

**CAPITOL REGION COUNCIL OF GOVERNMENTS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2025**



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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, 2025, 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, 2025, 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.

#### ***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.

Audit Committee  
Capitol Region Council of Governments

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, 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.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 8, 2025

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

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, 2025.

**FINANCIAL HIGHLIGHTS**

The assets of CRCOG exceeded its liabilities at the close of the most recent fiscal year by \$6,641,173 (net position). Of this amount, \$3,077,914 (unrestricted net position) may be used to meet CRCOG's ongoing obligations.

CRCOG's unrestricted net position increased by \$431,516.

As of the close of the current fiscal year, CRCOG's governmental funds reported combined ending fund balances of \$6,246,063. The portion of the fund balance available for spending at CRCOG's discretion (unassigned fund balance) is \$2,518,781.

As of June 30, 2025, the balance for the General Fund was \$2,635,191 which includes unassigned funds of \$2,518,781.

**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, 2025**

**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, 2025**

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

**Fund Financial Statements (Continued)**

***Governmental Funds (Continued)***

CRCOG maintains 13 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 Regional Planning Special Projects. These 7 are considered to be major funds. Data from the other 6 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 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, 2025**

**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 \$6,641,173 and \$5,949,951 as of June 30, 2025 and 2024, respectively, and are summarized as follows:

	Governmental Activities	
	2025	2024
Current and Other Assets	\$ 8,882,634	\$ 7,554,553
Capital Assets, Net	2,391,906	2,616,046
Total Assets	11,274,540	10,170,599
Long-Term Liabilities	2,089,226	2,239,669
Other Liabilities	2,544,141	1,980,979
Total Liabilities	4,633,367	4,220,648
Net Position:		
Net Investment in Capital Assets	226,821	282,281
Restricted for:		
Grants	3,336,438	3,021,272
Unrestricted	3,077,914	2,646,398
Total Net Position	\$ 6,641,173	\$ 5,949,951

At June 30, 2025, \$226,821 or 3.42% 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 \$3,336,438 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 \$3,077,914 is considered unrestricted and may be used to meet CRCOG's ongoing obligations. Overall, net position increased by \$691,222. The majority of the increase comes from two areas: a significant increase in vendor payments for Municipal Services – many of which were one-time payments for the Job Order Contracting Programs, and an increase in the General Fund.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

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

**Changes in Net Position**

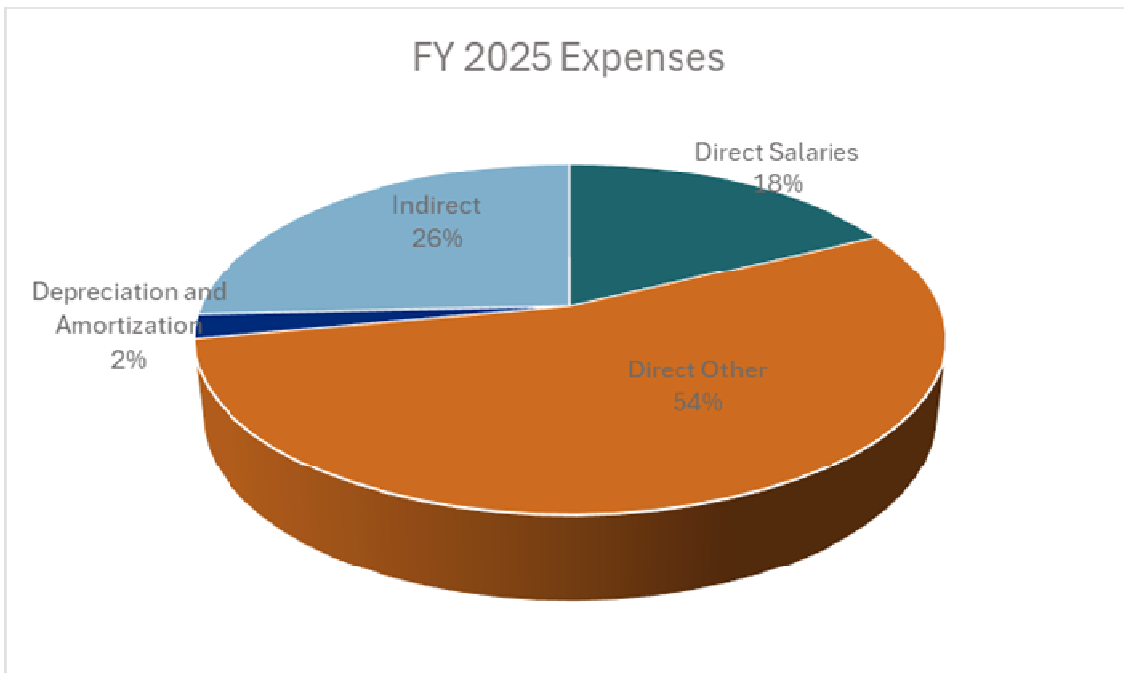
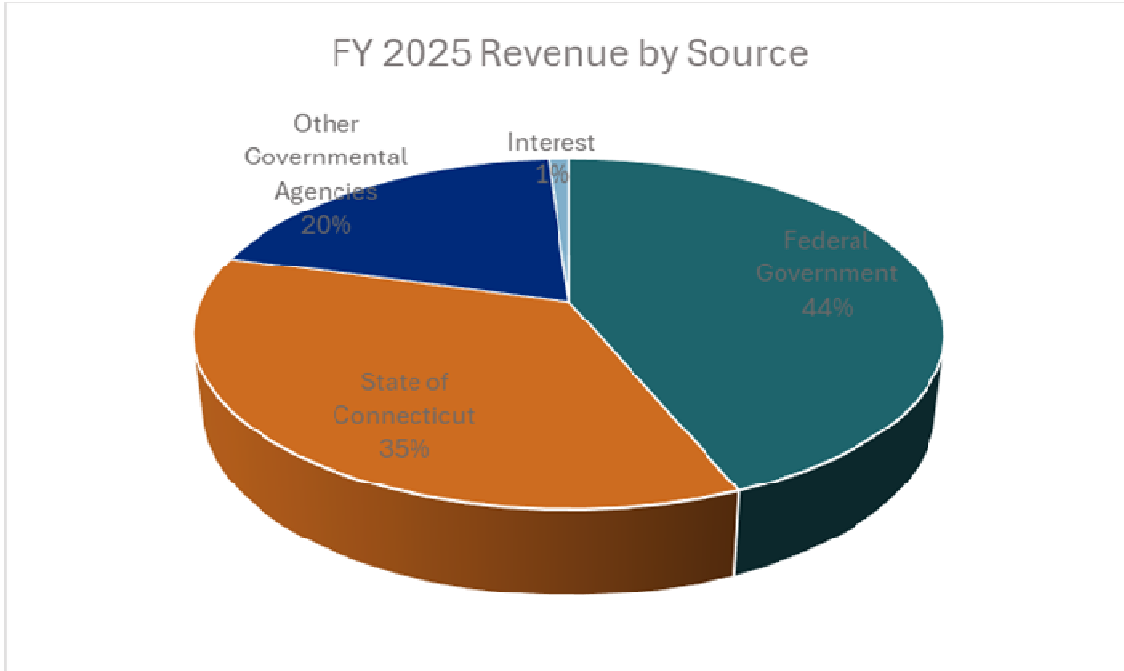
Changes in net position for the years ended June 30, 2025 and 2024, are as follows:

	Governmental Activities	
	2025	2024
<b>REVENUES</b>		
Federal Government	\$ 5,042,938	\$ 3,753,315
State of Connecticut	4,088,655	3,224,081
Other Governmental Agencies	2,262,866	1,829,198
Interest	123,497	110,241
Transfers	-	-
Total Revenues	<u>11,517,956</u>	<u>8,916,835</u>
<b>EXPENSES</b>		
Direct Salaries	1,918,182	1,695,844
Direct Other	5,883,193	4,078,999
Depreciation and amortization	237,579	135,714
Indirect	2,787,780	2,288,444
Total Expenses	<u>10,826,734</u>	<u>8,199,001</u>
<b>CHANGES IN NET POSITION</b>	691,222	717,834
Net Position - Beginning of Year	<u>5,949,951</u>	<u>5,232,117</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 6,641,173</u></u>	<u><u>\$ 5,949,951</u></u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

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

**Changes in Net Position (Continued)**



**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

**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 \$2,635,191, of which \$2,518,781 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 \$193,869. Unassigned fund balance was 12.99 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 \$1,229,352.

***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 \$4,055,511. At the end of the current fiscal year, there was no fund balance.

***Regional Services Grant***

CRCOG received \$1,356,407 in state funding during FY 2024-2025.

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, 2025, the Restricted Balance in the Special Projects Fund was \$2,158,220. 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, 2025**

***Regional Planning and Development Special Projects***

This fund is used for Regional Planning related Special Projects, which include multiple EPA grants for Brownfields, Climate Pollution Reduction Grant, DEEP Stormwater Authority Grant and others.

**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, 2025, totaled \$2,391,906 (net of accumulated depreciation and amortization). This investment in capital assets includes furniture and fixtures, computers and right to use assets.

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

	Governmental Activities	
	2025	2024
Furniture and Fixtures	\$ 216,766	\$ 258,085
Computers	52,880	66,306
Right-to-Use Asset	2,122,260	2,291,655
Totals	\$ 2,391,906	\$ 2,616,046

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 carryover funding and this effort continues through FY 2025-2026.
- IIJA increased CRCOG's portion of FHWA funding. CRCOG received a Safe Streets for All planning grant and will continue to apply for competitive funding opportunities.
- CRCOG's FHWA funding distribution remains consistent with FY 2024-2025.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

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

- In FFY 2022, CRCOG was granted a Congressionally Directed Funding through Congressman Courtney to support Crumbling Foundations in Eastern and Central Connecticut for low and moderate income families. CRCOG received these funds at the end of FY 2022-2023 and spending began in FY 2023-2024 and will continue throughout FY 2025-2026 and future years.

**State**

- In 2023-2024, Regional Services Grant increased significantly. As a result, CRCOG has added 2 additional full-time positions. 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.
- In the special session, the housing legislation included increased COG funding. CRCOG anticipates additional funding in 2025-2026 and beyond.

**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 economic studies, scenario planning and as a local match for other grants.
- 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, 350 Church St, Floor 3, Hartford, CT 06103.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
STATEMENT OF NET POSITION  
JUNE 30, 2025**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 5,587,718
Due from State of Connecticut	2,547,171
Other Receivables	631,335
Prepaid and Other Assets	116,410
Capital Assets, Net of Accumulated Depreciation and Amortization	<u>2,391,906</u>
Total Assets	<u>11,274,540</u>
<b>LIABILITIES</b>	
Accounts and Other Payables	1,766,230
Unearned Revenue	399,369
Noncurrent Liabilities:	
Due Within One Year	378,542
Due in More than One Year	<u>2,089,226</u>
Total Liabilities	<u>4,633,367</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	226,821
Restricted for:	
Grants	3,336,438
Unrestricted	<u>3,077,914</u>
Total Net Position	<u><u>\$ 6,641,173</u></u>

See accompanying Notes to Financial Statements.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

		Program Revenues			Net Revenue (Expense) and Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities: Regional Planning	<u>\$ 10,826,734</u>	<u>\$ 1,791,894</u>	<u>\$ 9,602,565</u>	<u>\$ -</u>	\$ 567,725
					<u>123,497</u>
					123,497
					<b>691,222</b>
					<u>5,949,951</u>
					<u><b>\$ 6,641,173</b></u>

See accompanying Notes to Financial Statements.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	General Fund	Municipal Services	Public Safety Programs	FHWA	Regional Services Grant	Special Projects	Regional Planning and Development Special Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 4,928,387	\$ -	\$ 659,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,587,718
Due from State of Connecticut	2,227	-	90,216	1,317,728	-	8,473	560,160	568,367	2,547,171
Other Receivables	-	157,635	-	-	-	-	-	473,700	631,335
Due from Other Funds	972,118	643,980	141,929	-	-	2,252,502	-	238,865	4,249,394
Prepaid and Other Assets	116,410	-	-	-	-	-	-	-	116,410
<b>Total Assets</b>	<b>\$ 6,019,142</b>	<b>\$ 801,615</b>	<b>\$ 891,476</b>	<b>\$ 1,317,728</b>	<b>\$ -</b>	<b>\$ 2,260,975</b>	<b>\$ 560,160</b>	<b>\$ 1,280,932</b>	<b>\$ 13,132,028</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ 8,903	\$ 65,645	\$ 223,330	\$ 591,084	\$ -	\$ 20,185	\$ 505,478	\$ 253,833	\$ 1,668,458
Accrued Payroll and Other Liabilities	97,772	-	-	-	-	-	-	-	97,772
Unearned Revenue	-	10,500	-	8,852	-	82,570	3,717	293,730	399,369
Due to Other Funds	3,277,276	-	-	717,792	-	-	50,965	203,361	4,249,394
<b>Total Liabilities</b>	<b>3,383,951</b>	<b>76,145</b>	<b>223,330</b>	<b>1,317,728</b>	<b>-</b>	<b>102,755</b>	<b>560,160</b>	<b>750,924</b>	<b>6,414,993</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable Revenue - Loans	-	-	-	-	-	-	-	470,972	470,972
<b>FUND BALANCES</b>									
Nonspendable	116,410	-	-	-	-	-	-	-	116,410
Restricted	-	-	668,146	-	-	2,158,220	-	39,100	2,865,466
Committed	-	725,470	-	-	-	-	-	19,936	745,406
Unassigned	2,518,781	-	-	-	-	-	-	-	2,518,781
<b>Total Fund Balances</b>	<b>2,635,191</b>	<b>725,470</b>	<b>668,146</b>	<b>-</b>	<b>-</b>	<b>2,158,220</b>	<b>-</b>	<b>59,036</b>	<b>6,246,063</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 6,019,142</b>	<b>\$ 801,615</b>	<b>\$ 891,476</b>	<b>\$ 1,317,728</b>	<b>\$ -</b>	<b>\$ 2,260,975</b>	<b>\$ 560,160</b>	<b>\$ 1,280,932</b>	<b>\$ 13,132,028</b>

See accompanying Notes to Financial Statements.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2025**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total Fund Balances - Governmental Funds (Exhibit III)	\$ 6,246,063
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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	2,833,611
Less: Accumulated Depreciation and Amortization	(441,705)
Net Capital Assets	2,391,906

Other long-term assets are not available to pay for current period expenditures and, therefore, are not recorded in the funds:

Loans Receivable - Accrual Basis Change	470,972
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated Absences	(302,683)
Lease Liability	(2,152,907)
Subscription Liability	(12,178)

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)	\$ 6,641,173
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**CAPITOL REGION COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

	General Fund	Municipal Services	Public Safety Programs	FHWA	Regional Services Grant	Special Projects	Regional Planning and Development Special Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>									
Federal Government	\$ -	\$ -	\$ 92,413	\$ 2,566,668	\$ -	\$ 108,924	\$ 1,633,917	\$ 641,016	\$ 5,042,938
State of Connecticut	-	-	834,472	1,107,140	1,356,407	83,803	-	720,392	4,102,214
Other Governmental Agencies	790,466	801,858	197,931	-	-	-	-	1,639	1,791,894
Interest Income	84,915	-	35,854	-	-	-	-	2,728	123,497
Total Revenues	875,381	801,858	1,160,670	3,673,808	1,356,407	192,727	1,633,917	1,365,775	11,060,543
<b>EXPENDITURES</b>									
Current:									
Direct Costs:									
Salaries	-	48,295	65,308	1,020,201	569,758	10,864	54,851	148,905	1,918,182
Other	193,869	375,203	1,070,133	1,590,898	36,777	264,071	1,500,365	1,020,557	6,051,873
Indirect	-	71,468	93,911	1,444,412	831,288	16,081	81,169	220,349	2,758,678
Total Expenditures	193,869	494,966	1,229,352	4,055,511	1,437,823	291,016	1,636,385	1,389,811	10,728,733
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	681,512	306,892	(68,682)	(381,703)	(81,416)	(98,289)	(2,468)	(24,036)	331,810
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers In	-	-	182	381,703	81,416	114,094	2,468	31,264	611,127
Transfers Out	(432,932)	(81,415)	-	-	-	(96,780)	-	-	(611,127)
Total Other Financing Sources (Uses)	(432,932)	(81,415)	182	381,703	81,416	17,314	2,468	31,264	-
<b>NET CHANGE IN FUND BALANCES</b>	248,580	225,477	(68,500)	-	-	(80,975)	-	7,228	331,810
Fund Balance - Beginning of Year	2,386,611	499,993	736,646	-	-	2,239,195	-	51,808	5,914,253
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,635,191</u>	<u>\$ 725,470</u>	<u>\$ 668,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,158,220</u>	<u>\$ -</u>	<u>\$ 59,036</u>	<u>\$ 6,246,063</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, 2025**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 331,810

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	13,439
Depreciation and Amortization Expense	(237,579)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Increase in Loans Receivable - Accrual Basis Change	470,972
Decrease in Grants Receivable - Accrual Basis Change	(13,559)

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:

Principal Payments on Leases	155,395
Principal Payments on Subscriptions	13,285

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	(42,541)
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Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$ 691,222
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**CAPITOL REGION COUNCIL OF GOVERNMENTS  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2025**

	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ -	\$ 266,402
Investments:		
Equity Mutual Funds	3,904,970	-
Contributions Receivable	20,941	-
Total Assets	<u>3,925,911</u>	<u>266,402</u>
<b>NET POSITION</b>		
Restricted for:		
Pension Benefits	3,925,911	-
Individual, Organizations, and Other Governments	<u>-</u>	<u>266,402</u>
Total Net Position	<u>\$ 3,925,911</u>	<u>\$ 266,402</u>

See accompanying Notes to Financial Statements.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2025**

	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>
<b>ADDITIONS:</b>		
Other Governmental Agencies	\$ -	\$ 19,182
Employer Contributions	272,536	-
Investment Income:		
Interest and Dividends	-	4,339
Net Increase (Decrease) in the Fair Value of Investments	391,805	-
Total Additions	<u>664,341</u>	<u>23,521</u>
<b>DEDUCTIONS:</b>		
Directs Costs - Other	<u>-</u>	<u>26,061</u>
<b>CHANGE IN NET POSITION</b>	664,341	(2,540)
Net Position - Beginning of Year	<u>3,261,570</u>	<u>268,942</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 3,925,911</u></u>	<u><u>\$ 266,402</u></u>

See accompanying Notes to Financial Statements.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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, 2025**

**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. Revenues that are not related to grants or contracts are considered available if they are collected within 180 days of the end of the current fiscal period. 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, 2025**

**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 right-to-use 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, 2025**

**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.

**Regional Planning and Development Special Projects**

This special revenue fund was established to enable CRCOG to fund regional planning related special projects. The major source of revenues are State and Federal Grants.

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, 2025**

**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, 2025**

**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**

The liability for compensated absences reported in the government-wide fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

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.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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

**J. Net Position**

Net Position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*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 or other liabilities 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.

**K. Fund Balance**

The classifications of fund balances are described as follows:

*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, 2025**

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

**K. Fund Balance (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.

**L. 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.

**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, 2025. CRCOG's budget includes the General Fund and all special revenue funds. The legal level of control is at the entity wide level. Budget overages in total were \$1,016,051 where were funded by unanticipated revenues.

CRCOG's primary funding sources are member government assessments and federal, state, and local grants with grant periods that may or may not coincide with CRCOG's fiscal year. These grants normally are for a 12-month period; however, they can be awarded for periods shorter or longer than 12 months.

Because of CRCOG's dependency on federal, state, and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. CRCOG's annual budget differs from that of a local government in two respects: 1) the uncertain nature of grant awards from other governmental entities, and 2) the conversion of grant budgets to a fiscal year basis.

The resultant final budget is subject to constant change within the fiscal year due to:

- Increases/decreases in actual grant awards from those estimated;
- Changes in grant periods;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards that fail to materialize.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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

**A. Budgetary Information (Continued)**

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.

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.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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

**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*, \$2,603,055 of CRCOG's bank balance of \$3,103,055 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 2,292,749
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Government's Name	<u>310,306</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 2,603,055</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, 2025, CRCOG's cash equivalents amounted to \$2,791,945. The entire balance consisted of investments in the State Treasurer's Short-Term Investment Fund (STIF). As of June 30, 2025, 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, 2025**

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

**B. Investments**

As of June 30, 2025, CRCOG had \$3,904,970 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, 2025, 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, 2025, valued using prices quoted in active markets for those securities.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated and Amortized:				
Furniture and Fixtures	\$ 299,394	\$ -	\$ -	\$ 299,394
Computers	115,778	13,439	-	129,217
Total Capital Assets Being Depreciated and Amortized	415,172	13,439	-	428,611
Less: Accumulated Depreciation and Amortization for:				
Furniture and Fixtures	(41,309)	(41,319)	-	(82,628)
Computers	(49,472)	(26,865)	-	(76,337)
Total Accumulated Depreciation and Amortization	(90,781)	(68,184)	-	(158,965)
Total Capital Assets Being Depreciated and Amortized, Net	324,391	(54,745)	-	269,646
Right-to-Use Lease Assets:				
Building	2,325,517	-	-	2,325,517
Equipment	26,735	-	-	26,735
Total Right-to-Use Lease Assets	2,352,252	-	-	2,352,252
Less Accumulated Amortization:				
Building	(77,585)	(150,016)	-	(227,601)
Equipment	(7,760)	(5,379)	-	(13,139)
Total Accumulated Amortization	(85,345)	(155,395)	-	(240,740)
Total Right-to-Use Lease Assets, Net	2,266,907	(155,395)	-	2,111,512
Subscription Based Information Technology Arrangement Assets Subscription Based Information Technology Arrangements	52,748	-	-	52,748
Less Accumulated Amortization:				
Subscription Based Information Technology Arrangements	(28,000)	(14,000)	-	(42,000)
Total Subscription Based Information Technology Arrangement Assets, Net	24,748	(14,000)	-	10,748
Total Governmental Activities Capital Assets, Net	<u>\$ 2,616,046</u>	<u>\$ (224,140)</u>	<u>\$ -</u>	<u>\$ 2,391,906</u>

Depreciation and amortization expense of \$237,579 was charged to regional planning function.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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

The interfund receivables and payables balance at June 30, 2025, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	FHWA	\$ 717,792
General Fund	Nonmajor Governmental Funds	203,361
General Fund	Regional Planning and Development Special Projects	50,965
Municipal Services	General Fund	643,980
Public Safety Programs	General Fund	141,929
Special Projects	General Fund	2,252,502
Nonmajor Governmental Funds	General Fund	238,865
Total		<u>\$ 4,249,394</u>

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

Interfund transfers for the year ended June 30, 2025, consisted of the following:

	Transfers In						Total Transfers Out
	FHWA	Regional Planning and Development Special Projects	Regional Services Grant	Special Projects	Public Safety Programs	Nonmajor Governmental	
Transfers Out:							
General Fund	\$ 203,508	\$ 2,468	\$ 81,416	\$ 114,094	\$ 182	\$ 31,264	\$ 432,932
Special Projects	96,780	-	-	-	-	-	96,780
Municipal Services	81,415	-	-	-	-	-	81,415
Total Transfers In	<u>\$ 381,703</u>	<u>\$ 2,468</u>	<u>\$ 81,416</u>	<u>\$ 114,094</u>	<u>\$ 182</u>	<u>\$ 31,264</u>	<u>\$ 611,127</u>

Transfers are for regularly recurring operational transfers.

**NOTE 6 UNEARNED REVENUE**

The unearned revenue at June 30, 2025, consisted of the following:

	FHWA	Municipal Services	Special Projects	Regional Planning and Development Special Projects	Nonmajor Governmental	Total Unearned Revenue
Grants	<u>\$ 8,852</u>	<u>\$ 10,500</u>	<u>\$ 82,570</u>	<u>\$ 3,717</u>	<u>\$ 293,730</u>	<u>\$ 399,369</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 260,142	\$ 42,541	\$ -	\$ 302,683	\$ 202,774
Lease Liability	2,308,302	-	(155,395)	2,152,907	163,590
Subscriptions Liability	25,463	-	(13,285)	12,178	12,178
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 2,593,907</u>	<u>\$ 42,541</u>	<u>\$ (168,680)</u>	<u>\$ 2,467,768</u>	<u>\$ 378,542</u>

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 12,000 sq. ft. of office space located on the third floor of a building situated at 350 Church Street, Hartford, Connecticut. The lease commenced on March 11, 2024 and will expire on January 31, 2035.

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>
2026	\$ 163,590	\$ 109,038
2027	178,237	100,071
2028	193,512	90,157
2029	200,867	79,729
2030	215,952	68,712
2031 - 2035	1,200,749	148,399
Total Minimum Lease Payments	<u>\$ 2,152,907</u>	<u>\$ 596,106</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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, 2025, SBITA assets and the related accumulated amortization totaled \$52,748 and \$42,000, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u> 2026	Governmental Activities	
	Principal	Interest
Total Minimum SBITA Payments	\$ 12,178	\$ 187

**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 2024-2025 policy year, reinsurance covered all claims in excess of \$1,000,000 per occurrence without limitation on the excess.

The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining, CRCOG cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming.

CRCOG continues to carry commercial insurance coverage for all other risks of loss, including commercial liability and automobile and employee dishonesty coverage. CRCOG does not receive any noncash insurance benefits from the federal government as part of any grant program. Settled claims have not exceeded insurance coverage for any of the past three fiscal years.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2025, are as follows:

	General Fund	Special Projects	Public Safety Programs	Municipal Services	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Prepays	\$ 116,410	\$ -	\$ -	\$ -	\$ -	\$ 116,410
Restricted for:						
Grants	-	2,158,220	668,146	-	39,100	2,865,466
Committed to:						
Local Governments Programs	-	-	-	-	19,936	19,936
Capital Projects	-	-	-	725,470	-	725,470
Unassigned	2,518,781	-	-	-	-	2,518,781
Total Fund Balances	<u>\$ 2,635,191</u>	<u>\$ 2,158,220</u>	<u>\$ 668,146</u>	<u>\$ 725,470</u>	<u>\$ 59,036</u>	<u>\$ 6,246,063</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 standalone 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 29 plan members as of June 30, 2025. Employer contributions totaled \$272,536 for the year ended June 30, 2025.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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, 2025:

Investments:			
Fidelity International Index	\$	306,506	1FSPSX
AB Large Cap Growth Z		320,894	1APGZX
Fidelity 500 Index		971,478	1FXAIX
Vanguard Equity-Income ADM		266,778	1VEIRX
TCW Metwest Total Return Bond Plan		759,171	1MWTSX
Guaranteed Interest Fund		245,266	1GWGIF

**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.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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 has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, CRCOG management believes such disallowances, if any, will not be material.

**NOTE 13 ACCOUNTING CHANGES**

**A. Changes within Financial Reporting Entity**

Change in Fund Presentation from Major to Nonmajor

The FHWA Corridor Studies Fund previously met the criteria to be reported as a major governmental fund. However, effective July 1, 2024, the fund no longer met the criteria to be reported as a major fund and is reported as a nonmajor fund for the fiscal year ended June 30, 2025. There was no correction to fund balance needed.

Change in Fund Presentation from Nonmajor to Major

The Policy and Planning Special Projects Fund previously met the criteria to be reported as a nonmajor governmental fund. However, effective July 1, 2024, the fund no longer met the criteria to be reported as a nonmajor fund and is reported as a major fund for the fiscal year ended June 30, 2025. There was no correction to fund balance needed.

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND AND SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Federal Government	\$ 6,039,151	\$ 6,039,151	\$ 5,042,938	\$ (996,213)
State of Connecticut	2,812,841	2,812,841	4,102,214	1,289,373
Other Governmental Agencies	1,120,679	1,120,679	1,791,894	671,215
Interest Income	-	-	123,497	123,497
Total Revenues	9,972,671	9,972,671	11,060,543	1,087,872
<b>EXPENDITURES</b>				
Direct:				
Salaries	2,295,826	2,295,826	2,371,035	(75,209)
Publication, Dues	33,185	33,185	31,126	2,059
Advertising	17,800	17,800	11,716	6,084
Reproduction and Printing	5,250	5,250	-	5,250
Recruitment	6,500	6,500	-	6,500
Computer, Software, and Upgrades	24,200	24,200	46,281	(22,081)
Subscription Software	65,375	65,375	37,728	27,647
Equipment Maintenance - Gis	7,500	7,500	5,608	1,892
Legal	11,500	11,500	2,835	8,665
Supplies, Postage, and Other	7,450	7,450	13,473	(6,023)
Legislative Liaison	32,500	32,500	33,708	(1,208)
Equipment	50,400	50,400	336,869	(286,469)
Furniture and Furnishings	60,000	60,000	245	59,755
Food	9,000	9,000	6,291	2,709
Mileage and Parking	6,250	6,250	14,792	(8,542)
Consultants and Professional Services	47,250	47,250	216,985	(169,735)
Training and Tuition Reimbursement	4,500	4,500	8,584	(4,084)
Conferences, Training and Workshops	110,350	110,350	56,039	54,311
Refund	-	-	128,850	(128,850)
Rentals	1,000	1,000	500	500
Annual Meetings	15,000	15,000	9,177	5,823
Network Services	-	-	60,702	(60,702)
Crumbling Foundation	100,000	100,000	82,003	17,997
Other Miscellaneous Expenditures	-	-	75,177	(75,177)
Systems Maintenance	-	-	25,500	(25,500)
Interpreter for the Deaf	1,000	1,000	-	1,000
Language Interpreter	1,000	1,000	-	1,000
Language Translation	2,500	2,500	1,275	1,225
CRCOG Foundation Passthrough	150	150	105	45
Contractual	4,448,210	4,448,210	4,846,964	(398,754)

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND AND SPECIAL REVENUE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Indirect:				
Management Support Salaries	\$ 712,002	\$ 712,002	\$ 603,739	\$ 108,263
Fringe Benefits and Payroll Taxes	1,167,192	1,167,192	1,178,322	(11,130)
Severance	-	-	51,150	(51,150)
Rent, Maintenance, and Utilities	10,000	10,000	1,028	8,972
Leases	270,000	270,000	274,270	(4,270)
Storage & Moving	43,000	43,000	796	42,204
Accounting and Audit	37,000	37,000	43,400	(6,400)
Insurance	10,000	10,000	37,537	(27,537)
Office Supplies and Expenditures	1,000	1,000	9,575	(8,575)
Reproduction and Printing	2,500	2,500	1,430	1,070
Payroll Processing	9,000	9,000	9,728	(728)
Equipment	5,220	5,220	662	4,558
Computer Services	45,000	45,000	54,129	(9,129)
Subscription Software	10,000	10,000	8,944	1,056
Telephone	11,000	11,000	7,296	3,704
Publication and Dues	7,372	7,372	8,109	(737)
Section 125 Administration	1,200	1,200	1,225	(25)
Legal Services	2,500	2,500	10,637	(8,137)
Pension Administration	5,000	5,000	3,188	1,812
Total Expenditures	<u>9,712,682</u>	<u>9,712,682</u>	<u>10,728,733</u>	<u>(1,016,051)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	259,989	259,989	331,810	71,821
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	611,127	611,127
Transfers Out	-	-	(611,127)	(611,127)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 259,989</u>	<u>\$ 259,989</u>	331,810	<u>\$ 71,821</u>
Fund Balances - Beginning of Year			<u>5,914,253</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 6,246,063</u>	

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	Local Government Programs	Homeland Security Program	Regional Performance Incentive Program	FHWA Corridor Studies	Brownfields Program Fund	DEEP Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>							
Due from State of Connecticut	\$ -	\$ 343,912	\$ 63,492	\$ 1,487	\$ -	\$ 159,476	\$ 568,367
Other Receivables	-	-	-	-	473,700	-	473,700
Due from Other Funds	20,301	-	-	218,564	-	-	238,865
	<u>20,301</u>	<u>-</u>	<u>-</u>	<u>218,564</u>	<u>-</u>	<u>-</u>	<u>238,865</u>
Total Assets	<u>\$ 20,301</u>	<u>\$ 343,912</u>	<u>\$ 63,492</u>	<u>\$ 220,051</u>	<u>\$ 473,700</u>	<u>\$ 159,476</u>	<u>\$ 1,280,932</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 365	\$ 104,352	\$ 31,746	\$ 66,372	\$ -	\$ 50,998	\$ 253,833
Unearned Revenue	-	38,547	-	153,679	-	101,504	293,730
Due to Other Funds	-	164,641	31,746	-	-	6,974	203,361
Total Liabilities	<u>365</u>	<u>307,540</u>	<u>63,492</u>	<u>220,051</u>	<u>-</u>	<u>159,476</u>	<u>750,924</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Loans	-	-	-	-	470,972	-	470,972
<b>FUND BALANCES</b>							
Restricted	-	36,372	-	-	2,728	-	39,100
Committed	19,936	-	-	-	-	-	19,936
Total Fund Balances	<u>19,936</u>	<u>36,372</u>	<u>-</u>	<u>-</u>	<u>2,728</u>	<u>-</u>	<u>59,036</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,301</u>	<u>\$ 343,912</u>	<u>\$ 63,492</u>	<u>\$ 220,051</u>	<u>\$ 473,700</u>	<u>\$ 159,476</u>	<u>\$ 1,280,932</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025**

	Local Government Programs	Homeland Security Program	Regional Performance Incentive Program	FHWA Corridor Studies	Brownfields Program Fund	DEEP Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>							
Federal Government	\$ -	\$ 613,668	\$ -	\$ 27,348	\$ -	\$ -	\$ 641,016
State of Connecticut	-	-	74,074	436,892	-	209,426	720,392
Other Governmental Agencies	-	-	-	-	-	1,639	1,639
Interest Income	-	-	-	-	2,728	-	2,728
Total Revenues	<u>-</u>	<u>613,668</u>	<u>74,074</u>	<u>464,240</u>	<u>2,728</u>	<u>211,065</u>	<u>1,365,775</u>
<b>EXPENDITURES</b>							
Current:							
Direct Costs:							
Salaries	-	29,153	2,730	92,500	-	24,522	148,905
Other	11,292	537,059	74,074	245,594	-	152,538	1,020,557
Indirect Costs	-	43,136	4,041	136,882	-	36,290	220,349
Total Expenditures	<u>11,292</u>	<u>609,348</u>	<u>80,845</u>	<u>474,976</u>	<u>-</u>	<u>213,350</u>	<u>1,389,811</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(11,292)	4,320	(6,771)	(10,736)	2,728	(2,285)	(24,036)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	11,292	180	6,771	10,736	-	2,285	31,264
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>11,292</u>	<u>180</u>	<u>6,771</u>	<u>10,736</u>	<u>-</u>	<u>2,285</u>	<u>31,264</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	4,500	-	-	2,728	-	7,228
Fund Balances - Beginning of Year	<u>19,936</u>	<u>31,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,808</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 19,936</u>	<u>\$ 36,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,728</u>	<u>\$ -</u>	<u>\$ 59,036</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
INDIRECT RATE CALCULATION  
YEAR ENDED JUNE 30, 2025**

**INDIRECT COSTS**

Management Support Salaries	\$ 603,739
Fringe Benefits and Payroll Taxes	1,178,322
Compensated Absences	452,851
Severance	51,150
Rent, Maintenance, and Utilities	1,028
Storage and Moving	796
Copier/Postage Machine	662
Accounting, Audit, and Pension Services	43,400
Insurance	37,537
Office Supplies and Expense	9,575
Reproduction and Printing	1,430
Payroll Processing	9,728
Equipment	662
Computer Services	54,129
Subscription Software	8,944
Telephone	7,296
Publication and Dues	8,109
Legal Services	10,637
Pension Administration	3,188
Section 125 Admin	1,225
Subtotal	2,484,408
Lease Amortization Expense	155,395
Depreciation Expense Allocation	68,185
Total Indirect Costs	\$ 2,707,988
Total Payroll	\$ 2,974,772
Less: Indirect Payroll	603,739
Less: Compensated Absences	452,851
Total Payroll Base	\$ 1,918,182
Indirect Cost Rate	141.17%

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
FINANCIAL SUMMARY FOR THE STATE OF CONNECTICUT  
DEPARTMENT OF TRANSPORTATION  
YEAR ENDED JUNE 30, 2025**

	FHWA 11.6-01 (07)	FHWA/FTA PL FY20 Carryover 11.6-01 (07)	Microgrant PAL 2	Microgrant PAL 3	Microgrant PAL 4	Microgrant PAL 5	Route 44 Corridor Study	LOTICIP Admin
<b>Maximum Funds Authorized</b>								
FHWA	\$ 2,259,118	\$ 1,167,639	\$ -	\$ -	\$ -	\$ -	\$ 143,149	\$ -
Conn-DOT - FHWA	282,390	145,955	-	-	-	-	17,894	-
Conn-DOT - FTA	-	-	19,976	74,594	4,686	48,339	-	4,122,090
Local	282,390	145,955	-	-	-	-	17,894	-
Total Maximum Funds Authorized	<u>\$ 2,823,898</u>	<u>\$ 1,459,549</u>	<u>\$ 19,976</u>	<u>\$ 74,594</u>	<u>\$ 4,686</u>	<u>\$ 48,339</u>	<u>\$ 178,937</u>	<u>\$ 4,122,090</u>
<b>Authorized Expenditures</b>								
Direct Costs:								
Salaries	\$ 914,905	\$ 78,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 837,409
Other	480,923	188,766	19,976	74,594	4,686	48,339	178,895	1,840,233
Indirect Costs	1,291,572	110,981	-	-	-	-	-	1,290,769
Total Authorized Expenditures	<u>\$ 2,687,400</u>	<u>\$ 378,363</u>	<u>\$ 19,976</u>	<u>\$ 74,594</u>	<u>\$ 4,686</u>	<u>\$ 48,339</u>	<u>\$ 178,895</u>	<u>\$ 3,968,411</u>
<b>Distribution of Audited Costs</b>								
FHWA	\$ 2,149,920	\$ 302,691	\$ -	\$ -	\$ -	\$ -	\$ 143,116	\$ -
Conn-DOT - FHWA	268,740	37,836	-	-	-	-	17,889	-
Conn-DOT - FTA	-	-	19,976	74,594	4,686	48,339	-	3,968,411
Local	268,740	37,836	-	-	-	-	17,890	-
Total Distribution of Audited Costs	<u>\$ 2,687,400</u>	<u>\$ 378,363</u>	<u>\$ 19,976</u>	<u>\$ 74,594</u>	<u>\$ 4,686</u>	<u>\$ 48,339</u>	<u>\$ 178,895</u>	<u>\$ 3,968,411</u>
<b>Conn-DOT Responsibility</b>								
FHWA	\$ 2,149,920	\$ 302,691	\$ -	\$ -	\$ -	\$ -	\$ 143,116	\$ -
Conn-DOT - FHWA	268,740	37,836	-	-	-	-	17,889	-
Conn-DOT - FTA	-	-	19,976	74,594	4,686	48,339	-	3,968,411
Total Conn-DOT Responsibility	<u>2,418,660</u>	<u>340,527</u>	<u>19,976</u>	<u>74,594</u>	<u>4,686</u>	<u>48,339</u>	<u>161,005</u>	<u>3,968,411</u>
<b>Payments Received</b>								
Payments Received Through June 30, 2025	1,910,384	-	19,976	74,594	4,686	48,339	159,518	4,122,090
Payments Received After June 30, 2025	631,124	345,989	-	-	-	-	1,487	-
Total Payments Received	<u>2,541,508</u>	<u>345,989</u>	<u>19,976</u>	<u>74,594</u>	<u>4,686</u>	<u>48,339</u>	<u>161,005</u>	<u>4,122,090</u>
Due from (to) Conn-DOT	<u>\$ (122,848)</u>	<u>\$ (5,462)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (153,679)</u>

**CAPITOL REGION COUNCIL OF GOVERNMENTS  
SCHEDULE OF SOURCES AND USES – LOCAL ASSESSMENTS  
YEAR ENDED JUNE 30, 2025**

**SOURCES**

Local Assessments	\$ 782,730	
Local Government Programs	<u>69,390</u>	
Total Sources		<u><u>\$ 852,120</u></u>

**USES**

Fund Transfers:		
Transportation (Match Requirements)	\$ 309,671	
Regional Solid Waste Management	<u>100,000</u>	
Total Fund Transfers		409,671
Council Administration:		
Direct Expenditures	\$ 193,869	
Use of Fund Balance	<u>248,580</u>	
Total Council Administration		<u>442,449</u>
Total Uses		<u><u>\$ 852,120</u></u>



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