

CAPITOL REGION COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS
JUNE 30, 2021



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CAPITOL REGION COUNCIL OF GOVERNMENTS

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Independent Auditors' Report

Audit Committee
Capitol Region Council of Governments
Hartford, Connecticut

We have audited the accompanying schedule of indirect costs (schedule) of Capitol Region Council of Governments (CRCOG) for the year ended June 30, 2021, and the related notes to the schedule.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with the reporting provisions prescribed by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in Note 2. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this schedule 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 schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule 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 schedule.

Opinion

In our opinion, the schedule referred to above presents fairly, in all material respects, the direct labor, fringe benefits and general overhead of CRCOG for the year June 30, 2021 on the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the schedule, which describes the basis of accounting. The accompanying schedule was prepared on a basis of accounting practices prescribed by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as discussed in Note 2, and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restriction on Use

This report is intended for the information and use of the Audit Committee and management of CRCOG and the State of Connecticut Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021 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.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 28, 2021

**CAPITOL REGION COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Indirect costs:	
Management support salaries	\$ 384,285
Fringe benefits and payroll taxes	740,501
Compensated absences	240,424
Rent, maintenance and utilities	137,315
Accounting, audit and pension services	18,800
Insurance	35,162
Employee merit program	39,154
Office supplies and expense	8,853
Postage	1,021
Reproduction and printing	5,242
Payroll processing	6,586
Equipment maintenance	4,253
Computer services	21,548
Telephone	11,525
Publication and dues	7,372
Legal services	1,034
Pension administration	4,250
Section 125 Admin	941
Total indirect costs	<u>1,668,266</u>
Depreciation and amortization expenses allocation	<u>16,611</u>
Total	\$ <u><u>1,684,877</u></u>
Total payroll	\$ 1,833,092
Less indirect payroll	384,285
Less compensated absences	<u>240,424</u>
Payroll Base	\$ <u><u>1,208,383</u></u>
Indirect Cost Rate	<u><u>139.43%</u></u>

The accompanying notes are an integral part of this schedule

**CAPITOL REGION OF COUNCIL OF GOVERNMENTS
NOTES TO SCHEDULE OF INDIRECT COSTS**

1. DESCRIPTION OF ENTITY

Capitol Region Council of Governments (CRCOG) was established on 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.

CRCOG 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 annual budget. Member assessments are charged on a per capita basis and approved by the Policy Board.

2. BASIS OF ACCOUNTING AND DESCRIPTION OF ACCOUNTING SYSTEMS

CRCOG's policy is to prepare its schedule of indirect costs (the Schedule) on the basis of accounting practices prescribed by Subpart E of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Accordingly, the Schedule is not intended to present the costs of CRCOG in conformity with accounting principles generally accepted in the United States of America.

3. BASIS OF PRESENTATION

The Schedule presents indirect expenses and rate recalculation for CRCOG for the year ended June 30, 2021.

Criteria used for determining allowable costs and the method of rate calculation are Subpart E - Cost Principles of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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