

**CAPITOL REGION COUNCIL OF GOVERNMENTS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2023**



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## INDEPENDENT AUDITORS' REPORT

Audit Committee  
Capitol Region Council of Governments  
Hartford, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinions***

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, 2023, 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.

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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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 Financial Statements section of our report. We are required to be independent of the Capitol Region Council of Governments 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 opinions.

#### ***Emphasis of Matter – Change in Accounting Principle***

During fiscal year ended June 30, 2023, the Capitol Region Council of Governments adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. The guidance requires the recognition of a Subscription Based Information Technology Arrangement asset and corresponding liability. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Capitol Region Council of Governments' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 financial statements.

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 financial statements, 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 financial statements.
- 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 Capitol Region Council of Governments' 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Capitol Region Council of Governments' 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.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who 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 GAAS, 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.

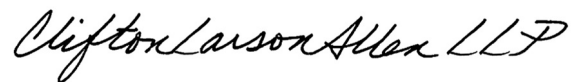
***Supplementary Information***

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 nonmajor fund financial statements, the indirect rate calculation and the schedule of sources and uses – local assessments are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining nonmajor fund financial statements, the indirect rate calculation and the schedule of sources and uses – local assessments are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Financial Summary for the State of Connecticut Department of Transportation, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2023, 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 the 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
November 20, 2023

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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, 2023.

**FINANCIAL HIGHLIGHTS**

The assets of CRCOG exceeded its liabilities at the close of the most recent fiscal year by \$5,232,117 (net position). Of this amount, \$2,490,009 (unrestricted net position) may be used to meet CRCOG's ongoing obligations.

CRCOG's unrestricted net position increased by \$267,206.

As of the close of the current fiscal year, CRCOG's governmental funds reported combined ending fund balances of \$5,415,725. The portion of the fund balance available for spending at CRCOG's discretion (unassigned fund balance) is \$2,130,611.

As of June 30, 2023, the balance for the General Fund was \$2,271,609 which includes unassigned funds of \$2,130,611.

**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 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.

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.



**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Government-Wide Financial Statements (Continued)**

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 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  
JUNE 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Fund Financial Statements (Continued)**

***Governmental Funds (Continued)***

CRCOG maintains 11 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, Municipal Services, the Public Safety Programs Fund, the FHWA Fund, Regional Services Grant, Special Projects, and FHWA Corridor Studies. All 7 are considered to be major funds. Data from the other 4 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside of CRCOG. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to CRCOG's own programs. The accounting used for fiduciary funds is much like that used for proprietary (business-type function) funds. CRCOG has two fiduciary funds it reports upon: Pension Trust and one Custodial 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 22-39 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.

Combining and individual fund statements and schedules and other supplementary information can be found at the end of this report.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**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 \$5,232,117 and \$5,047,516 as of June 30, 2023 and 2022, respectively, and are summarized as follows:

	Governmental Activities	
	2023	2022
Current and Other Assets	\$ 7,121,304	\$ 6,403,472
Capital Assets, Net	124,580	201,653
Total Assets	7,245,884	6,605,125
Long-Term Liabilities	109,176	75,928
Other Liabilities	1,904,591	1,481,681
Total Liabilities	2,013,767	1,557,609
Net Position:		
Net Investment in Capital Assets	39,517	44,402
Restricted for:		
Grants	2,702,591	2,780,311
Unrestricted	2,490,009	2,222,803
Total Net Position	\$ 5,232,117	\$ 5,047,516

At June 30, 2023, \$39,517 or .76% 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.

A portion of CRCOG's net position of \$2,702,591 are grant or other revenues that have been realized and are restricted in their uses (such as Public Safety, Municipal Services or Special Projects). The remainder of CRCOG's net position of \$2,490,009 is considered unrestricted and may be used to meet CRCOG's ongoing obligations. Overall, net position increased by \$184,601 primarily in unrestricted funds. One reason for this is continued decrease in expenses due to reduction in travel and other meeting related expenses as well as a lower than amount of expected local match that was not expended in FY 2023.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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

**Changes in Net Position**

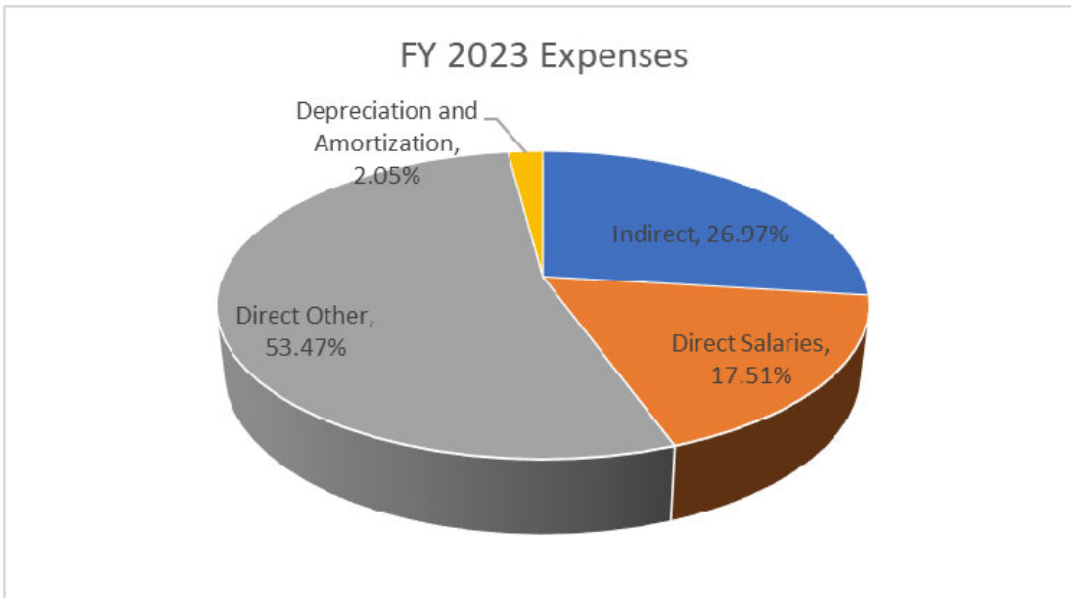
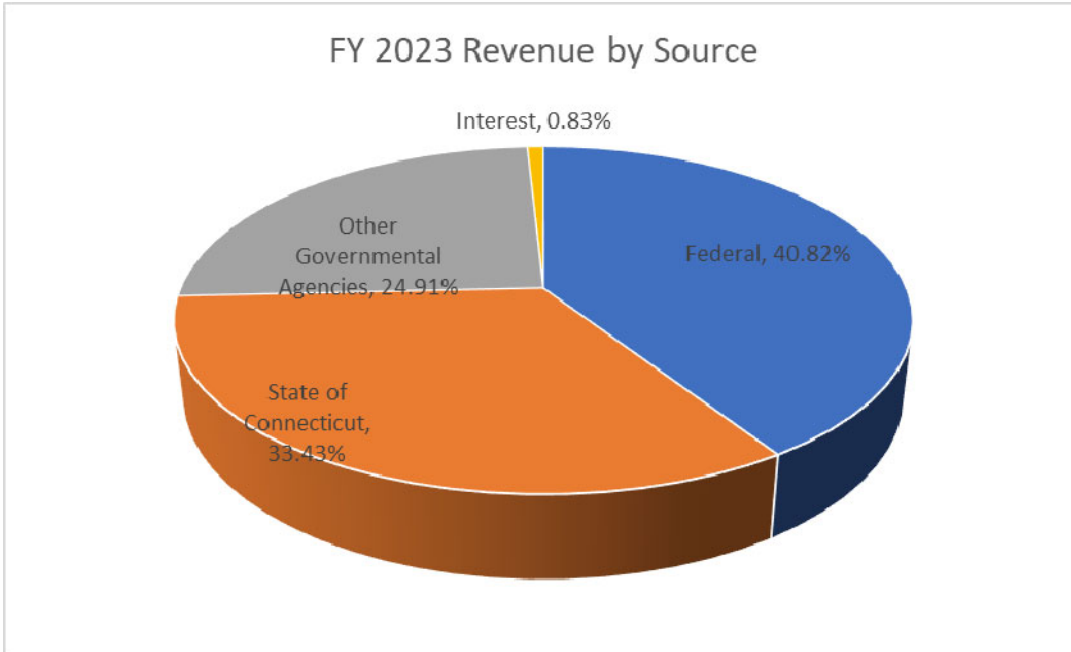
Changes in net position for the years ended June 30, 2023 and 2022, are as follows:

	Governmental Activities	
	2023	2022
<b>REVENUES</b>		
Federal Government	\$ 3,374,830	\$ 2,684,531
State of Connecticut	2,763,669	2,881,628
Other Governmental Agencies	2,059,441	1,538,234
Interest	68,705	5,040
Total Revenues	8,266,645	7,109,433
<b>EXPENSES</b>		
Direct Salaries	1,415,283	1,220,667
Direct Other	4,268,706	4,028,288
Depreciation and amortization	165,667	149,932
Indirect	2,232,388	1,409,858
Total Expenses	8,082,044	6,808,745
<b>CHANGES IN NET POSITION</b>	184,601	300,688
Net Position - Beginning of Year	5,047,516	4,746,828
<b>NET POSITION - END OF YEAR</b>	\$ 5,232,117	\$ 5,047,516

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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

**Changes in Net Position (Continued)**



**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**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.

***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 \$2,271,609, of which \$2,130,611 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 direct expenditures during the year were \$179,340. Unassigned fund balance was 11.88 times larger than direct General Fund expenditures.

***Municipal Services Fund***

The Municipal Services Fund accounts for revenues and expenditures incurred in providing municipal services, primarily the Capitol Region Purchasing Cooperative, the CRCOG IT Services Cooperative and shared services grants, such as the Regional Performance Incentive Program.

***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 \$1,570,737.

***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 \$3,325,805. At the end of the current fiscal year, there was no fund balance.

***Regional Services Grant***

CRCOG received \$849,349 in state funding during FY 2022-2023.

These funds were used to carry out statutory planning responsibilities including land use planning, review of zoning and subdivision proposals along town boundaries and review of municipal plans of conservation and development. They are also used to support shared Municipal Services and specific Public Safety functions as well as some Transportation Planning activities.

***Special Projects Fund***

As of June 30, 2023, the Restricted Balance in the Special Projects Fund was \$1,835,049. This fund was established to enable CRCOG to fund regional projects and match requirements for state and federal grant funds.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**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.

**CAPITAL ASSETS**

CRCOG's investment in capital assets for its governmental activities as of June 30, 2023, totaled \$124,580 (net of accumulated depreciation and amortization). This investment in capital assets includes right to use asset, computers, furniture and fixtures, equipment, leasehold improvements and right to use asset.

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

	Governmental Activities	
	2023	2022
Furniture and Fixtures	\$ 17,164	\$ 25,270
Computers	22,353	22,657
Right-to-Use Asset	85,063	206,474
Totals	\$ 124,580	\$ 254,401

Additional information on CRCOG's capital assets can be found in Note 4 on page 33 of this report.

**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. CRCOG's local funding remains strong and stable. In general, CRCOG's core funding at all levels has remained strong and stable.

**Federal**

- CRCOG has traditionally carried over a large portion of FHWA funding. Beginning in FY2021 CRCOG made concerted efforts to expend the carry over funding and this effort continues through FY 2023-2024.
- IIJA increased CRCOG's portion of FHWA funding and FY 2023-2024 will reflect the increase in funding and addition of staff based on those increases. IIJA has many competitive funding opportunities. CRCOG received a Safe Streets for All planning grant and will continue to apply for competitive funding opportunities.
- In FFY 2022, CRCOG was granted a Congressionally Directed Funding through Senator Murphy and a Community Directed Funding through Congressman Courtney. The first was \$137,000 for Hazard Mitigation Planning. The second was to support Crumbling Foundations in Eastern and Central Connecticut. CRCOG received these funds at the end of FY 2022-2023 and the majority of the spending for the Hazard Mitigation Planning will be in FY 2023-2024 and the Crumbling Foundations spending will begin in FY 2023-2024.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

- The Inflation Reduction Act (IRA) also created opportunities for CRCOG, including a Climate Reduction Planning Grant of \$1 million. This planning grant is a formula funded grant and CRCOG has submitted its intent to apply and will be submitting the application. CRCOG anticipates additional competitive or formula funded opportunities under IRA.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (CONTINUED)**

**State**

- Regional Services Grant (RSG) has become relatively stable in the last few years. CRCOG has budgeted for what is currently in statute. At the end of FY 2022-2023, RSG formula changed and increased significantly. As the state turns towards a more regional emphasis, CRCOG expects the increase to remain in place and state funding for COGs to remain relatively stable and consistent.
- Other state funded programs may be at risk in the future (including LOTCIP and Crumbling Foundations Testing Program). CRCOG will continue to monitor.

**Local**

- CRCOG continues to contribute a portion of its local dues to a "Regional Program Fund" that enables CRCOG to begin regional projects without outside funding. This funding has been used in the past for model cybersecurity policies, scenario planning and other projects.
- CRCOG's municipal services offerings are expanding and CRCOG anticipates adding additional services and expanding CRCOG's offering in the upcoming year.

**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 Pauline Yoder, Chief Operating Officer, CRCOG, 241 Main Street, 4th Floor, Hartford, CT 06106-5310.



**CAPITOL REGION COUNCIL OF GOVERNMENTS  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 4,541,436
Due from State of Connecticut	2,126,261
Other Governmental Grants Receivable	114,971
Other Receivables	197,638
Prepaid and Other Assets	140,998
Capital Assets, Net of Accumulated Depreciation and Amortization	124,580
Total Assets	7,245,884
<b>LIABILITIES</b>	
Accounts and Other Payables	1,084,179
Unearned Revenue	621,400
Noncurrent Liabilities:	
Due Within One Year	199,012
Due in More than One Year	109,176
Total Liabilities	2,013,767
<b>NET POSITION</b>	
Net Investment in Capital Assets	39,517
Restricted for:	
Grants	2,702,591
Unrestricted	2,490,009
Total Net Position	\$ 5,232,117

See accompanying Notes to Financial Statements.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Net Position
		Charges for Services	Operating Grants and Contributions		Governmental Activities
Governmental Activities: Regional Planning	\$ 8,082,044	\$ 2,059,441	\$ 6,138,499	\$ -	\$ 115,896
<b>GENERAL REVENUES</b>					
					68,705
					184,601
					5,047,516
					<b>\$ 5,232,117</b>

See accompanying Notes to Financial Statements.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General Fund	Municipal Services	Public Safety Programs	FHWA	Regional Services Grant	Special Projects	FHWA Corridor Studies	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 3,836,663	\$ -	\$ 704,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,541,436
Due from State of Connecticut	1,864	-	300,864	1,313,317	-	-	52,317	457,899	2,126,261
Other Governmental Grants Receivable	-	-	-	-	-	-	-	114,971	114,971
Other Receivables	-	197,638	-	-	-	-	-	-	197,638
Due from Other Funds	794,832	345,082	80,053	-	-	1,848,377	492,123	21,776	3,582,243
Prepaid and Other Assets	140,998	-	-	-	-	-	-	-	140,998
<b>Total Assets</b>	<b>\$ 4,774,357</b>	<b>\$ 542,720</b>	<b>\$ 1,085,690</b>	<b>\$ 1,313,317</b>	<b>\$ -</b>	<b>\$ 1,848,377</b>	<b>\$ 544,440</b>	<b>\$ 594,646</b>	<b>\$ 10,703,547</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ 36,672	\$ 126,562	\$ 254,520	\$ 317,564	\$ -	\$ -	\$ 79,326	\$ 199,247	\$ 1,013,891
Accrued Payroll and Other Liabilities	70,288	-	-	-	-	-	-	-	70,288
Unearned Revenue	100,500	16,345	-	9,920	-	13,328	465,114	16,193	621,400
Due to Other Funds	2,295,288	-	-	985,833	-	-	-	301,122	3,582,243
<b>Total Liabilities</b>	<b>2,502,748</b>	<b>142,907</b>	<b>254,520</b>	<b>1,313,317</b>	<b>-</b>	<b>13,328</b>	<b>544,440</b>	<b>516,562</b>	<b>5,287,822</b>
<b>FUND BALANCES</b>									
Nonspendable	140,998	-	-	-	-	-	-	-	140,998
Restricted	-	-	831,170	-	-	1,835,049	-	36,372	2,702,591
Committed	-	399,813	-	-	-	-	-	41,712	441,525
Unassigned	2,130,611	-	-	-	-	-	-	-	2,130,611
<b>Total Fund Balances</b>	<b>2,271,609</b>	<b>399,813</b>	<b>831,170</b>	<b>-</b>	<b>-</b>	<b>1,835,049</b>	<b>-</b>	<b>78,084</b>	<b>5,415,725</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,774,357</b>	<b>\$ 542,720</b>	<b>\$ 1,085,690</b>	<b>\$ 1,313,317</b>	<b>\$ -</b>	<b>\$ 1,848,377</b>	<b>\$ 544,440</b>	<b>\$ 594,646</b>	<b>\$ 10,703,547</b>

See accompanying Notes to Financial Statements.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances - Governmental Funds (Exhibit III) \$ 5,415,725

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets	657,910
Less: Accumulated Depreciation and Amortization	(533,330)
Net Capital Assets	124,580

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated Absences	(223,125)
Subscription Liability	(46,315)
Lease Liability	(38,748)

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)	\$ 5,232,117
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**CAPITOL REGION COUNCIL OF GOVERNMENTS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	General Fund	Municipal Services	Public Safety Programs	FHWA	Regional Services Grant	Special Projects	FHWA Corridor Studies	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>									
Federal Government	\$ -	\$ -	\$ 49,581	\$ 2,660,827	\$ -	\$ -	\$ 69,193	\$ 595,229	\$ 3,374,830
State of Connecticut	-	-	860,989	269,427	849,349	135,556	392,798	255,550	2,763,669
Other Governmental Agencies	758,812	518,177	464,157	4,779	-	-	17,494	296,022	2,059,441
Interest Income	43,862	-	24,843	-	-	-	-	-	68,705
Total Revenues	802,674	518,177	1,399,570	2,935,033	849,349	135,556	479,485	1,146,801	8,266,645
<b>EXPENDITURES</b>									
Current:									
Direct Costs:									
Salaries	-	42,668	61,201	918,003	268,916	-	74,918	49,577	1,415,283
Other	179,340	206,203	1,414,707	961,849	153,442	137,491	284,132	1,056,478	4,393,642
Indirect	-	68,590	94,829	1,445,953	427,424	-	120,435	79,692	2,236,923
Capital Outlay	23,210	-	-	-	-	-	-	-	23,210
Total Expenditures	202,550	317,461	1,570,737	3,325,805	849,782	137,491	479,485	1,185,747	8,069,058
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	600,124	200,716	(171,167)	(390,772)	(433)	(1,935)	-	(38,946)	197,587
<b>OTHER FINANCING SOURCES (USES)</b>									
Issuance of Lease	23,210	-	-	-	-	-	-	-	23,210
Transfers In	-	-	145	390,772	433	95,237	-	38,946	525,533
Transfers Out	(525,533)	-	-	-	-	-	-	-	(525,533)
Total Other Financing Sources (Uses)	(502,323)	-	145	390,772	433	95,237	-	38,946	23,210
<b>NET CHANGE IN FUND BALANCES</b>	97,801	200,716	(171,022)	-	-	93,302	-	-	220,797
Fund Balances - Beginning of Year	2,173,808	199,097	1,002,192	-	-	1,741,747	-	78,084	5,194,928
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,271,609</u>	<u>\$ 399,813</u>	<u>\$ 831,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,835,049</u>	<u>\$ -</u>	<u>\$ 78,084</u>	<u>\$ 5,415,725</u>

See accompanying Notes to Financial Statements.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 220,797

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

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 and amortization expense:

Capital Outlay	36,211
Depreciation and Amortization Expense	(165,667)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Issuance of Lease	(23,210)
Principal Payments on Leases	134,146
Principal Payments on Subscriptions	14,000

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:

Change in Long-Term Compensated Absences	(31,311)
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Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$ 184,601
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**CAPITOL REGION COUNCIL OF GOVERNMENTS  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023**

	<u>Pension Trust Fund</u>	<u>Custodial Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ -	\$ 275,041
Investments:		
Equity Mutual Funds	2,649,821	-
Contributions Receivable	17,560	-
Total Assets	<u>2,667,381</u>	<u>275,041</u>
<b>NET POSITION</b>		
Restricted for:		
Pension Benefits	2,667,381	-
Individual, Organizations, and Other Governments	<u>-</u>	<u>275,041</u>
Total Net Position	<u><u>\$ 2,667,381</u></u>	<u><u>\$ 275,041</u></u>

See accompanying Notes to Financial Statements.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	<u>Pension Trust Fund</u>	<u>Custodial Fund</u>
<b>ADDITIONS:</b>		
Other Governmental Agencies	\$ -	\$ 19,182
Employer Contributions	204,489	-
Investment Income:		
Net Increase (Decrease) in the Fair Value of Investments	215,505	-
Total Additions	<u>419,994</u>	<u>19,182</u>
<b>DEDUCTIONS:</b>		
Benefits	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	419,994	19,182
Net Position - Beginning of Year	<u>2,247,387</u>	<u>255,859</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 2,667,381</u></u>	<u><u>\$ 275,041</u></u>

See accompanying Notes to Financial Statements.



**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Capitol Region Council of Governments (CRCOG) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. 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.

Accounting principles generally accepted in the United State of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component unit as detailed below.

Fiduciary Component Units

CRCOG has established a defined contribution money purchase plan. CRCOG has trustee responsibilities related to the participant accounts that contain employer contributions.

The financial statements of the fiduciary component unit are reported as a Pension Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component unit.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements**

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, including fiduciary component units, 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.

**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 from grants and contracts to be available if they are collected within one year of the end of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

CRCOG reports unearned revenue on its financial statements. Unearned revenues arise when resources are received by CRCOG before it has legal claim to them or 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.

**Municipal Services**

This special revenue fund is used to account for revenues and expenditures incurred in providing municipal services, primarily the Capitol Region Purchasing Cooperative as well as the CRCOG IT Services Cooperative. The major source of revenues for this fund are charges to other governmental agencies and State Grants.

**Public Safety Programs**

This special revenue 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 special revenue 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.

**Regional Services Grant**

This Regional Services Grant is provided by the Office of Policy and Management to carry out statutory planning responsibilities including land use planning, review of zoning and subdivision proposals along town boundaries, and review of municipal plans of conservation and development. This is a special revenue fund and the major source of revenues for this fund are State Grants.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)**

**Special Projects**

This special revenue fund was established to enable CRCOG to fund regional projects with the use of local, state and federal funds. The major source of revenues are local funds and State and Federal Grants.

**FHWA Corridor Studies**

This special revenue fund was established to enable CRCOG to fund regional projects and match requirements for state and federal grant opportunities. The major source of revenues of this fund are local funds.

In addition, CRCOG reports the following fund types:

**Pension Trust Fund**

This fund is used to account for the fiduciary activities of the Pension plan and 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.

**Custodial Funds**

This fund accounts for fiduciary activities related to regional solid waste management.

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  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Deposits and Investments (Continued)**

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**

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 one year. 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.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Capital Assets (Continued)**

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

Computers	3 Years
Leasehold Improvements	5 Years
Office Equipment	5 Years
Furniture and Fixtures	7 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the lease term.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the subscription term.

**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 can be carried forward. Upon termination, the employees are entitled to one year of vacation time pay out. Sick leave can be accrued to a maximum of 60 days. Upon termination, the employee is entitled to a maximum benefit of 50% of the sick leave accrual or less depending on the length of service. Vacation and sick leave expenditures are recognized in the governmental fund financial statements in the current year when expended, or if the vested amount is expected to be paid with current available resources.

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

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 amortization), net of only the debt applicable to the acquisition or construction of these 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.

*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”.

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.

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

*Nonspendable Fund Balance* – This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

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

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

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

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

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Fund Equity (Continued)**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, CRCOG considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, CRCOG considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**L. Adoption of New Accounting Standard**

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

CRCOG adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulted in CRCOG reporting a SBITA asset and a SBITA liability as disclosed in Note 7.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. 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, 2023. CRCOG's budget includes the General Fund and all special revenue funds. The legal level of control is at the entity wide level.

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.



**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

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.

The differences between the budgetary and GAAP basis of accounting includes lease payments which are recorded in the governmental funds financial statements.

**NOTE 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.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). 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.

**A. Deposits**

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, CRCOG’s deposit will not be returned. CRCOG does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$3,551,693 of CRCOG’s bank balance of \$4,051,693 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 3,146,524
Uninsured and Collateral Held by the Pledging Bank’s Trust Department, Not in the Government’s Name	<u>405,169</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 3,551,693</u></u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2023, CRCOG’s cash equivalents amounted to \$878,302. The entire balance consisted of investments in the State Treasurer’s Short-Term Investment Fund (STIF). As of June 30, 2023, CRCOG’s investments in STIF were rated AAA by Standard & Poor’s.

STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**B. Investments**

As of June 30, 2023, CRCOG had \$2,649,821 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, with the exception of the investment of municipal pension funds. 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, 2023, 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 equity mutual funds categorized as Level 1 fair value measurements as of June 30, 2023, valued using prices quoted in active markets for those securities.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance (as restated)*	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated and Amortized:				
Furniture and Fixtures	\$ 122,497	\$ -	\$ -	\$ 122,497
Computers	157,637	9,476	(365)	166,748
Leasehold Improvements	3,690	-	-	3,690
Total Capital Assets Being Depreciated and Amortized	<u>283,824</u>	<u>9,476</u>	<u>(365)</u>	<u>292,935</u>
Less: Accumulated Depreciation and Amortization for:				
Furniture and Fixtures	(97,227)	(8,106)	-	(105,333)
Computers	(134,980)	(9,415)	-	(144,395)
Leasehold Improvements	(3,690)	-	-	(3,690)
Total Accumulated Depreciation and Amortization	<u>(235,897)</u>	<u>(17,521)</u>	<u>-</u>	<u>(253,418)</u>
Total Capital Assets Being Depreciated and Amortized, Net	47,927	(8,045)	(365)	39,517
Right-to-Use Lease Assets:				
Building	285,492	-	-	285,492
Equipment	-	26,735	-	26,735
Total Right-to-Use Lease Assets	<u>285,492</u>	<u>26,735</u>	<u>-</u>	<u>312,227</u>
Less Accumulated Amortization:				
Building	(131,766)	(131,765)	-	(263,531)
Equipment	-	(2,381)	-	(2,381)
Total Accumulated Amortization	<u>(131,766)</u>	<u>(134,146)</u>	<u>-</u>	<u>(265,912)</u>
Total Right-to-Use Lease Assets, Net	153,726	(107,411)	-	46,315
Subscription Based Information Technology Arrangement Assets				
Subscription Based Information Technology Arrangements	52,748	-	-	52,748
Less Accumulated Amortization:				
Subscription Based Information Technology Arrangements	-	(14,000)	-	(14,000)
Total Subscription Based Information Technology Arrangement Assets, Net	<u>52,748</u>	<u>(14,000)</u>	<u>-</u>	<u>38,748</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 254,401</u>	<u>\$ (129,456)</u>	<u>\$ (365)</u>	<u>\$ 124,580</u>

\*Restated for implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.

Depreciation and amortization expense of \$165,667 was charged to regional planning function.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

The interfund receivables and payables balance at June 30, 2023, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	FHWA	\$ 985,833
General Fund	Nonmajor Governmental Funds	301,122
Municipal Services	General Fund	345,082
Public Safety Programs	General Fund	80,053
Special Projects	General Fund	1,848,377
Nonmajor Governmental Funds	General Fund	21,776
Total		<u>\$ 3,582,243</u>

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

Interfund transfers for the year ended June 30, 2023, consisted of the following:

	Transfers In					Total Transfers Out
	FHWA	Regional Services Grant	Special Projects	Public Safety Programs	Nonmajor Governmental	
Transfers Out: General Fund	<u>\$ 390,772</u>	<u>\$ 433</u>	<u>\$ 95,237</u>	<u>\$ 145</u>	<u>\$ 38,946</u>	<u>\$ 525,533</u>

Transfers are for regularly recurring operational transfers.

**NOTE 6 UNEARNED REVENUE**

The unearned revenue at June 30, 2023, consisted of the following:

	General Fund	FHWA	Municipal Services	Special Projects	FHWA Corridor Studies	Nonmajor Governmental	Total Unearned Revenue
Fees	\$ 100,500	-	-	-	-	-	\$ 100,500
Grants	-	9,920	16,345	13,328	465,114	16,193	520,900
Total	<u>\$ 100,500</u>	<u>\$ 9,920</u>	<u>\$ 16,345</u>	<u>\$ 13,328</u>	<u>\$ 465,114</u>	<u>\$ 16,193</u>	<u>\$ 621,400</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance (as restated)*	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 191,814	\$ 391,811	\$ (360,500)	\$ 223,125	\$ 158,419
Lease Liability	157,251	23,210	(134,146)	46,315	27,308
Subscriptions Liability	52,748	-	(14,000)	38,748	13,285
Total Governmental Activities Long-Term Liabilities	<u>\$ 401,813</u>	<u>\$ 415,021</u>	<u>\$ (508,646)</u>	<u>\$ 308,188</u>	<u>\$ 199,012</u>

\*Restated for implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.

Compensated absences are generally liquidated by the General Fund. Lease and subscription payments are liquidated by all other governmental funds and are included in indirect costs.

**Lease Liability**

CRCOG leases equipment as well as office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2028.

CRCOG leases approximately 6,800 sq. ft. of office space located on the fourth floor of a building situated at 241 Main Street, Hartford, Connecticut. The original lease was executed on August 21, 1996, and since then it has been amended six times. The latest amendment is dated January 11, 2018, and the lease was renewed for five years through August 2023.

The right-to-use lease assets and the related accumulated amortization are detailed in Note 4.

Principal and interest requirements to maturity under lease agreements are as follows:

<u>Year Ending June, 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 27,308	\$ 799
2025	5,347	583
2026	5,347	394
2027	5,347	199
2028	2,966	24
Total Minimum Lease Payments	<u>\$ 46,315</u>	<u>\$ 1,999</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 LONG TERM DEBT (CONTINUED)**

**Subscription-Based Information Technology Arrangements**

CRCOG has entered into subscription-based information technology arrangements (SBITAs) for procurement services.

As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$52,748 and \$14,000, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June, 30</u>	Governmental Activities	
	Principal	Interest
2024	\$ 13,285	\$ 1,124
2025	13,285	662
2026	12,178	187
Total Minimum SBITA Payments	\$ 38,748	\$ 1,973

**NOTE 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 2022-2023 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.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 - RISK MANAGEMENT (CONTINUED)**

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. Settled claims have not exceeded insurance coverage for any of the past three fiscal years.

**NOTE 9 FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2023, are as follows:

	General Fund	Special Projects	Public Safety Programs	Municipal Services	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Prepays	\$ 140,998	\$ -	\$ -	\$ -	\$ -	\$ 140,998
Restricted for:						
Grants	-	1,835,049	831,170	-	36,372	2,702,591
Committed to:						
Local Governments Programs	-	-	-	-	19,936	19,936
Capital Projects	-	-	-	399,813	21,776	421,589
Unassigned	2,130,611	-	-	-	-	2,130,611
Total Fund Balances	<u>\$ 2,271,609</u>	<u>\$ 1,835,049</u>	<u>\$ 831,170</u>	<u>\$ 399,813</u>	<u>\$ 78,084</u>	<u>\$ 5,415,725</u>

**NOTE 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 six 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 five 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 34 plan members as of June 30, 2023. Employer contributions totaled \$204,489 for the year ended June 30, 2023.



**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Pension Trust Fund (Continued)**

**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, 2023:

Investments:

Guaranteed Interest Fund	\$	292,996	IGWGIF
Fidelity 500 Index		324,398	IFXAIX
Vanguard Equity - Income Admiral		246,565	IVEIRX
Vanguard GNMA Admiral		190,123	IVFIJX
AB Large Cap Growth		261,227	IAPGZX
Metropolitan West Total Return Bond Plan		176,771	IMWTSX
Victory Sycamore Established Value R6		157,138	IVEVRX
PIMCO Income Fund Institutional Class		132,680	IPIMIX

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 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.

**NOTE 12 COMMITMENT AND 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.

CRCOG entered into an eleven-year office lease agreement beginning January 1, 2024. Rental payments range from \$263,340 to \$287,280 annually.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND AND SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Federal Government	\$ 4,971,312	\$ 4,971,312	\$ 3,374,830	\$ (1,596,482)
State of Connecticut	2,017,424	2,017,424	2,763,669	746,245
Other Governmental Agencies	1,153,420	1,153,420	2,059,441	906,021
Interest Income	-	-	68,705	68,705
Total Revenues	8,142,156	8,142,156	8,266,645	124,489
<b>EXPENDITURES</b>				
Direct:				
Salaries	1,677,827	1,677,827	1,775,780	(97,953)
Telephone	300	300	-	300
Publication, Dues, and Advertising	26,275	26,275	34,358	(8,083)
Reproduction and Printing	3,250	3,250	-	3,250
Recruitment	10,000	10,000	6,055	3,945
Computer, Software, and Upgrades	56,360	56,360	47,780	8,580
Subscription Software	46,934	46,934	17,035	29,899
Equipment Maintenance - Gis	5,250	5,250	2,376	2,874
Legal	8,550	8,550	6,486	2,064
Supplies, Postage, and Other	8,900	8,900	16,349	(7,449)
Legislative Liaison	25,000	25,000	31,500	(6,500)
Equipment	12,200	12,200	298,135	(285,935)
Furniture and Furnishings	5,000	5,000	780	4,220
Leasehold Improvements	3,600	3,600	-	3,600
Food	5,200	5,200	5,157	43
Mileage and Parking	8,430	8,430	2,787	5,643
Consultants and Professional Services	176,999	176,999	244,953	(67,954)
Training and Tuition Reimbursement	1,500	1,500	4,238	(2,738)
Conferences and Workshops	72,950	72,950	42,682	30,268
Refund	-	-	8,976	(8,976)
Rentals	750	750	2,417	(1,667)
Annual Meetings	9,200	9,200	9,253	(53)
Technical Support	19,200	19,200	4,200	15,000
Network Services	232,708	232,708	141,750	90,958
Crumbling Foundation	105,000	105,000	133,696	(28,696)
Other Miscellaneous Expenditures	-	-	1,223	(1,223)
Systems Maintenance	280,000	280,000	162,501	117,499
Interpreter for the Deaf	1,000	1,000	-	1,000
Spanish Language Translation	2,500	2,500	-	2,500
Polish Language Translation	1,000	1,000	-	1,000
Contractual	3,609,850	3,609,850	3,168,954	440,896

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND AND SPECIAL REVENUE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Indirect:				
Management Support Salaries	\$ 647,961	\$ 647,961	\$ 553,380	\$ 94,581
Fringe Benefits and Payroll Taxes	873,675	873,675	967,166	(93,491)
Bonus	-	-	19,738	(19,738)
Rent, Maintenance, and Utilities	4,000	4,000	31,161	(27,161)
Leases	140,000	140,000	143,353	(3,353)
Accounting, Audit, and Pension Services	40,000	40,000	38,200	1,800
Insurance	35,000	35,000	37,537	(2,537)
Office Supplies and Expenditures	14,000	14,000	8,716	5,284
Postage	2,500	2,500	1,021	1,479
Reproduction and Printing	10,000	10,000	2,416	7,584
Payroll Processing	6,600	6,600	7,944	(1,344)
Equipment Maintenance	6,500	6,500	3,982	2,518
Computer Services	10,800	10,800	25,880	(15,080)
Subscription Software	8,300	8,300	5,905	2,395
Telephone	12,000	12,000	14,730	(2,730)
Publication and Dues	7,500	7,500	7,372	128
Section 125 Administration	1,200	1,200	1,052	148
Legal Services	1,000	1,000	1,974	(974)
Pension Administration	5,000	5,000	4,900	100
Total Expenditures	<u>8,241,769</u>	<u>8,241,769</u>	<u>8,045,848</u>	<u>195,921</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(99,613)	(99,613)	220,797	320,410
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	525,533	525,533
Transfers Out	-	-	(525,533)	(525,533)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (99,613)</u>	<u>\$ (99,613)</u>	220,797	<u>\$ 320,410</u>
Fund Balances - Beginning of Year			<u>5,194,928</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 5,415,725</u>	
<b>Budget to GAAP Reconciliation:</b>				
	Revenues and Other Financing Sources	Expenditures and Other Financing Uses		
Balance, Budgetary Basis	\$ 8,792,178	\$ 8,571,381		
Issuance of Leases and Subscriptions	<u>23,210</u>	<u>23,210</u>		
Balance, GAAP Basis	<u>\$ 8,815,388</u>	<u>\$ 8,594,591</u>		

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue				Capital Project	Total Nonmajor Governmental Funds
	Local Government Programs	Policy and Planning Special Projects	Homeland Security Program	Regional Performance Incentive Program	Capital and Nonrecurring Fund	
<b>ASSETS</b>						
Due from State of Connecticut	\$ -	\$ 223,712	\$ 234,187	\$ -	\$ -	\$ 457,899
Other Governmental Grants Receivable	114,971	-	-	-	-	114,971
Due from Other Funds	-	-	-	-	21,776	21,776
<b>Total Assets</b>	<b>\$ 114,971</b>	<b>\$ 223,712</b>	<b>\$ 234,187</b>	<b>\$ -</b>	<b>\$ 21,776</b>	<b>\$ 594,646</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 25,854	\$ 152,293	\$ 21,100	\$ -	\$ -	\$ 199,247
Unearned Revenue	-	16,081	112	-	-	16,193
Due to Other Funds	69,181	55,338	176,603	-	-	301,122
<b>Total Liabilities</b>	<b>95,035</b>	<b>223,712</b>	<b>197,815</b>	<b>-</b>	<b>-</b>	<b>516,562</b>
<b>FUND BALANCES</b>						
Restricted	-	-	36,372	-	-	36,372
Committed	19,936	-	-	-	21,776	41,712
<b>Total Fund Balances</b>	<b>19,936</b>	<b>-</b>	<b>36,372</b>	<b>-</b>	<b>21,776</b>	<b>78,084</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 114,971</b>	<b>\$ 223,712</b>	<b>\$ 234,187</b>	<b>\$ -</b>	<b>\$ 21,776</b>	<b>\$ 594,646</b>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2023**

	Special Revenue				Capital Project	Total Nonmajor Governmental Funds
	Local Government Programs	Policy and Planning Special Projects	Homeland Security Program	Regional Performance Incentive Program	Capital and Nonrecurring Fund	
<b>REVENUES</b>						
Federal Government	\$ -	\$ 128,083	\$ 467,146	\$ -	\$ -	\$ 595,229
State of Connecticut	-	250,787	-	4,763	-	255,550
Other Governmental Agencies	296,022	-	-	-	-	296,022
Total Revenues	<u>296,022</u>	<u>378,870</u>	<u>467,146</u>	<u>4,763</u>	<u>-</u>	<u>1,146,801</u>
<b>EXPENDITURES</b>						
Current:						
Direct Costs:						
Salaries	7,584	17,897	22,269	1,827	-	49,577
Other	310,139	337,211	409,128	-	-	1,056,478
Indirect Costs	12,192	28,766	35,798	2,936	-	79,692
Total Expenditures	<u>329,915</u>	<u>383,874</u>	<u>467,195</u>	<u>4,763</u>	<u>-</u>	<u>1,185,747</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(33,893)	(5,004)	(49)	-	-	(38,946)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	33,893	5,004	49	-	-	38,946
Total Other Financing Sources (Uses)	<u>33,893</u>	<u>5,004</u>	<u>49</u>	<u>-</u>	<u>-</u>	<u>38,946</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-	-	-
Fund Balances - Beginning of Year	19,936	-	36,372	-	21,776	78,084
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 19,936</u>	<u>\$ -</u>	<u>\$ 36,372</u>	<u>\$ -</u>	<u>\$ 21,776</u>	<u>\$ 78,084</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
INDIRECT RATE CALCULATION  
YEAR ENDED JUNE 30, 2023**

**INDIRECT COSTS**

Management Support Salaries	\$ 553,380
Fringe Benefits and Payroll Taxes	967,166
Compensated Absences	360,500
Rent, Maintenance, and Utilities	31,161
Copier/Postage Machine Leases	3,317
Accounting, Audit, and Pension Services	38,200
Insurance	37,537
Employee Merit Program	19,738
Office Supplies and Expense	8,716
Postage	1,021
Reproduction and Printing	2,416
Payroll Processing	7,944
Equipment	3,982
Computer Services	25,880
Subscription Software	5,905
Telephone	14,730
Publication and Dues	7,372
Legal Services	1,974
Pension Administration	4,900
Section 125 Admin	1,052
Subtotal	<u>2,096,891</u>
Lease Amortization Expense	134,146
Depreciation Expense Allocation	<u>17,521</u>
Total Indirect Costs	<u><u>\$ 2,248,558</u></u>
Total Payroll	\$ 2,329,163
Less: Indirect Payroll	553,380
Less: Compensated Absences	<u>360,500</u>
Total Payroll Base	<u><u>\$ 1,415,283</u></u>
Indirect Cost Rate	<u><u>158.88%</u></u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
FINANCIAL SUMMARY FOR THE STATE OF CONNECTICUT  
DEPARTMENT OF TRANSPORTATION  
YEAR ENDED JUNE 30, 2023**

	FHWA 11.6-01 (07)	FHWA/FTA PL FY19 Carryover 11.6-01 (07)	FHWA/FTA PL FY19 Carryover No Match 11.6-01 (07)	Rt 5 East Windsor	Enfield Traffic Impact	Route 44 Corridor Study	LOTICIP Admin	LOTICIP Farm/ HTFD	LOTICIP Eastern Gate
<b>Maximum Funds Authorized</b>									
FHWA	\$ 1,739,890	\$ 450,000	\$ 683,981	\$ 200,000	\$ 216,570	\$ 139,949	\$ -	\$ -	\$ -
Conn-DOT - FHWA	217,486	56,250	-	50,000	21,715	17,494	-	-	-
Conn-DOT - FTA	-	-	-	-	-	-	3,503,160	340,000	540,000
Local	217,486	56,250	170,995	-	21,715	17,494	-	-	-
Total Maximum Funds Authorized	<u>\$ 2,174,862</u>	<u>\$ 562,500</u>	<u>\$ 854,976</u>	<u>\$ 250,000</u>	<u>\$ 260,000</u>	<u>\$ 174,937</u>	<u>\$ 3,503,160</u>	<u>\$ 340,000</u>	<u>\$ 540,000</u>
<b>Authorized Expenditures</b>									
Direct Costs:									
Salaries	\$ 707,637	\$ 55,746	\$ 154,620	\$ 3,417	\$ -	\$ -	\$ 644,463	\$ 1,869	\$ 9,165
Other	478,410	37,058	434,041	235,309	201,903	9,276	1,460,748	300,849	503,940
Indirect Costs	1,124,294	88,569	245,660	4,793	-	-	1,002,620	2,695	14,074
Total Authorized Expenditures	<u>\$ 2,310,341</u>	<u>\$ 181,373</u>	<u>\$ 834,321</u>	<u>\$ 243,519</u>	<u>\$ 201,903</u>	<u>\$ 9,276</u>	<u>\$ 3,107,831</u>	<u>\$ 305,413</u>	<u>\$ 527,179</u>
<b>Distribution of Audited Costs</b>									
FHWA	\$ 1,848,273	\$ 145,099	\$ 667,457	\$ 194,815	\$ 170,093	\$ 7,420	\$ -	\$ -	\$ -
Conn-DOT - FHWA	231,034	18,137	-	-	15,905	928	-	-	-
Conn-DOT - FTA	-	-	-	48,704	-	-	-	-	-
Local	231,034	18,137	166,864	-	15,905	928	3,107,831	305,413	527,179
Total Distribution of Audited Costs	<u>\$ 2,310,341</u>	<u>\$ 181,373</u>	<u>\$ 834,321</u>	<u>\$ 243,519</u>	<u>\$ 201,903</u>	<u>\$ 9,276</u>	<u>\$ 3,107,831</u>	<u>\$ 305,413</u>	<u>\$ 527,179</u>
<b>Conn-DOT Responsibility</b>									
FHWA	\$ 1,848,273	\$ 145,099	\$ 667,457	\$ 194,815	\$ 170,093	\$ 7,420	\$ -	\$ -	\$ -
Conn-DOT - FHWA	231,034	18,137	-	48,704	15,905	928	-	-	-
Conn-DOT - FTA	-	-	-	-	-	-	3,107,831	305,413	527,179
Total Conn-DOT Responsibility	2,079,307	163,236	667,457	243,519	185,998	8,348	3,107,831	305,413	527,179
<b>Payments Received</b>									
Payments Received Through June 30, 2023	1,596,681	-	-	243,519	144,425	-	3,503,160	340,000	540,000
Payments Received After June 30, 2023	33,822	160,792	661,433	-	41,573	8,348	-	-	-
Total Payments Received	<u>1,630,503</u>	<u>160,792</u>	<u>661,433</u>	<u>243,519</u>	<u>185,998</u>	<u>8,348</u>	<u>3,503,160</u>	<u>340,000</u>	<u>540,000</u>
Due from (to) Conn-DOT	<u>\$ 448,804</u>	<u>\$ 2,444</u>	<u>\$ 6,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (395,329)</u>	<u>\$ (34,587)</u>	<u>\$ (12,821)</u>



**CAPITOL REGION COUNCIL OF GOVERNMENTS  
SCHEDULE OF SOURCES AND USES – LOCAL ASSESSMENTS  
YEAR ENDED JUNE 30, 2023**

**SOURCES**

Local Assessments	\$ 780,471	
Local Government Programs	<u>(126,942)</u>	
Total Sources		<u>\$ 653,529</u>

**USES**

Fund Transfers:		
Transportation (Match Requirements)		\$ 376,389
Council Administration:		
Direct Expenditures	\$ 179,340	
Use of Fund Balance	<u>97,800</u>	
Total Council Administration		<u>277,140</u>
Total Uses		<u>\$ 653,529</u>