

CAPITOL REGION COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS
JUNE 30, 2022



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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

Report on the Audit of the Schedule

Opinion

We have audited the accompanying schedule of indirect costs of Capitol Region Council of Governments (CRCOG), for the year ended June 30, 2022, and the related notes (the schedule).

In our opinion, the schedule referred to above present fairly, in all material respects, the indirect costs of CRCOG for the year ended June 30, 2022 in accordance with 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).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of CRCOG, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the schedule, which describes the basis of accounting. The schedule was prepared by CRCOG on the basis of accounting practices prescribed by Subpart E Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with 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) and 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.

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CROCG's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about CROCG's ability to continue as a going concern for a reasonable period of time.

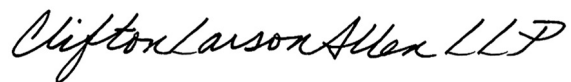
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction of 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 17, 2022, on our consideration of CRCOG'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 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 CRCOG's 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 CRCOG's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 17, 2022

**CAPITOL REGION COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS
YEAR ENDED JUNE 30, 2022**

Indirect Costs:	
Management Support Salaries	\$ 431,541
Fringe Benefits and Payroll Taxes	791,624
Compensated Absences	342,998
Rent, Maintenance and Utilities	15,922
Accounting, Audit, and Pension Services	34,650
Insurance	36,727
Employee Merit Program	4,931
Office Supplies and Expense	8,326
Postage	1,031
Reproduction and Printing	2,149
Payroll Processing	7,085
Equipment Maintenance	2,396
Computer Software And Data Communications	-
Computer Services	21,037
Subscription Software	1,830
Telephone	13,332
Publication and Dues	7,372
Legal Services	1,410
Pension Administration	4,800
Section 125 Admin	913
Total Indirect Costs	<u>1,730,074</u>
Depreciation And Amortization Expenses Allocation	<u>149,932</u>
Total	<u><u>\$ 1,880,006</u></u>
Total Payroll	\$ 1,995,206
Less Indirect Payroll	431,541
Less Compensated Absences	<u>342,998</u>
Payroll Base	<u><u>\$ 1,220,667</u></u>
Indirect Cost Rate	<u><u>154.01%</u></u>

See accompanying Notes to Schedule of Indirect Costs.

**CAPITOL REGION OF COUNCIL OF GOVERNMENTS
NOTES TO SCHEDULE OF INDIRECT COSTS
JUNE 30, 2022**

NOTE 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.

NOTE 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.

NOTE 3 BASIS OF PRESENTATION

The Schedule presents indirect expenses and rate recalculation for CRCOG for the year ended June 30, 2022.

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).