,872</u>	<u>159,014</u>	<u>336,153</u>	<u>289,043</u>	<u>26,817</u>	<u>18,380</u>
Expenditures:						
Current:						
Direct costs:						
Salaries	125,804	62,299	12,361	104,185	983	
Other	596	8,662	316,526	24,211	3,528	18,400
Indirect costs:	<u>165,322</u>	<u>88,621</u>	<u>15,336</u>	<u>148,436</u>	<u>1,112</u>	<u>18,400</u>
Total expenditures	<u>291,722</u>	<u>159,582</u>	<u>344,223</u>	<u>276,832</u>	<u>5,623</u>	<u>18,400</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(850)</u>	<u>(568)</u>	<u>(8,070)</u>	<u>12,211</u>	<u>21,194</u>	<u>(20)</u>
Other Financing Sources (Uses):						
Transfers in	850		13,922			
Transfers out		<u>(26,954)</u>		<u>(9,198)</u>	<u>(380)</u>	
Total other financing sources	<u>850</u>	<u>(26,954)</u>	<u>13,922</u>	<u>(9,198)</u>	<u>(380)</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	-	<u>(27,522)</u>	5,852	3,013	20,814	<u>(20)</u>
Fund Balances at Beginning of Year	<u>-</u>	<u>27,522</u>	<u>(5,852)</u>	<u>(3,013)</u>	<u>60,082</u>	<u>78,486</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,896</u>	<u>\$ 78,466</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, 2017**

	UASI	Special Revenue Regional Service Sharing Program	Work Access Program	Capital Project Capital and Nonrecurring Fund	Total Nonmajor Governmental Funds
Revenues:					
Federal government	\$	\$	\$	\$	\$ 216,671
State of Connecticut			1,969		380,379
Other governmental agencies					525,198
Total revenues	<u>-</u>	<u>-</u>	<u>1,969</u>	<u>-</u>	<u>1,122,248</u>
Expenditures:					
Current:					
Direct costs:					
Salaries					305,632
Other					371,923
Indirect costs:					418,827
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,096,382</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>1,969</u>	<u>-</u>	<u>25,866</u>
Other Financing Sources (Uses):					
Transfers in		5,103			19,875
Transfers out	(6)		(2,186)		(38,724)
Total other financing sources	<u>(6)</u>	<u>5,103</u>	<u>(2,186)</u>	<u>-</u>	<u>(18,849)</u>
Excess (Deficiency) of Revenues over Expenditures	(6)	5,103	(217)	-	7,017
Fund Balances at Beginning of Year	<u>6</u>	<u>(5,103)</u>	<u>217</u>	<u>26,840</u>	<u>179,185</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,840</u>	<u>\$ 186,202</u>

**CAPITOL REGION OF GOVERNMENTS
STATEMENT OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</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, 2017**

Indirect Costs:

Management support salaries	\$ 389,084
Fringe benefits and payroll taxes	739,295
Compensated absences	303,279
Rent, maintenance and utilities	135,006
Accounting, audit and pension services	30,000
Insurance	40,315
Employee merit program	17,892
Office supplies and expense	14,232
Postage	1,611
Reproduction and printing	12,900
Payroll processing	6,254
Equipment maintenance	5,360
Computer software and data communications	5,827
Computer services	6,659
Telephone	11,629
Publication and dues	6,688
Pension administration	4,750
Section 125 Admin	1,117
Total indirect costs	<u>1,731,898</u>
Depreciation and Amortization Expenses Allocation	<u>21,157</u>
Total	<u>\$ 1,753,055</u>
Total payroll	\$ 1,854,481
Less: indirect payroll	389,084
Less: compensated absences	<u>303,279</u>
Payroll Base	<u>\$ 1,162,118</u>
Indirect Cost Rate	<u>150.8%</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS
FINANCIAL SUMMARY FOR THE STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION
FOR THE YEAR ENDED JUNE 30, 2017**

	Carryover FHWA 11.6-01 (07)	FHWA 11.6-01 (07)	Total FHWA 11.6-01 (07)	LOTICIP Farm / HFD	LOTICIP Eastern	COMP Transit	LOTICIP
Maximum Funds Authorized							
FHWA	\$ 1,131,645	\$ 1,543,508	\$ 2,675,153	\$	\$	\$ 489,299	\$
Conn-DOT - FHWA	91,659	242,698	334,357			122,325	
Conn-DOT - FTA				340,000	540,000		672,360
Local	191,252	242,698	433,950			38,102	
	<u>\$ 1,414,556</u>	<u>\$ 2,028,904</u>	<u>\$ 3,443,460</u>	<u>\$ 340,000</u>	<u>\$ 540,000</u>	<u>\$ 649,726</u>	<u>\$ 672,360</u>
Authorized Expenditures							
Direct Costs:							
Salaries	\$ 493,990	\$ 135,629	\$ 629,619	\$	\$ 5,266	\$ 7,999	\$ 174,444
Other	199,323	152,176	351,499	94,352	303,594	566,938	275,568
Indirect Costs	744,877	204,513	949,390		8,279	12,062	276,453
	<u>\$ 1,438,190</u>	<u>\$ 492,318</u>	<u>\$ 1,930,508</u>	<u>\$ 94,352</u>	<u>\$ 317,139</u>	<u>\$ 586,999</u>	<u>\$ 726,465</u>
Distribution of Audited Costs							
FHWA	\$ 1,150,551	\$ 393,855	\$ 1,544,406	\$	\$	\$ 439,118	\$
Conn-DOT - FHWA	93,190	49,232	142,422	94,352	317,139	109,779	726,466
Local		49,232	49,232			38,102	
	<u>\$ 1,243,741</u>	<u>\$ 492,319</u>	<u>\$ 1,736,060</u>	<u>\$ 94,352</u>	<u>\$ 317,139</u>	<u>\$ 586,999</u>	<u>\$ 726,466</u>
Conn-DOT Responsibility							
FHWA	\$ 1,150,551	\$ 393,855	\$ 1,544,406	\$	\$	\$ 439,118	\$
Conn-DOT - FHWA	93,190	49,232	142,422			109,779	
Conn-DOT - FTA				94,352	317,139		726,465
	<u>\$ 1,243,741</u>	<u>\$ 443,087</u>	<u>\$ 1,686,828</u>	<u>\$ 94,352</u>	<u>\$ 317,139</u>	<u>\$ 548,897</u>	<u>\$ 726,465</u>
Payments Received							
Payments received through June 30, 2017	\$ 1,158,198	\$	\$ 1,158,198	\$ 340,000	\$ 540,000	\$ 487,680	\$ 1,293,960
Payments received after June 30, 2017	65,106	430,391	495,497			60,155	
Total payments received	<u>1,223,304</u>	<u>430,391</u>	<u>1,653,695</u>	<u>340,000</u>	<u>540,000</u>	<u>547,835</u>	<u>1,293,960</u>
Due from (to) Conn-DOT	<u>\$ 20,437</u>	<u>\$ 12,696</u>	<u>\$ 33,133</u>	<u>\$ (245,648)</u>	<u>\$ (222,861)</u>	<u>\$ 1,062</u>	<u>\$ (567,495)</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS
 SCHEDULE OF SOURCES AND USES - LOCAL ASSESSMENTS
 FOR THE YEAR ENDED JUNE 30, 2017**

SOURCES

Local Assessments		\$	<u>751,279</u>
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USES

Fund Transfers:

Transportation (Match Requirements)	\$	405,474	
Local Government Programs		139,284	
Regl Solid Waste Management		<u>50,000</u>	
	\$		<u>594,758</u>

Council Administration:

Direct Expenditures		120,563	
Use of Fund Balance		<u>35,958</u>	
			<u>156,521</u>

Total Uses	\$		<u><u>751,279</u></u>
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