

NORTHWEST COLORADO COUNCIL OF GOVERNMENTS

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
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YEAR ENDED DECEMBER 31, 2017**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Northwest Colorado Council of Governments
Silverthorne, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Northwest Colorado Council of Governments, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Northwest Colorado Council of Governments as of December 31, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northwest Colorado Council of Government's basic financial statements. The schedule of expenditures of federal awards and the schedules of revenues, expenditures and changes in fund balance – budget and actual – general fund (by program) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the schedules of revenues, expenditures and changes in fund balance – budget and actual – general fund (by program) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedules of revenues, expenditures and changes in fund balance – budget and actual – general fund (by program) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the of the Northwest Colorado Council of Governments as of and for the year ended December 31, 2016, and have issued our report thereon dated May 18, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund.

The budgetary schedules for the major funds 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 accounts and other records used to prepare the 2016 financial statements. The budgetary schedules have been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounts and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2016.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2018, on our consideration of the Northwest Colorado Council of Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Northwest Colorado 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 Northwest Colorado Council of Government's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
April 17, 2018

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

As management of the Northwest Colorado Council of Governments (the Council), Silverthorne, Colorado, we offer readers of the Council's basic financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended December 31, 2017.

Financial Highlights

- The assets of the Council exceeded its liabilities at the close of 2017 by \$3,098,644. Of this total, \$2,843,893, or 92%, is unrestricted and may be used to meet the Council's obligations to the public and creditors.
- The Council's total net position increased \$619,396.
- The total cost of the Council's programs decrease \$133,818 or 3%, compared to 2016.
- Total revenues increased \$180,121, or 3%, compared to 2016.
- The General Fund reported a fund balance of \$893,093 as of December 31, 2017, an increase of \$216,879. Approximately 88% of the General Fund balance is assigned.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council'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 the schedule of expenditures of federal awards and schedules of revenues, expenditures and changes in fund balance for each program of the Council in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information on all of the Council'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 the Council is improving or deteriorating.

The *statement of activities* presents information showing how the Council'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., unused compensated absences).

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. The Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Governmental Funds. *Governmental funds* are used to account for essentially the same functions 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 year. Such information may be useful in evaluating a government'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 the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Council maintains three governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the Northwest Loan Fund and the Northwest Colorado Council of Governments (NWCCOG) Foundation, which are considered to be major funds.

The Council adopts annual appropriated budgets for all of its Funds. Budgetary comparison schedules have been provided for the major funds to demonstrate compliance with the budget.

Notes to the Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the Council. The Council adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund, the Northwest Loan Fund and the Northwest Colorado Council of Governments Foundation Fund.

Supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain reports required by the Uniform Grant Guidance in accordance with 2 CFR 200.516(a) as well as the schedules of revenues, expenditures and changes in fund balance for each program administered by the Council.

Government-wide Financial Analysis

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The analysis below focuses on the net position and changes in net position of the Council's governmental activities. At the end of the current fiscal year, the Council is able to report positive balances in all categories of net position for each major fund.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Table 1 presents an analysis of the Council's net position as of December 31, 2017. The Council's assets exceeded liabilities by \$3,098,644 at the close of 2017. Total net position increased by \$619,396 in 2017. The increase is comprised of the following:

- Total assets increased \$708,757 to \$4,363,885. This mainly included an increase in cash from \$556,386 in 2016 to \$1,087,900 in 2017 due to higher revenue and lower expense in 2017.
- Total liabilities increased \$89,361 to \$1,265,241. This change included an increase of \$95,360 in unearned revenue related to grants.

Table 1
Northwest Colorado Council of Governments
Summary of Net Position

	Governmental Activities	
	2017	2016
Assets		
Current and Other Assets	\$ 3,618,986	\$ 2,808,716
Capital Assets	744,899	846,412
Total Assets	4,363,885	3,655,128
Liabilities		
Current Liabilities	749,909	644,657
Long-Term Liabilities	515,332	531,223
Total Liabilities	1,265,241	1,175,880
Net Position		
Net Investment in Capital Assets	213,677	299,299
Restricted	41,074	40,645
Unrestricted	2,843,893	2,139,304
Total Net Position	\$ 3,098,644	\$ 2,479,248

The largest portion of the Council's net position amounting to \$2,844,322 (92%) is unrestricted and may be used to meet its obligations to the public and creditors.

Analysis of Changes in Net Position

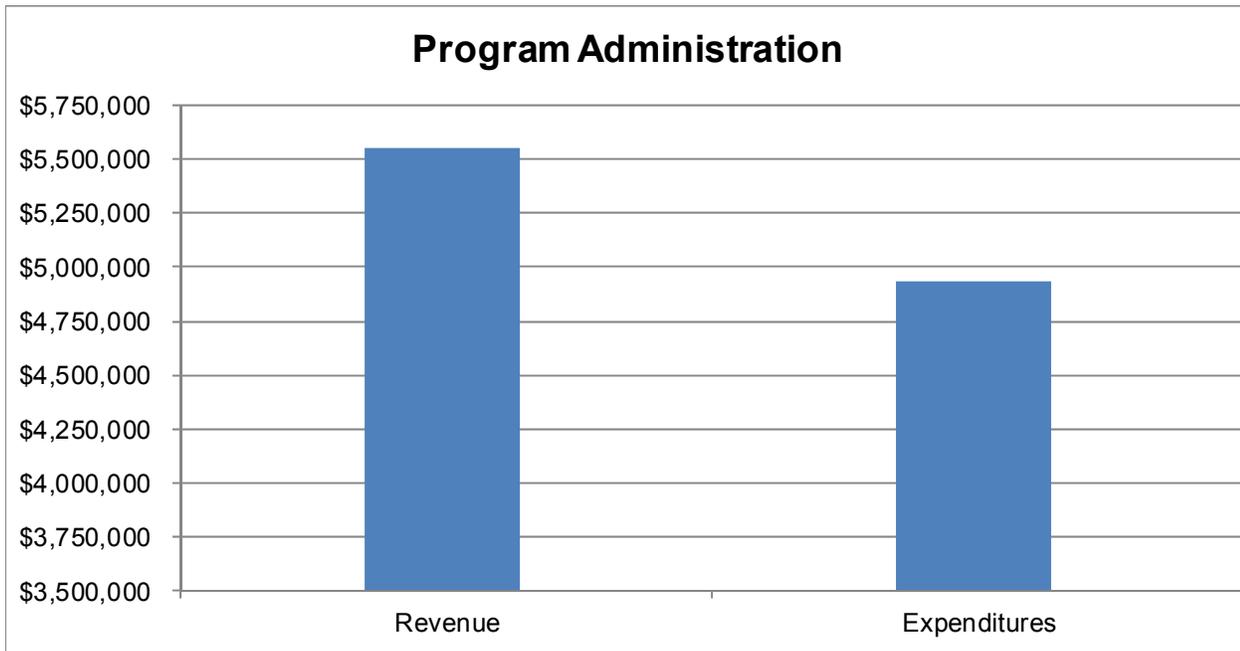
As presented in Table 2, the Council's overall net position increased \$619,396 compared to an increase of \$305,457 during 2016. Governmental revenues increased \$180,121 or 3% compared to 2016. The increase was due primarily to increases in elevator inspection fees. Governmental expenses decreased \$133,818, or 3% from 2016, primarily due to an decrease in wages and benefits and pass-through funds.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Table 2
Northwest Colorado Council of Governments
Summary of Changes in net Position
For Years as Stated

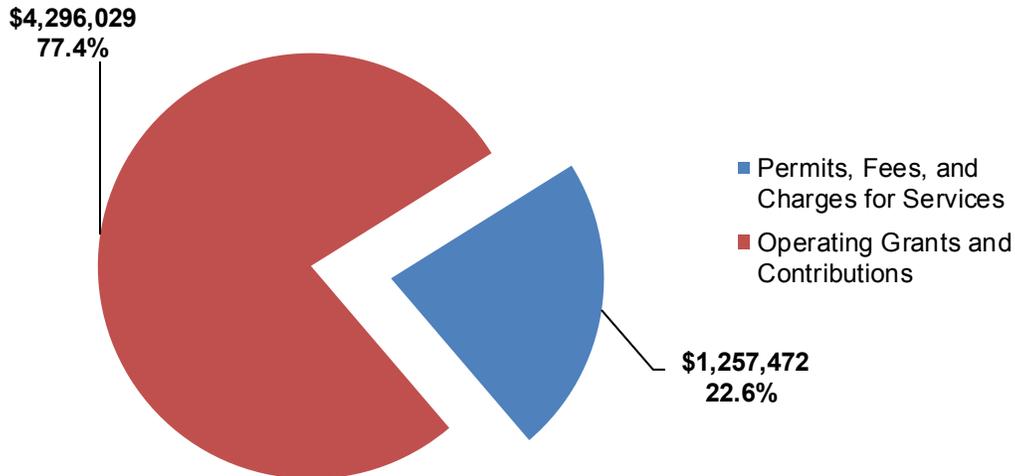
	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Revenues		
Program Revenues		
Permits, Fees, and Charges for Services	\$ 1,257,472	\$ 1,064,689
Operating Grants and Contributions	4,296,029	4,308,691
Total Revenues	<u>5,553,501</u>	<u>5,373,380</u>
Expenses		
Program Expenses	<u>4,934,105</u>	<u>5,067,923</u>
Total Expenses	<u>4,934,105</u>	<u>5,067,923</u>
Change in Net Position	619,396	305,457
Net Position - Beginning of Year	<u>2,479,248</u>	<u>2,173,791</u>
Net Position - End of Year	<u>\$ 3,098,644</u>	<u>\$ 2,479,248</u>

The following graphs provide visual representations of the expenses and revenues for governmental activities for 2017.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Revenues by Source - Governmental Activities



Financial Analysis of the Council's Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Council's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. This information is necessary to assess the Council's financing requirements. Types of governmental funds reported by the Council include the General Fund, the Loan Fund and the Northwest Colorado Council of Governments Foundation. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

The General Fund is the primary operating fund of the Council. At December 31, 2017, the General Fund reported ending fund balances of \$893,093, an increase of \$216,879 compared to 2016.

Management and the Board of Directors have assigned approximately 88% of the fund balance as follows:

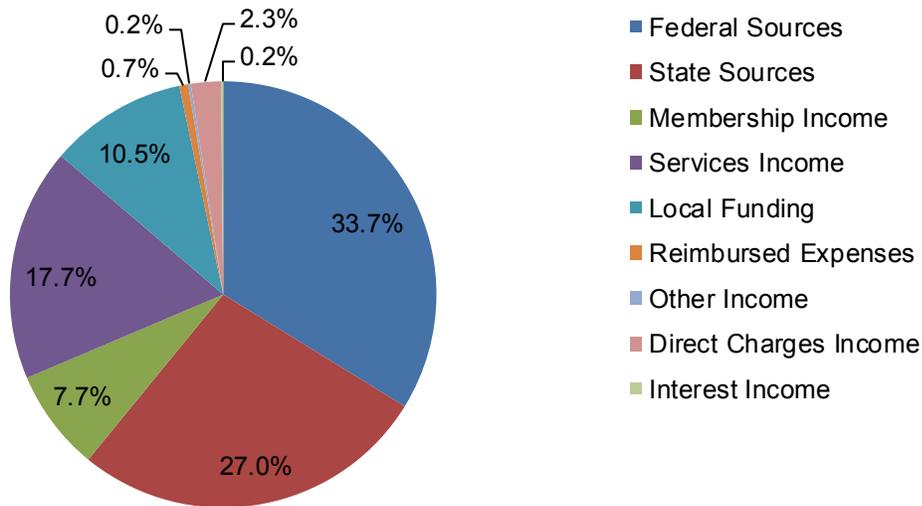
	Balance December 31, 2016	Additions/ Deletions	Balance December 31, 2017
Alpine Area Agency for Aging	\$ 2,703	\$ 11,659	\$ 14,362
Elevator Inspection Program	22,500	-	22,500
Water Quality & Quantity Program	110,582	2,705	113,287
Indirect	639	(639)	-
Summit Water Quality Committee	-	32,746	32,746
Weatherization	-	50,679	50,679
Office Condo	31,686	9,736	41,422
Motor Pool	73,921	19,741	93,662
Emergency Cash Reserve	419,049	-	419,049
	<u>\$ 661,080</u>	<u>\$ 126,627</u>	<u>\$ 787,707</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

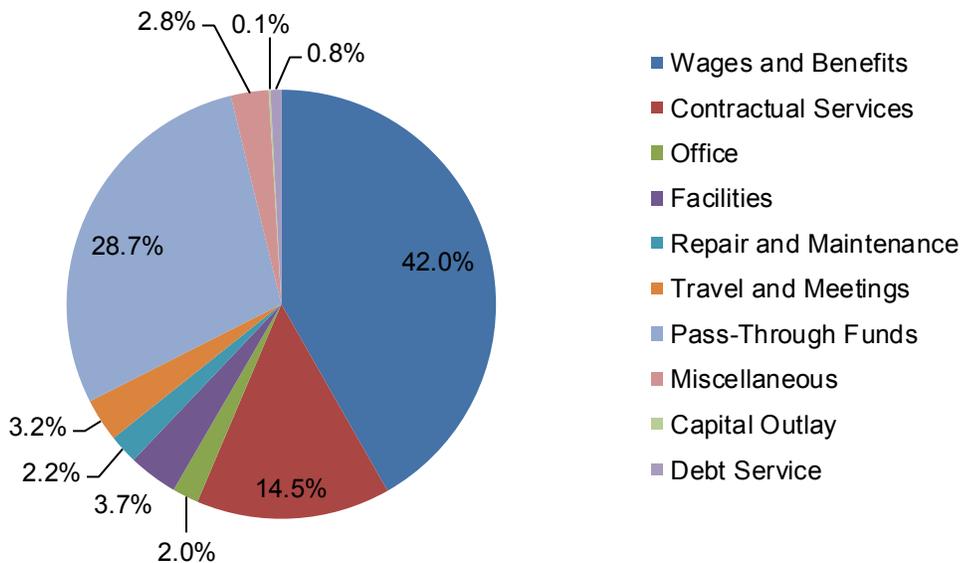
As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 19.0% of total General Fund expenditures compared to 13.9% in 2016.

The following graphs provide visual representations of the expenditures and revenues for the General Fund for 2017.

Revenues by Source - General Fund



Expenditures by Function - General Fund



The Northwest Loan Fund ended the year with a fund balance of \$1,989,476 compared to \$1,504,214 at the end of 2016, an increase of \$485,262 compared to \$367,724 in 2016. This was the result of \$554,706 in grants from the State of Colorado Office of Economic Development and International Trade, a \$102,306 increase from 2016. The fund has \$842,962 of cash and is servicing \$1,079,526 of loans receivable.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

The Northwest Colorado Council of Governments Foundation fund ended the year with a fund balance of \$33,318. During 2017, the Foundation recorded \$41,365 in revenues. The fund expended \$79,526 during the year.

General Fund Budgetary Highlights

Budgetary comparison schedules are presented as required supplementary information. Actual revenues were \$4,920,173, \$195,499 more than projected. Actual expenditures were \$4,703,294, \$196,816 more than budgeted.

Capital Assets and Debt Administration

Capital Assets

The Council's investment in capital assets as of December 31, 2017 amounts to \$744,899 (net of accumulated depreciation).

	<u>2017</u>	<u>2016</u>
Building	\$ 498,112	\$ 514,997
Building Improvements	28,947	31,538
Vehicles	120,352	189,343
Furniture and Equipment	97,488	110,534
	<u>\$ 744,899</u>	<u>\$ 846,412</u>

Additional information on capital assets can be found in the notes to the financial statements (Note 4).

Debt Administration

The Council had total long term obligations of \$609,777 as follows:

	<u>2017</u>	<u>2016</u>
Building Loan	\$ 531,222	\$ 547,113
Compensated Absences	78,555	71,958
	<u>\$ 609,777</u>	<u>\$ 619,071</u>

Additional information on long-term obligations can be found in the notes to the financial statements (Note 5).

Economic Factors and Next Year's Budgets and Rates

Decisions made at the federal and state levels regarding funding for regional programs will likely affect some of NWCCOG's programs in 2017. NWCCOG is prepared to make the appropriate adjustments to expenses in affected programs to remain aligned with the available funding as these decisions are made. NWCCOG will continue its current programs in 2017 and pursue new programs or projects at the direction of the NWCCOG Council.

Requests for Information

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Northwest Colorado Council of Governments, 249 Warren Avenue, Silverthorne, Colorado 80498.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	2017
ASSETS	
Cash	\$ 1,072,558
Cash - Restricted	15,342
Investments	298,946
Investments - Restricted	479,152
Accounts Receivable	161,899
Grants Receivable	509,902
Prepaid Items	1,596
Inventory	65
Loans Receivable	1,079,526
Capital Assets, Net of Accumulated Depreciation	744,899
Total Assets	4,363,885
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts Payable	139,389
Loan Collateral	15,342
Accrued Salaries and Withholdings	77,739
Unearned Revenue	422,994
Noncurrent Liabilities	
Due Within One Year	94,445
Due in More than One Year	515,332
Total Liabilities	1,265,241
NET POSITION	
Net Investment in Capital Assets	213,677
Restricted	41,074
Unrestricted	2,843,893
Total Net Position	\$ 3,098,644

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Function/Program Activities	Expenses	Program Revenues		Net (Expense)
		Fees and Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Total Governmental Activities
Governmental Activities				
Regional Business	\$ 547,901	\$ 257,290	\$ 294,161	\$ 3,550
Alpine Area Agency for Aging	1,152,024	-	1,167,008	14,984
Connect for Health Colorado	7,051	-	7,112	61
Economic Development District	328,931	-	335,339	6,408
Elevator Inspection Program	597,973	848,658	-	250,685
Energy Management	1,022,233	-	1,039,375	17,142
Regional Coordinating Council	599,339	-	618,030	18,691
Watershed Services	28,235	-	17,978	(10,257)
Emergency Management	111,855	-	112,915	1,060
Summitt Water Quality	38,463	-	35,441	(3,022)
Water Quality/Quantity	151,015	151,524	2,589	3,098
Northwest Loan Fund	139,454	-	624,716	485,262
NWCCOG Foundation, Inc.	79,526	-	41,365	(38,161)
Interest on Long Term Debt	22,269	-	-	(22,269)
Unallocated Depreciation	107,836	-	-	(107,836)
Total Governmental Activities	\$ 4,934,105	\$ 1,257,472	\$ 4,296,029	619,396
				Change in Net Position 619,396
				Net Position - Beginning of Year 2,479,248
				Net Position - End of Year <u>\$ 3,098,644</u>

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	General Fund	Northwest Loan Fund	NWCCOG Foundation	Total
ASSETS				
Cash	\$ 211,620	\$ 827,620	\$ 33,318	\$ 1,072,558
Cash - Restricted	-	15,342	-	15,342
Investments	298,946	-	-	298,946
Investments - Restricted	479,152	-	-	479,152
Accounts Receivable	161,899	-	-	161,899
Grants Receivable	427,542	82,360	-	509,902
Prepaid Items	1,596	-	-	1,596
Inventory	65	-	-	65
Loans Receivable	-	1,079,526	-	1,079,526
Total Assets	<u>\$ 1,580,820</u>	<u>\$ 2,004,848</u>	<u>\$ 33,318</u>	<u>\$ 3,618,986</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Accounts Payable	\$ 139,359	\$ 30	\$ -	\$ 139,389
Loan Collateral	-	15,342	-	15,342
Accrued Salaries and Withholdings	77,739	-	-	77,739
Unearned Revenue	422,994	-	-	422,994
Total Liabilities	<u>640,092</u>	<u>15,372</u>	<u>-</u>	<u>655,464</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred - Unavailable revenue	47,635	-	-	47,635
Total Deferred Inflows of Resources	<u>47,635</u>	<u>-</u>	<u>-</u>	<u>47,635</u>
FUND BALANCES				
Nonspendable				
Inventory	65	-	-	65
Prepaid Items	1,596	-	-	1,596
Restricted				
USDA Loan Reserve	41,074	-	-	41,074
Assigned				
Alpine Area Agency for Aging	14,362	-	-	14,362
Elevator Inspection Program	22,500	-	-	22,500
Water Quality & Quantity Program	113,287	-	-	113,287
Summit Water Quality Committee	32,746	-	-	32,746
Weatherization	50,679	-	-	50,679
Office Condo	41,422	-	-	41,422
Motor Pool	93,662	-	-	93,662
Emergency Cash Reserve	419,049	-	-	419,049
Other Purposes	-	1,989,476	33,318	2,022,794
Unassigned	62,651	-	-	62,651
Total Fund Balances	<u>893,093</u>	<u>1,989,476</u>	<u>33,318</u>	<u>2,915,887</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,580,820</u>	<u>\$ 2,004,848</u>	<u>\$ 33,318</u>	<u>\$ 3,618,986</u>

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2017**

Total Fund Balance for Governmental Funds	\$ 2,915,887
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	744,899
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds: Unavailable Revenue	47,635
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.	
Balances at December 31, 2017 are:	
Note Payable	(531,222)
Compensated Absences	(78,555)
	\$ 3,098,644
Net Position of Governmental Activities	\$ 3,098,644

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General Fund	Northwest Loan Fund	NWCCOG Foundation	Total
REVENUES				
Federal Sources	\$ 1,659,021	\$ -	\$ -	\$ 1,659,021
State Sources	1,330,702	554,706	426	1,885,834
Membership Income	378,361	-	-	378,361
Services Income	866,645	-	-	866,645
Local Funding	513,332	-	-	513,332
Reimbursed Expenses	32,559	14	-	32,573
Other Income	10,148	69,996	40,939	121,083
Direct Charges Income	110,921	-	-	110,921
Interest Income	7,964	-	-	7,964
Total Revenues	<u>4,909,653</u>	<u>624,716</u>	<u>41,365</u>	<u>5,575,734</u>
EXPENDITURES				
Current				
Wages and Benefits	1,964,616	87,388	-	2,052,004
Contractual Services	687,395	3,141	46,837	737,373
Office	93,019	2,022	18,530	113,571
Facilities	174,767	3,107	-	177,874
Repair and Maintenance	103,759	-	-	103,759
Travel and Meetings	152,695	6,357	-	159,052
Pass-Through Funds	1,349,161	-	14,159	1,363,320
Miscellaneous	133,399	37,439	-	170,838
Capital Outlay	6,323	-	-	6,323
Debt Service				
Principal	15,891	-	-	15,891
Interest	22,269	-	-	22,269
Total Expenditures	<u>4,703,294</u>	<u>139,454</u>	<u>79,526</u>	<u>4,922,274</u>
Other Financing Sources				
Proceeds on Sale of Asset	10,520	-	-	10,520
Total Other Financing Sources	<u>10,520</u>	<u>-</u>	<u>-</u>	<u>10,520</u>
Net Change in Fund Balances	216,879	485,262	(38,161)	663,980
Fund Balances - Beginning of Year	<u>676,214</u>	<u>1,504,214</u>	<u>71,479</u>	<u>2,251,907</u>
Fund Balances - End of Year	<u>\$ 893,093</u>	<u>\$ 1,989,476</u>	<u>\$ 33,318</u>	<u>\$ 2,915,887</u>

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Net Change in Fund Balances - Governmental Funds

Amounts reported for governmental activities in the statement of activities are different because:	\$ 663,980
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and loss on disposal of assets exceed capital outlays in the current period.</p>	
Capital outlays	6,323
Depreciation expense	(107,836)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consume current financial resources of governmental funds. These transactions, however, have no effect on net position.</p>	
Principal payments on note payable	15,891
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds</p>	
Unavailable Revenue	47,635
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Adjustment to compensated absences liability	<u>(6,597)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 619,396</u></u>

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles applicable to governmental units. A summary of the Northwest Colorado Council of Governments' (the Council) significant accounting policies consistently applied in the preparation of these financial statements follows.

Reporting Entity

The Council is a voluntary association established in 1972 pursuant to laws of the State of Colorado to promote cooperation and coordination among local governments and between levels of government for the geographic area comprised of Eagle, Grand, Jackson, Pitkin and Summit counties. The Council is governed by a Board of Directors consisting of appointed members from member counties and municipal corporations and is responsible for setting policy and appointing administrative personnel. The members include the five counties and 22 municipalities. The Board exercises autonomous control over financial affairs, acquisition and ownership of property, contract execution and management and operation of programs within the Council.

The Council follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organization and functions should be included within the financial reporting entity. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended Component Units

The Northwest Loan Fund, (NLF), is a non-profit 501(c)(6) economic development organization that makes loans to start-up and/or fund expanding businesses that will create, or retain new, full-time jobs in Eagle, Garfield, Grand, Jackson, Moffat, Pitkin, Rio Blanco, Routt, and Summit counties. The NLF is governed by the NWCCOG Council, which serves as the NLF Board of Directors. The NLF Board of Directors appoints a volunteer from each of the nine counties in the service territory, along with the NWCCOG executive director, to serve as the Loan Committee. The NLF is reported as a major special revenue fund. The NLF does not present separate financial statements.

The Northwest Colorado Council of Governments Foundation, Inc., (Foundation), is a federal tax-exempt public charity under Section 501(c)(3) of the Internal Revenue Code. The mission of the Foundation is to provide a financial mechanism for the member jurisdictions of the Council to work collaboratively with not-for-profit organizations, citizen-based groups and individuals on projects of mutual interest and benefit for the region. The Foundation is governed by the Council's Board of Directors. The Foundation is reported as a major special revenue fund. The Foundation does not report separate financial statements.

Description of Government-wide 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 activities of the Council and its component units. *Governmental activities* are normally supported by intergovernmental revenues, member support, charges to program users and nonexchange transactions.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Council's funds, including its blended component units. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements. The Council reports the following major governmental funds:

General Fund – is the Council's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Northwest Loan Fund – The Northwest Loan Fund, (Loan Fund) accounts for the activities of the non-profit 501(c)(6) organization described in Note 1.

NWCCOG Foundation – The NWCCOG Foundation fund accounts for the activities of the federal tax-exempt public charity 501(c)(3) organization described in Note 1.

During the course of operations, the Council has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current *financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Services income and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Assets, Liabilities, Net position/Fund Balance, Revenues and Expenditures/Expenses

Cash and Investments

The Council pools cash and investment resources of its various programs, excluding its component units, in order to facilitate the management of cash. Cash and investments are presented on the balance sheet in the basic financial statements at net asset value or amortized cost as described in Note 2.

Restricted Cash and Investments

In accordance with the Council's by-laws, cash is restricted in an amount equal to 10% of the current year's budgeted projected revenues plus the amount of accrued compensated absences at December 31, 2017. The reserve calculation does not include pass through funds received by the Council and passed through to other organizations or programs.

Also, the Northwest Loan Fund is holding \$15,342 as cash collateral, which relates to one of the loans made during 2017.

Additionally, the loan with the USDA requires the Council to maintain a facility reserve account (see Note 5).

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include furniture, fixtures and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Furniture, fixtures, equipment and vehicles of the Council are depreciated using the straight-line method over the following estimated useful lives:

Building	40 years
Building Improvements	10 – 40 years
Furniture, Fixtures and Operating Equipment	3 – 20 years
Vehicles	7 – 15 years

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position.

Compensated Absences

Vested amounts are those which accrue to the employee even if the employee terminates. Leave vests with the employees to various maximum amounts, based on lengths of employment from the date of employment to sixteen years. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Net Position and Fund Equity

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets is intended to reflect the portion of net position that is associated with non-liquid, capital assets.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position and Fund Equity (Continued)

Restricted net position represents assets that have third party limitations on their use.

Unrestricted net position represents assets that do not have any third party limitations on their use.

Sometimes the Council will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balances

Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Council is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The following classifications describe the relative strength of the spending constraints:

Nonspendable – fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact. The Council had \$1,661 in nonspendable resources as of December 31, 2017.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation. The Council had \$41,074 restricted for the USDA Loan Reserve as of December 31, 2017.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Directors of the Council. The Board of Directors is the highest level of decision-making authority for the Council. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Directors. The Council had no committed funds as of December 31, 2017.

Assigned – Fund balances are reported as assigned when amounts are constrained by the *intent* to be used for specific purposes, but are neither restricted nor committed. Under the Council's policy, the Executive Director may assign amounts for specific purposes. The Council reports the following assigned fund balances:

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position and Fund Equity (Continued)

The Council reports the following assigned fund balances:

	Balance December 31, 2016	Additions/ Deletions	Balance December 31, 2017
Alpine Area Agency for Aging	\$ 2,703	\$ 11,659	\$ 14,362
Elevator Inspection Program	22,500	-	22,500
Water Quality & Quantity Program	110,582	2,705	113,287
Indirect	639	(639)	-
Summit Water Quality Committee	-	32,746	32,746
Weatherization	-	50,679	50,679
Office Condo	31,686	9,736	41,422
Motor Pool	73,921	19,741	93,662
Emergency Cash Reserve	419,049	-	419,049
	<u>\$ 661,080</u>	<u>\$ 126,627</u>	<u>\$ 787,707</u>

In addition, the Council reports assigned fund balances of \$1,989,476 and \$33,318 in the Northwest Loan Fund and NWCCOG Foundation, respectively.

Program assigned amounts were accumulated from excess revenues over expenditures for these respective programs. The Council assigns these excess revenues to be spent in the programs in which they were accumulated.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Council’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Assisted Projects

All grants and contracts awarded to the Council are referred to as assisted projects. Records are maintained whereby expenditures incurred are recorded in separate project accounts in the general fund.

Indirect Costs

The Council allocates indirect costs to assisted projects in accordance with C.F.R. Part 200, of the Uniform Grant Guidance. Actual expenditures specifically identifiable with individual grants are charged directly to those grants. Indirect costs are shared, pro-rata, by all of the Council’s programs. Each program contributes to these costs based on the particular program’s revenue as a percentage of the total budget.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of 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 disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

The Council is governed by the cash and investment limitations of state law. Deposits and investments held at December 31, 2017 are reported as follows:

	Unrestricted	Restricted	Total
Cash	\$ 1,072,558	\$ 15,342	\$ 1,087,900
Investments	298,946	479,152	778,098
Total	\$ 1,371,504	\$ 494,494	\$ 1,865,998

Cash

Custodial Credit Risk – Cash:

Custodial risk for cash is the risk that, in the event of a failure of a depository financial institution, the Council will not be able to recover its cash or will not be able to recover collateral securities that are in possession of an outside party. The Council's cash policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act (PDPA), which governs investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2017, Council's bank deposits amounting to \$1,087,900 were either insured by federal depository insurance or collateralized and consequently were not exposed to custodial credit risk.

Investments

The investment policy adopted by the Council limits investments to those permitted by Colorado State Statutes. It also adopts the prudent investor rule, wherein the criteria for selecting investments and their order of priority are (1) safety, (2) liquidity and (3) yield. Additionally, investing in derivatives or other investment hedge funds is not allowed.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of US local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

At December 31, 2017, the Council had the following investments:

	<u>Standard & Poor's Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
Local Government Investment Pools			
COLOTRUST	AAAm	< 60 Days	\$ 397,920
CSAFE	AAAm	< 60 Days	380,178
Total			<u>\$ 778,098</u>

Credit Risk

Credit Risk – The Council's investment policy limits investments to U.S. Treasury obligations and U.S. Government agency securities, repurchase agreements, commercial paper, local government investment pools, time certificates of deposit, and certain money market mutual funds approved by the Board of Directors. State statutes limit investments in U.S. Agency and Instrumentality securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk – Neither state statutes or the Council's investment policy limits the amount of investments in any one issuer.

Local Government Investment Pools – The Council has investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST) and the Colorado Surplus Asset Trust (CSAFE), investment vehicles established for local government entities in Colorado to pool surplus funds.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value

As of December 31, 2017, the Council had invested \$271,360 in the Colorado Local Government Liquid Asset Trust – PLUS and \$126,560 in the Colorado Local Government Liquid Asset Trust – PRIME, which is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado State Securities Commissioner administers and enforces all State statutes governing COLOTRUST.

COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. As of December 31, 2017, the investments in COLOTRUST were valued at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

As of December 31, 2017, the Council had invested \$380,178 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust is valued at amortized cost and based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

NOTE 3 LOANS RECEIVABLE

Loans receivable in the Northwest Loan Fund consist of loans to qualified borrowers for creation and expansion of small businesses that are unable to obtain conventional funding. Interest rates are generally Prime plus 2%, with average terms of 60 months. To the extent possible, liens are filed on either the real or personal property to insure the loans are repaid. The total loan balance of \$1,147,385 has been reduced by \$67,859 as an allowance for estimated uncollectible. The loans mature as follows:

Year Ending	Total
2018	\$ 148,957
2019	243,520
2020	96,839
2021	478,867
2022	97,261
Thereafter	14,082
Total	\$ 1,079,526

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2017 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Being Depreciated				
Building	\$ 675,405	\$ -	\$ -	\$ 675,405
Building Improvements	52,887	-	-	52,887
Vehicles	675,237	-	-	675,237
Furniture and Equipment	222,125	6,323	(1,504)	226,944
Total Capital Assets Being Depreciated	<u>1,625,654</u>	<u>6,323</u>	<u>(1,504)</u>	<u>1,630,473</u>
Less Accumulated Depreciation				
Building	(160,408)	(16,885)	-	(177,293)
Building Improvements	(21,349)	(2,591)	-	(23,940)
Vehicles	(485,894)	(68,991)	-	(554,885)
Furniture and Equipment	(111,591)	(19,369)	1,504	(129,456)
Total Accumulated Depreciation	<u>(779,242)</u>	<u>(107,836)</u>	<u>1,504</u>	<u>(885,574)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 846,412</u>	<u>\$ (101,513)</u>	<u>\$ -</u>	<u>\$ 744,899</u>

Depreciation expense is not allocated to functions/programs of the Council.

NOTE 5 LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended December 31, 2017 follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
United States Department of Agriculture (USDA) Note	\$ 547,113	\$ -	\$ (15,891)	\$ 531,222	\$ 15,890
Compensated Absences	71,958	6,597	-	78,555	78,555
	<u>\$ 619,071</u>	<u>\$ 6,597</u>	<u>\$ (15,891)</u>	<u>\$ 609,777</u>	<u>\$ 94,445</u>

The detail of the Council's long-term obligations is as follows:

USDA Note

On March 21, 2007, the Council issued a note with the United States Department of Agriculture (USDA), in the original amount of \$746,470 for acquiring and constructing office space for the operations of the Council. The loan is payable over 40 years in monthly installments of \$3,180 beginning April 17, 2007 through March 21, 2047, including interest at 4.125%.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The note requires the Council to maintain a facility reserve account by setting aside \$336 per month until the account accumulates the reserve requirement of \$40,309. The funds may be used, with prior approval from the USDA, for repairing or replacing any damage caused by a catastrophe or if making extensions or improvements to the facility. At December 31, 2017, the Council has restricted \$41,074 of its investments towards this purpose.

The note matures as follows:

	Principal	Interest	Total
2018	\$ 15,890	\$ 21,602	\$ 37,492
2019	17,254	20,906	38,160
2020	17,979	20,181	38,160
2021	18,735	19,425	38,160
2022	19,523	18,637	38,160
2023-2027	110,636	80,164	190,800
2028-2032	135,930	54,870	190,800
2033-2037	167,675	23,793	191,468
2038	27,600	440	28,040
	\$ 531,222	\$ 260,018	\$ 791,240

Other General Obligations

The accrual for compensated absences (see Note 1) is liquidated from the General Fund.

NOTE 6 OPERATING LEASES

The Council has entered into a number of operating leases for building space. These leases have cancellation provisions and are subject to annual appropriations. For the year ended December 31, 2017, lease expenditures amounted to \$57,546.

NOTE 7 RETIREMENT PLAN

The Council is a member of the Colorado County Officials and Employees Retirement Association Plan (CCOERA), (the Retirement Plan), a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the Retirement Plan plus investment earnings. Members of the Retirement Plan are required to participate in the Retirement Plan upon commencement of employment. Required employee contributions to the Retirement Plan vary from a minimum of 3.75% to a maximum of 10%. The Council is required to match employee contributions up to a maximum of 6%. All contributions vest immediately as there is no vesting period and the Plan has no forfeiture rules. Benefit terms are set by the Council and once an employee selects a contribution percentage, the employee may not make changes to the percentage for the duration of their employment. During 2017, the Council's contribution and employee contributions to the Plan were \$91,388 and \$97,357, respectively. The Council has recognized pension expense of \$91,388 and has no outstanding pension liability as of December 31, 2017.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 DEFERRED COMPENSATION PLAN

The Council has a deferred compensation plan (the Plan), administered by CCOERA, and created in accordance with Internal Revenue Code Section 457. The Plan permits the Council's employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Participation in the Plan is optional.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held for the exclusive benefit of the participants or their beneficiaries. The Council has no ownership interest in the Plan nor is the Council liable for any losses under the Plan.

NOTE 9 PARTICIPATING MEMBER DUES

Participating member dues in the amount of \$378,361 were received by the Council during the year ended December 31, 2017. The following represents the source of funds received:

General Operations	\$ 228,339
Water Quality & Quantity	150,022
Total	<u>\$ 378,361</u>

NOTE 10 COMMITMENTS AND CONTINGENCIES

Grant Programs

The Council administers numerous projects through grants awarded by various federal and state agencies. All projects are subject to audit by the granting agencies. A substantial amount of grant revenue has been awarded to sub-recipients. All grants are subject to final review and approval as to allowability by the respective grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Council expects such amounts, if any, to be immaterial.

NOTE 11 RISK MANAGEMENT

The Council is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are financed and funded through participation in the Colorado Intergovernmental Risk Sharing Agency (CIRSA).

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 11 RISK MANAGEMENT (CONTINUED)

CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, general and automobile liability and public official's coverage to its members. A seven member Board elected by and from its members governs CIRSA.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The Council has not been informed of any excess losses that may have been incurred by the pool; there have been no claims in excess of insurance coverage in any of the past three years. There have been no significant changes in insurance coverage from the prior year in any of the major categories of risk.

NOTE 12 STATE COMPLIANCE

TABOR Amendment - In November 1992, Colorado voters passed the TABOR Amendment (Amendment 1) to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and other factors. Revenue received in excess of the limitations may be required to be refunded unless an electorate vote to retain the revenue is passed. The TABOR Amendment is subject to many interpretations, but the Council has a legal opinion that it is not a "local government" subject to TABOR in part because it has no authority to tax or to issue general obligation debt.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2016 Actual
Revenues				
Federal Sources				
Federal Contract Revenue	\$ 1,473,120	\$ 1,659,021	\$ 185,901	\$ 2,333,370
State Sources				
State Contract Revenue	1,106,649	1,330,702	224,053	1,021,820
Membership Income				
County Pledges	235,469	235,469	-	223,581
Municipal Pledges	127,344	127,344	-	118,533
Associate Member Pledges	4,120	4,120	-	-
Water & Sanitation Income	11,433	11,428	(5)	15,254
Total Membership Income	<u>378,366</u>	<u>378,361</u>	<u>(5)</u>	<u>357,368</u>
Services Income				
Inspection Fees	494,000	466,975	(27,025)	475,793
Specialized Services	-	26,400	26,400	26,400
Other Service Income	250,000	241,950	(8,050)	116,812
Permit Review Fees	110,000	131,320	21,320	78,702
Total Services Income	<u>854,000</u>	<u>866,645</u>	<u>12,645</u>	<u>697,707</u>
Local Funding				
Local Funding	292,998	306,699	13,701	112,140
Matching Funds	-	100,000	100,000	-
Local Funding - NWCCOG Matching	264,817	106,633	(158,184)	95,374
Total Local Funding	<u>557,815</u>	<u>513,332</u>	<u>(44,483)</u>	<u>207,514</u>
Reimbursed Expenses				
Reimbursed Fees/Expenses	29,500	32,559	3,059	67,990
Other Income				
Internal Indirect Revenue	207,890	8,887	(199,003)	7,455
Other Income	-	1,261	1,261	967
Total Other Income	<u>207,890</u>	<u>10,148</u>	<u>(197,742)</u>	<u>8,422</u>
Direct Charges Income	111,684	110,921	(763)	119,349
Interest Income	5,650	7,964	2,314	3,014
Total Revenues	<u><u>4,724,674</u></u>	<u><u>4,909,653</u></u>	<u><u>184,979</u></u>	<u><u>4,816,554</u></u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2016 Actual
Expenditures				
Current				
Wages and Benefits				
Salaries - Executive Director	119,463	116,604	2,859	116,487
Salaries - Program Director	180,338	211,330	(30,992)	215,873
Salaries - Assistant Director	80,000	80,000	-	75,464
Salaries - Program Staff	869,164	885,017	(15,853)	1,053,315
Salaries - Support	232,423	224,196	8,227	116,929
Taxes and Benefits	449,463	447,469	1,994	450,895
Total Wages and Benefits	<u>1,930,851</u>	<u>1,964,616</u>	<u>(33,765)</u>	<u>2,028,963</u>
Contractual Services				
Contract Staff	286,200	345,452	(59,252)	282,355
Contract - Fiscal	75,150	48,560	26,590	47,676
Legal Expense	163	3,031	(2,868)	18,195
Auditing	23,100	25,000	(1,900)	29,240
Contract Services	330,481	265,352	65,129	169,369
Total Contractual	<u>715,094</u>	<u>687,395</u>	<u>27,699</u>	<u>546,835</u>
Office				
Office Supplies	15,950	16,543	(593)	23,205
Bank Charges	910	1,130	(220)	1,296
Credit Card Fees	4,000	4,091	(91)	3,078
Postage	6,331	5,762	569	6,047
Printing	3,451	1,019	2,432	786
Advertising	8,944	19,228	(10,284)	41,196
Internet	8,488	33,265	(24,777)	5,792
Dues and Subscription	14,780	10,927	3,853	15,218
Copier Charges	1,500	1,054	446	934
Total Office	<u>64,354</u>	<u>93,019</u>	<u>(28,665)</u>	<u>97,552</u>
Facilities				
Rent & Utilities	112,233	117,448	(5,215)	120,573
Telephone	24,359	26,724	(2,365)	15,439
Insurance	29,400	26,883	2,517	26,965
Waste Removal	4,000	3,712	288	3,249
Total Facilities	<u>169,992</u>	<u>174,767</u>	<u>(4,775)</u>	<u>166,226</u>
Repair & Maintenance				
Equipment Maintenance & Repairs	18,887	19,767	(880)	26,673
Vehicle Repair & Maintenance	9,686	12,227	(2,541)	15,769
Gas, Oil & Supplies	31,474	27,257	4,217	39,482
Equipment Lease	14,730	15,111	(381)	15,406
Tools and Equipment	5,674	29,397	(23,723)	54,603
Total Repair & Maintenance	<u>80,451</u>	<u>103,759</u>	<u>(23,308)</u>	<u>151,933</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2016 Actual
Travel and Meetings				
Travel and Meetings	142,510	139,072	3,438	189,886
Training & Technical Assistance	18,537	13,623	4,914	13,191
Total Travel and Meetings	<u>161,047</u>	<u>152,695</u>	<u>8,352</u>	<u>203,077</u>
Pass-through Funds				
Pass-through Funds - Subcontracts	827,446	1,252,069	(424,623)	1,226,935
Pass-through Funds - Materials	142,084	97,092	44,992	196,646
Total Pass-Through Funds	<u>969,530</u>	<u>1,349,161</u>	<u>(379,631)</u>	<u>1,423,581</u>
Miscellaneous				
Bad Debts	-	-	-	225
Program Supplies	4,500	3,759	741	17,426
Licenses and Permits	3,500	2,160	1,340	2,177
Charitable Donations	-	19,650	(19,650)	-
Purchased Food	6,000	332	5,668	-
Administration	28,200	977	27,223	-
Awards	1,500	-	1,500	5,147
Indirect Costs Applied	181,184	-	181,184	-
Local Match Cost	106,633	106,521	112	95,324
Deferred Expense	(2,143)	-	(2,143)	-
Total Miscellaneous	<u>329,374</u>	<u>133,399</u>	<u>195,975</u>	<u>120,299</u>
Capital Outlay	47,625	6,323	41,302	59,116
Debt Service				
Principal	15,250	15,891	(641)	15,250
Interest	22,910	22,269	641	22,910
Total Expenditures	<u>4,506,478</u>	<u>4,703,294</u>	<u>(196,816)</u>	<u>4,835,742</u>
Other Financing Sources				
Proceeds on Sale of Asset	-	10,520	10,520	20,500
Total Other Financing Sources	<u>-</u>	<u>10,520</u>	<u>10,520</u>	<u>20,500</u>
Net Change in Fund Balance	218,196	216,879	(1,317)	1,312
Fund Balance - Beginning of Year	<u>633,317</u>	<u>676,214</u>	<u>42,897</u>	<u>674,902</u>
Fund Balance - End of Year	<u>\$ 851,513</u>	<u>\$ 893,093</u>	<u>\$ 41,580</u>	<u>\$ 676,214</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – NORTHWEST LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2016 Actual
Revenues				
State Sources				
State Contract Revenue	\$ 447,000	\$ 482,337	\$ 35,337	\$ 390,000
Administration	60,000	72,369	12,369	62,400
Reimbursed Expenses				
Reimbursed Fees/Expenses	-	14	14	-
Other Income				
Loan Principal and Interest	72,443	69,996	(2,447)	54,347
Total Revenues	579,443	624,716	45,273	506,747
Expenditures				
Current				
Wages and Benefits				
Salaries - Program Director	71,900	71,900	-	67,958
Office Wages	250	76	174	-
Taxes and Benefits	15,500	15,412	88	15,023
Total Wages and Benefits	87,650	87,388	262	82,981
Contractual Services				
Contract - Fiscal	1,300	1,239	61	2,160
Contract Services	1,500	1,902	(402)	2,424
Total Contractual	2,800	3,141	(341)	4,584
Office				
Office Supplies	1,500	920	580	2,645
Bank Charges	-	72	(72)	114
Postage	250	209	41	277
Internet	-	13	(13)	100
Advertising	250	-	250	500
Dues and Subscription	800	808	(8)	1,052
Total Office	2,800	2,022	778	4,688
Facilities				
Rent & Utilities	2,344	2,344	-	2,344
Telephone	750	763	(13)	686
Insurance	-	-	-	25
Total Facilities	3,094	3,107	(13)	3,055

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – NORTHWEST LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2016 Actual
Travel and Meetings				
Travel and Meetings	5,700	6,357	(657)	8,218
Total Travel and Meetings	<u>5,700</u>	<u>6,357</u>	<u>(657)</u>	<u>8,218</u>
Pass-Through Funds				
Pass-Through Funds	447,000	-	447,000	-
Miscellaneous				
Bad Debts	-	28,158	(28,158)	27,403
Licenses and Permits	1,000	72	928	27
Indirect Costs Applied	9,300	9,209	91	8,067
Total Miscellaneous	<u>10,300</u>	<u>37,439</u>	<u>(27,139)</u>	<u>35,497</u>
 Total Expenditures	 <u>559,344</u>	 <u>139,454</u>	 <u>419,890</u>	 <u>139,023</u>
 Net Change in Fund Balance	 20,099	 485,262	 465,163	 367,724
 Fund Balance - Beginning of Year	 <u>1,504,214</u>	 <u>1,504,214</u>	 <u>-</u>	 <u>1,136,490</u>
 Fund Balance - End of Year	 <u>\$ 1,524,313</u>	 <u>\$ 1,989,476</u>	 <u>\$ 465,163</u>	 <u>\$ 1,504,214</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – NWCCOG FOUNDATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2016 Actual
Revenues				
State Contract Revenue	\$ -	\$ 426	\$ 426	\$ 80,230
Reimbursed Fees/Expenses	-	-	-	2,768
Foundation and Trusts	22,740	34,285	11,545	45,052
Contributions	-	-	-	7,300
Interest Income	-	-	-	3
Other Income	3	6,654	6,651	5,038
Total Revenues	22,743	41,365	18,622	140,391
Expenditures				
Current				
Contract Services	46,353	46,837	(484)	87,048
Office Supplies	-	-	-	136
Bank Charges	40	40	-	148
Postage	-	6	(6)	51
Advertising	-	-	-	80
Telephone	-	-	-	419
Internet/Website	-	-	-	131
Dues and Subscription	-	70	(70)	10
Travel and Meetings	-	-	-	7,055
Pass Through Funds	11,300	14,159	(2,859)	471
Other	-	18,414	(18,414)	2,880
Total Expenditures	57,693	79,526	(21,833)	98,429
Net Change in Fund Balance	(34,950)	(38,161)	(3,211)	41,962
Fund Balance - Beginning of Year	71,479	71,479	-	29,517
Fund Balance - End of Year	\$ 36,529	\$ 33,318	\$ (3,211)	\$ 71,479

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017**

NOTE 1 BUDGET AND BUDGETARY ACCOUNTING

The Northwest Colorado Council of Governments (NWCCOG) Council follows these procedures in establishing budgets:

- A. Budgets are required by state law for all governmental funds.
- B. Between October 1 and October 15, the proposed budget is submitted to the NWCCOG Council for the fiscal year commencing the following January 1.
- C. Prior to December 31, the budget is adopted and appropriations are authorized by resolution at the fund level for all funds.
- D. Budgets are adopted on a basis consistent with the accounting basis of all funds. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues and expenditures are budgeted by program and in total by each fund. The total fund level constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Within the fund level control basis, management may transfer appropriations without Board of Director approval. Budget revisions are presented to the Council for action at the July and December NWCCOG Council meetings.
- E. Budget amounts included in the budgetary comparison schedules are based on the final legally amended budget.
- F. Appropriations lapse at year-end.
- G. During the year ended December 31, 2017, the NWCCOG Council did not adopt supplemental appropriations.

	Original Budget	Revisions	Final Budget
General Fund	\$ 4,506,478	\$ -	\$ 4,506,478
Northwest Loan Fund	559,344	-	559,344
NWCCOG Foundation Fund	57,693	-	57,693

As of December 31, 2017 the General Fund and the Northwest Foundation had actual expenditures in the amounts of \$196,816, and \$21,833, respectively, above final budgeted expenditures. This may be a violation of Colorado State Statute.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
REGIONAL BUSINESS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Federal Sources			
Federal Contract Revenue	\$ 20,500	\$ 20,500	\$ -
State Sources			
State Contract Revenue	236,121	220,693	(15,428)
Membership Income			
County Pledges	137,104	137,104	-
Municipal Pledges	91,235	91,235	-
Subtotal Membership Income	<u>228,339</u>	<u>228,339</u>	<u>-</u>
Services Income			
Specialized Services	-	26,400	26,400
Subtotal Services Income	<u>-</u>	<u>26,400</u>	<u>26,400</u>
Local Funding			
Local Funding	47,200	13,528	(33,672)
Reimbursed Expenses			
Reimbursed Fees/Expenses	-	468	468
Other Income			
Interest Income	5,000	6,981	1,981
Total Revenues	<u>537,160</u>	<u>516,909</u>	<u>(20,251)</u>
Expenditures			
Current			
Wages and Benefits			
Salaries - Executive Director	87,500	82,174	5,326
Salaries - Program Staff	135,200	135,779	(579)
Salaries - Support	-	644	(644)
Taxes and Benefits	55,675	48,461	7,214
Total Wages and Benefits	<u>278,375</u>	<u>267,058</u>	<u>11,317</u>
Contractual Services			
Contract Staff	58,400	27,603	30,797
Contract Services	12,000	22,126	(10,126)
Legal Expense	163	558	(395)
Total Contractual	<u>70,563</u>	<u>50,287</u>	<u>20,276</u>
Office			
Office Supplies	300	48	252
Bank Charges	900	1,040	(140)
Postage	200	154	46
Internet	150	9	141
Advertising	450	-	450
Dues and Subscription	1,600	2,181	(581)
Total Office	<u>3,600</u>	<u>3,432</u>	<u>168</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
REGIONAL BUSINESS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Facilities			
Rent & Utilities	3,561	3,561	-
Telephone	750	1,521	(771)
Total Facilities	<u>4,311</u>	<u>5,082</u>	<u>(771)</u>
Travel and Meetings			
Travel and Meetings	20,000	19,213	787
Training & Technical Assistance	-	11	(11)
Total Travel and Meetings	<u>20,000</u>	<u>19,224</u>	<u>776</u>
Pass-through Funds			
Pass-through Funds - Subcontracts	50,500	67,510	(17,010)
Miscellaneous			
Charitable Donations	-	250	(250)
Indirect Costs Applied	26,434	27,750	(1,316)
Local Match Cost	106,633	106,521	112
Total Miscellaneous	<u>133,067</u>	<u>134,521</u>	<u>(1,454)</u>
Total Expenditures	<u>560,416</u>	<u>547,114</u>	<u>13,302</u>
Net Change in Fund Balance	<u>\$ (23,256)</u>	<u>\$ (30,205)</u>	<u>\$ (6,949)</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
ALPINE AREA AGENCY ON AGING (AAAA)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Federal Sources			
Federal Contract Revenue	\$ 340,717	\$ 445,541	\$ 104,824
State Sources			
State Contract Revenue	280,107	677,343	397,236
Local Funding			
Local Funding	-	2,921	2,921
Local Funding - NWCCOG Matching	14,817	29,633	14,816
Total Revenues	635,641	1,155,438	519,797
Expenditures			
Current			
Wages and Benefits			
Salaries - Program Director	37,030	74,061	(37,031)
Salaries - Program Staff	85,958	144,634	(58,676)
Salaries - Support	3,235	54	3,181
Taxes and Benefits	43,444	78,413	(34,969)
Total Wages and Benefits	169,667	297,162	(127,495)
Contractual Services			
Contract - Fiscal	1,462	2,134	(672)
Auditing	-	1,900	(1,900)
Contract Services	8,563	2,640	5,923
Total Contractual	10,025	6,674	3,351
Office			
Office Supplies	3,850	1,238	2,612
Bank Charges	10	30	(20)
Postage	2,600	2,220	380
Printing	1,800	-	1,800
Internet	2,308	24,203	(21,895)
Advertising	6,794	632	6,162
Dues and Subscription	2,633	929	1,704
Total Office	19,995	29,252	(9,257)
Facilities			
Rent & Utilities	9,892	12,783	(2,891)
Telephone	375	163	212
Total Facilities	10,267	12,946	(2,679)

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
ALPINE AREA AGENCY ON AGING (AAAA)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Travel and Meetings			
Travel and Meetings	25,550	23,496	2,054
Training & Technical Assistance	6,450	3,628	2,822
Total Travel and Meetings	<u>32,000</u>	<u>27,124</u>	<u>4,876</u>
Pass-through Funds			
Pass-through Funds - Subcontracts	368,850	744,811	(375,961)
Miscellaneous			
Program Supplies	4,500	3,759	741
Charitable Donations	-	50	(50)
Awards	1,500	-	1,500
Purchased Food	6,000	332	5,668
Indirect Costs Applied	14,982	28,259	(13,277)
Deferred Expense	(2,143)	-	(2,143)
Total Miscellaneous	<u>24,839</u>	<u>32,400</u>	<u>(7,561)</u>
Total Expenditures	<u>635,643</u>	<u>1,150,369</u>	<u>(514,726)</u>
Net Change in Fund Balance	<u>\$ (2)</u>	<u>\$ 5,069</u>	<u>\$ 5,071</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
CONNECT FOR HEALTH COLORADO – NW REGION HUB
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
State Sources			
State Contract Revenue	\$ 30,181	\$ 7,041	\$ (23,140)
Total Revenues	<u>30,181</u>	<u>7,041</u>	<u>(23,140)</u>
Expenditures			
Current			
Contractual Services			
Contract Staff	10,400	5,475	4,925
Total Contractual	<u>10,400</u>	<u>5,475</u>	<u>4,925</u>
Office			
Advertising	-	309	(309)
Total Office	<u>-</u>	<u>309</u>	<u>(309)</u>
Travel and Meetings			
Travel and Meetings	3,334	617	2,717
Training & Technical Assistance	333	-	333
Total Travel and Meetings	<u>3,667</u>	<u>617</u>	<u>3,050</u>
Pass-through Funds			
Pass-through Funds - Subcontracts	13,096	-	13,096
Miscellaneous			
Indirect Costs Applied	3,018	640	2,378
Total Miscellaneous	<u>3,018</u>	<u>640</u>	<u>2,378</u>
Total Expenditures	<u>30,181</u>	<u>7,041</u>	<u>23,140</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
ECONOMIC DEVELOPMENT DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Federal Sources			
Federal Contract Revenue	\$ 73,000	\$ 131,665	\$ 58,665
State Sources			
State Contract Revenue	1,600	-	(1,600)
Local Funding			
Matching Funds	-	100,000	100,000
Local Funding - NWCCOG Matching	243,000	70,000	(173,000)
Reimbursed Expenses			
Reimbursed Fees/Expenses	-	30,349	30,349
Total Revenues	<u>317,600</u>	<u>332,014</u>	<u>14,414</u>
Expenditures			
Current			
Wages and Benefits			
Salaries - Executive Director	26,292	21,558	4,734
Salaries - Program Staff	63,038	62,748	290
Taxes and Benefits	31,619	29,039	2,580
Total Wages and Benefits	<u>120,949</u>	<u>113,345</u>	<u>7,604</u>
Contractual Services			
Contract Services	173,000	157,697	15,303
Total Contractual	<u>173,000</u>	<u>157,697</u>	<u>15,303</u>
Office			
Office Supplies	-	907	(907)
Postage	20	35	(15)
Internet	3,500	3,817	(317)
Advertising	-	15,357	(15,357)
Dues and Subscription	925	315	610
Total Office	<u>4,445</u>	<u>20,431</u>	<u>(15,986)</u>
Facilities			
Rent & Utilities	1,791	1,791	-
Total Facilities	<u>1,791</u>	<u>1,791</u>	<u>-</u>
Travel and Meetings			
Travel and Meetings	3,000	2,601	399
Training & Technical Assistance	2,000	2,846	(846)
Total Travel and Meetings	<u>5,000</u>	<u>5,447</u>	<u>(447)</u>
Miscellaneous			
Indirect Costs Applied	11,077	10,397	680
Charitable Donations	-	19,350	(19,350)
Total Miscellaneous	<u>11,077</u>	<u>29,747</u>	<u>(18,670)</u>
Total Expenditures	<u>316,262</u>	<u>328,458</u>	<u>(12,196)</u>
Net Change in Fund Balance	<u>\$ 1,338</u>	<u>\$ 3,556</u>	<u>\$ 2,218</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
ELEVATOR INSPECTION PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Services Income			
Inspection Fees	\$ 494,000	\$ 466,975	\$ (27,025)
Permit Review Fees	110,000	131,320	21,320
Other Service Income	250,000	241,950	(8,050)
Total Revenue	<u>854,000</u>	<u>840,245</u>	<u>(13,755)</u>
Expenditures			
Current			
Wages and Benefits			
Salaries - Executive Director	-	6,392	(6,392)
Salaries - Program Director	82,000	73,645	8,355
Salaries - Program Staff	184,284	203,792	(19,508)
Salaries - Support	61,600	54,758	6,842
Taxes and Benefits	95,086	83,389	11,697
Total Wages and Benefits	<u>422,970</u>	<u>421,976</u>	<u>994</u>
Contractual Services			
Contract Staff	-	73,890	(73,890)
Contract Services	80,000	3,257	76,743
Total Contractual	<u>80,000</u>	<u>77,147</u>	<u>2,853</u>
Office			
Office Supplies	2,500	2,061	439
Credit Card Fees	4,000	4,091	(91)
Postage	750	695	55
Advertising	1,000	-	1,000
Dues and Subscription	1,000	1,317	(317)
Total Office	<u>9,250</u>	<u>8,164</u>	<u>1,086</u>
Facilities			
Rent & Utilities	7,763	7,763	-
Telephone	3,000	2,585	415
Insurance	100	60	40
Total Facilities	<u>10,863</u>	<u>10,408</u>	<u>455</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
ELEVATOR INSPECTION PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Repair & Maintenance			
Gas, Oil & Supplies	-	114	(114)
Tools and Equipment	2,000	754	1,246
Total Repair and Maintenance	<u>2,000</u>	<u>868</u>	<u>1,132</u>
Travel and Meetings			
Travel and Meetings	30,000	30,167	(167)
Training & Technical Assistance	3,000	1,794	1,206
Total Travel and Meetings	<u>33,000</u>	<u>31,961</u>	<u>1,039</u>
Miscellaneous			
Licenses and Permits	2,000	1,402	598
Indirect Costs Applied	38,920	45,179	(6,259)
Total Miscellaneous	<u>40,920</u>	<u>46,581</u>	<u>(5,661)</u>
Capital Outlay	30,000	6,323	23,677
Total Expenditures	<u>629,003</u>	<u>603,428</u>	<u>25,575</u>
 Net Change in Fund Balance	 <u>\$ 224,997</u>	 <u>\$ 236,817</u>	 <u>\$ 11,820</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
ENERGY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Federal Sources			
Federal Contract Revenue	\$ 809,520	\$ 814,306	\$ 4,786
State Sources			
State Contract Revenue	122,340	-	(122,340)
Local Funding			
Local Funding	157,639	204,083	46,444
Reimbursed Expenses			
Reimbursed Fees/Expenses	27,500	162	(27,338)
Total Revenues	<u>1,116,999</u>	<u>1,018,551</u>	<u>(98,448)</u>
Expenditures			
Current			
Wages and Benefits			
Salaries - Assistant Director	80,000	80,000	-
Salaries - Program Staff	395,984	333,366	62,618
Salaries - Support	39,612	45,127	(5,515)
Taxes and Benefits	164,367	154,145	10,222
Total Wages and Benefits	<u>679,963</u>	<u>612,638</u>	<u>67,325</u>
Contractual Services			
Contract Staff	-	16,300	(16,300)
Contract Services	26,572	59,588	(33,016)
Contract - Fiscal	32,588	4,986	27,602
Total Contractual	<u>59,160</u>	<u>80,874</u>	<u>(21,714)</u>
Office			
Office Supplies	300	2,904	(2,604)
Postage	986	1,209	(223)
Printing	226	-	226
Advertising	600	2,057	(1,457)
Administration	27,500	-	27,500
Dues and Subscription	-	80	(80)
Total Office	<u>29,612</u>	<u>6,250</u>	<u>23,362</u>
Facilities			
Rent & Utilities	57,372	57,243	129
Telephone	6,074	7,193	(1,119)
Insurance	10,500	9,999	501
Total Facilities	<u>73,946</u>	<u>74,435</u>	<u>(489)</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
ENERGY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Repair & Maintenance			
Equipment Maintenance & Repairs	400	1,243	(843)
Vehicle Repair & Maintenance	7,186	8,492	(1,306)
Gas, Oil & Supplies	23,474	19,294	4,180
Tools and Equipment	1,674	27,126	(25,452)
Total Repair and Maintenance	<u>32,734</u>	<u>56,155</u>	<u>(23,421)</u>
Travel and Meetings			
Travel and Meetings	29,868	34,037	(4,169)
Training & Technical Assistance	6,654	85	6,569
Total Travel and Meetings	<u>36,522</u>	<u>34,122</u>	<u>2,400</u>
Pass-through Funds			
Pass-through Funds - Materials	142,084	97,092	44,992
Miscellaneous			
Licenses and Permits	1,500	758	742
Indirect Costs Applied	61,202	58,440	2,762
Total Miscellaneous	<u>62,702</u>	<u>59,198</u>	<u>3,504</u>
Total Expenditures	<u>1,116,723</u>	<u>1,020,764</u>	<u>95,959</u>
Other Financing Sources			
Proceeds on Sale of Asset	-	10,520	10,520
Total Other Financing Sources	<u>-</u>	<u>10,520</u>	<u>10,520</u>
Net Change in Fund Balance	<u>\$ 276</u>	<u>\$ 8,307</u>	<u>\$ 8,031</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
REGIONAL TRANSPORTATION COORDINATING COUNCIL
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Federal Sources			
Federal Contract Revenue	\$ 153,933	\$ 135,213	\$ (18,720)
State Sources			
State Contract Revenue	425,000	413,825	(11,175)
Local Funding			
Local Funding	47,500	44,777	(2,723)
Total Revenues	626,433	593,815	(32,618)
Expenditures			
Current			
Wages and Benefits			
Salaries - Program Director	61,308	63,624	(2,316)
Salaries - Program Staff	4,700	4,698	2
Salaries - Support	68,100	71,929	(3,829)
Taxes and Benefits	27,129	27,480	(351)
Total Wages and Benefits	161,237	167,731	(6,494)
Contractual Services			
Legal Expense	-	1,490	(1,490)
Contract Services	2,500	2,534	(34)
Total Contractual	2,500	4,024	(1,524)
Office			
Office Supplies	500	1,790	(1,290)
Bank Charges	-	60	(60)
Postage	700	876	(176)
Printing	550	-	550
Internet	500	223	277
Advertising	100	-	100
Dues and Subscription	1,700	2,152	(452)
Total Office	4,050	5,101	(1,051)
Facilities			
Rent & Utilities	8,493	8,493	-
Telephone	100	87	13
Total Facilities	8,593	8,580	13
Travel and Meetings			
Travel and Meetings	6,558	6,264	294
Training & Technical Assistance	100	-	100
Total Travel and Meetings	6,658	6,264	394
Pass-through Funds			
Pass-through Funds - Subcontracts	395,000	388,657	6,343
Miscellaneous			
Indirect Costs Applied	16,361	18,121	(1,760)
Total Miscellaneous	16,361	18,121	(1,760)
Capital Outlay	3,000	-	3,000
Total Expenditures	597,399	598,478	(1,079)
Net Change in Fund Balance	\$ 29,034	\$ (4,663)	\$ (33,697)

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
WATERSHED SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
State Sources			
State Contract Revenue	\$ 11,300	\$ 10,800	\$ (500)
Local Funding			
Local Funding - NWCCOG Matching	7,000	7,000	-
Total Revenues	<u>18,300</u>	<u>17,800</u>	<u>(500)</u>
Expenditures			
Current			
Contractual Services			
Contract Staff	24,000	25,571	(1,571)
Total Contractual	<u>24,000</u>	<u>25,571</u>	<u>(1,571)</u>
Office			
Office Supplies	-	60	(60)
Postage	25	1	24
Printing	25	11	14
Total Office	<u>50</u>	<u>72</u>	<u>(22)</u>
Facilities			
Telephone	1,200	800	400
Total Facilities	<u>1,200</u>	<u>800</u>	<u>400</u>
Travel and Meetings			
Travel and Meetings	600	609	(9)
Total Travel and Meetings	<u>600</u>	<u>609</u>	<u>(9)</u>
Miscellaneous			
Indirect Costs Applied	1,142	1,142	-
Total Miscellaneous	<u>1,142</u>	<u>1,142</u>	<u>-</u>
Total Expenditures	<u>26,992</u>	<u>28,194</u>	<u>(1,202)</u>
Net Change in Fund Balance	<u>\$ (8,692)</u>	<u>\$ (10,394)</u>	<u>\$ (1,702)</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
EMERGENCY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Federal Sources			
Federal Contract Revenue	\$ 75,450	\$ 111,796	\$ 36,346
Total Revenues	<u>75,450</u>	<u>111,796</u>	<u>36,346</u>
Expenditures			
Current			
Contractual Services			
Contract Staff	45,000	38,908	6,092
Contract - Fiscal	3,500	3,900	(400)
Auditing	2,500	2,500	-
Contract Services	-	444	(444)
Total Contractual	<u>51,000</u>	<u>45,752</u>	<u>5,248</u>
Office			
Postage	350	271	79
Printing	100	81	19
Total Office	<u>450</u>	<u>352</u>	<u>98</u>
Repair & Maintenance			
Tools and Equipment	2,000	1,517	483
Travel and Meetings			
Travel and Meetings	10,000	9,482	518
Training & Technical Assistance	-	4,000	(4,000)
Total Travel and Meetings	<u>10,000</u>	<u>13,482</u>	<u>(3,482)</u>
Pass-through Funds			
Pass-through Funds - Subcontracts	-	50,591	(50,591)
Capital Outlay	12,000	-	12,000
Total Expenditures	<u>75,450</u>	<u>111,694</u>	<u>(36,244)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 102</u>	<u>\$ 102</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
SUMMIT COUNTY WATER QUALITY
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
State Sources			
State Contract Revenue	\$ -	\$ 1,000	\$ 1,000
Local Funding			
Local Funding	32,000	34,090	2,090
Total Revenues	<u>32,000</u>	<u>35,090</u>	<u>3,090</u>
Expenditures			
Current			
Contractual Services			
Contract Staff	26,000	30,542	(4,542)
Contract Services	2,500	2,525	(25)
Total Contractual	<u>28,500</u>	<u>33,067</u>	<u>(4,567)</u>
Office			
Office Supplies	-	25	(25)
Postage	50	9	41
Printing	50	285	(235)
Dues and Subscription	50	20	30
Total Office	<u>150</u>	<u>339</u>	<u>(189)</u>
Facilities			
Telephone	500	640	(140)
Total Facilities	<u>500</u>	<u>640</u>	<u>(140)</u>
Repair & Maintenance			
Equipment Maintenance & Repairs	100	-	100
Travel and Meetings			
Travel and Meetings	2,600	3,308	(708)
Total Travel and Meetings	<u>2,600</u>	<u>3,308</u>	<u>(708)</u>
Miscellaneous			
Indirect Costs Applied	1,054	1,054	-
Total Miscellaneous	<u>1,054</u>	<u>1,054</u>	<u>-</u>
Total Expenditures	<u>32,904</u>	<u>38,408</u>	<u>(5,504)</u>
Net Change in Fund Balance	<u>\$ (904)</u>	<u>\$ (3,318)</u>	<u>\$ (2,414)</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
WATER QUALITY / QUANTITY
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Membership Income			
County Pledges	\$ 98,365	\$ 98,365	\$ -
Municipal Pledges	36,109	36,109	-
Associate Member Pledges	4,120	4,120	-
Water & Sanitation Income	11,433	11,428	(5)
Subtotal Membership Income	<u>150,027</u>	<u>150,022</u>	<u>(5)</u>
Reimbursed Expenses			
Reimbursed Fees/Expenses	2,000	1,580	(420)
Other Income			
Interest Income	650	983	333
Total Revenues	<u>152,677</u>	<u>152,585</u>	<u>(92)</u>
Expenditures			
Current			
Contractual Services			
Contract Staff	122,400	127,163	(4,763)
Contract Services	14,146	3,274	10,872
Total Contractual	<u>136,546</u>	<u>130,437</u>	<u>6,109</u>
Office			
Postage	50	31	19
Printing	50	-	50
Internet	30	-	30
Dues and Subscription	1,700	1,863	(163)
Total Office	<u>1,830</u>	<u>1,894</u>	<u>(64)</u>
Facilities			
Telephone	360	710	(350)
Insurance	1,800	1,950	(150)
Total Facilities	<u>2,160</u>	<u>2,660</u>	<u>(500)</u>
Travel and Meetings			
Travel and Meetings	10,000	8,813	1,187
Total Travel and Meetings	<u>10,000</u>	<u>8,813</u>	<u>1,187</u>
Miscellaneous			
Indirect Costs Applied	6,994	6,994	-
Total Miscellaneous	<u>6,994</u>	<u>6,994</u>	<u>-</u>
Total Expenditures	<u>157,530</u>	<u>150,798</u>	<u>6,732</u>
Net Change in Fund Balance	<u>\$ (4,853)</u>	<u>\$ 1,787</u>	<u>\$ 6,640</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
OFFICE CONDO (249 WARREN AVENUE)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Direct Charges Income	\$ 75,684	\$ 75,648	\$ (36)
Total Revenues	<u>75,684</u>	<u>75,648</u>	<u>(36)</u>
Expenditures			
Current			
Contractual Services			
Contract Services	500	-	500
Total Contractual	<u>500</u>	<u>-</u>	<u>500</u>
Office			
Office Supplies	-	116	(116)
Total Office	<u>-</u>	<u>116</u>	<u>(116)</u>
Facilities			
Mortgage Expense	38,160	38,160	-
Rent & Utilities	6,000	6,000	-
Waste Removal	3,400	3,112	288
Total Facilities	<u>47,560</u>	<u>47,272</u>	<u>288</u>
Repair & Maintenance			
Equipment Maintenance & Repairs	18,387	18,524	(137)
Total Expenditures	<u>66,447</u>	<u>65,912</u>	<u>535</u>
Net Change in Fund Balance	<u>\$ 9,237</u>	<u>\$ 9,736</u>	<u>\$ 499</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
MOTOR POOL
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Other Income			
Direct Charges Income	\$ 36,000	\$ 35,273	\$ (727)
Total Revenues	<u>36,000</u>	<u>35,273</u>	<u>(727)</u>
Expenditures			
Current			
Contractual Services			
Contract - Fiscal	2,500	2,440	60
Total Contractual	<u>2,500</u>	<u>2,440</u>	<u>60</u>
Office			
Office Supplies	-	35	(35)
Total Office	<u>-</u>	<u>35</u>	<u>(35)</u>
Facilities			
Insurance	5,000	1,446	3,554
Total Facilities	<u>5,000</u>	<u>1,446</u>	<u>3,554</u>
Repair & Maintenance			
Vehicle Repair & Maintenance	2,500	3,735	(1,235)
Gas, Oil & Supplies	8,000	7,849	151
Travel and Meetings			
Travel and Meetings	-	27	(27)
Total Travel and Meetings	<u>-</u>	<u>27</u>	<u>(27)</u>
Total Expenditures	<u>18,000</u>	<u>15,532</u>	<u>2,468</u>
Net Change in Fund Balance	<u>\$ 18,000</u>	<u>\$ 19,741</u>	<u>\$ 1,741</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
INDIRECT
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Local Funding			
Local Funding	\$ 8,659	\$ 7,300	\$ (1,359)
Other Income			
Internal Indirect Revenue	207,890	206,863	(1,027)
Other Income	-	1,261	1,261
Total Revenues	216,549	215,424	(1,125)
Expenditures			
Current			
Wages and Benefits			
Salaries - Executive Director	5,671	6,480	(809)
Salaries - Support	59,876	51,684	8,192
Taxes and Benefits	32,143	26,542	5,601
Total Wages and Benefits	97,690	84,706	12,984
Contractual Services			
Contract Services	10,700	11,267	(567)
Contract - Fiscal	35,100	35,100	-
Auditing	20,600	20,600	-
Legal Expense	-	983	(983)
Total Contractual	66,400	67,950	(1,550)
Office			
Office Supplies	8,500	7,359	1,141
Postage	600	261	339
Printing	650	642	8
Internet	2,000	5,013	(3,013)
Advertising	-	873	(873)
Administration	700	977	(277)
Dues and Subscription	5,172	2,070	3,102
Copier Charges	1,500	1,054	446
Total Office	19,122	18,249	873
Facilities			
Rent & Utilities	17,361	19,814	(2,453)
Telephone	12,000	13,025	(1,025)
Insurance	12,000	13,428	(1,428)
Waste Removal	600	600	-
Total Facilities	41,961	46,867	(4,906)

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – GENERAL FUND
INDIRECT
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Repair & Maintenance			
Equipment Lease	14,730	15,111	(381)
Travel and Meetings			
Travel and Meetings	1,000	438	562
Training & Technical Assistance	-	1,259	(1,259)
Total Travel and Meetings	<u>1,000</u>	<u>1,697</u>	<u>(697)</u>
Pass-through Funds - Subcontracts			
Pass-through Funds - Subcontracts	-	500	(500)
Capital Outlay	<u>2,625</u>	-	<u>2,625</u>
Total Expenditures	<u>243,528</u>	<u>235,080</u>	<u>8,448</u>
Net Change in Fund Balance	<u>\$ (26,979)</u>	<u>\$ (19,656)</u>	<u>\$ 7,323</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Northwest Colorado Council of Governments
Silverthorne, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund information of the Northwest Colorado Council of Governments, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Northwest Colorado Council of Governments' basic financial statements, and have issued our report thereon dated April 17, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Northwest Colorado Council of Governments' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Northwest Colorado Council of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of the Northwest Colorado Council of Governments' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northwest Colorado Council of Governments' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

Northwest Colorado Council of Governments' Response to Findings

Northwest Colorado Council of Governments' response to the finding identified in our audit is described in the accompanying corrective action plan. Northwest Colorado Council of Governments' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
April 17, 2018



CliftonLarsonAllen

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Northwest Colorado Council of Governments
Silverthorne, Colorado

Report on Compliance for Each Major Federal Program

We have audited Northwest Colorado Council of Governments' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Northwest Colorado Council of Governments' major federal program for the year ended December 31, 2017. Northwest Colorado Council of Governments' major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance of Northwest Colorado Council of Governments' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Northwest Colorado Council of Governments' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Northwest Colorado Council of Governments' compliance.

Opinion on the Major Federal Program

In our opinion, Northwest Colorado Council of Governments complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on the major federal program is not modified with respect to these matters.

Northwest Colorado Council of Governments' response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. Northwest Colorado Council of Governments' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Northwest Colorado Council of Governments is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northwest Colorado Council of Governments' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Northwest Colorado Council of Governments' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

Board of Directors
Northwest Colorado Council of Governments

Northwest Colorado Council of Governments' response to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan. Northwest Colorado Council of Governments' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
April 17, 2018

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2017**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Agriculture				
Rural Housing Preservation Grants	10.433		\$ -	\$ 20,500
Total Department of Agriculture			-	20,500
Department of Commerce				
Economic Development Support for Planning Organizations	11.302		-	131,665
Total Department of Commerce Direct Programs			-	131,665
Department of Transportation				
Colorado Department of Transportation Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513		-	153,482
Total for Department of Transportation			-	153,482
Department of Energy				
Colorado Department of Local Affairs Weatherization Assistance for Low Income Persons	81.042		-	832,815
Total Department of Energy			-	832,815
Department of Health and Human Services				
Colorado Department of Human Services Special Program for the Aging Title III, Part D Disease Prevention & Health Promotion Aging Cluster	93.043		-	4,258
Title III, Admin.	93.044		-	14,734
Title III, Part B Grants for Supportive Services	93.044		-	66,486
Title III, NSIP C-1	93.045			14,968
Title III, NSIP C-2	93.045			4,471
Title III, Part C-1	93.045		-	170,323
Title III, Part C-2	93.045		-	74,263
Total Aging Cluster			-	345,245
Title III, Part E - National Family Caregiver Support	93.052		-	33,835
Total Department of Health and Human Services			-	383,338
Agency for International Development				
Cooperative Development Program	94.002		-	62,050
Total Agency for International Development			-	62,050
Department of Homeland Security				
Homeland Security Grant Program	97.067		-	111,796
Total Department of Homeland Security			-	111,796
Total Expenditures of Federal Awards			\$ -	\$ 1,695,646

See accompanying Notes to Schedule of Expenditures of Federal Awards..

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2017**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Northwest Colorado Council of Governments under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Northwest Colorado Council of Governments, it is not intended to and does not present the financial position or changes in net position of the Northwest Colorado Council of Governments.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue from federal awards is recognized when the Council has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when it becomes both measureable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. The Northwest Colorado Council of Governments has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency(ies) identified? _____ yes _____ x _____ none reported
3. Noncompliance material to financial statements noted? _____ yes _____ x _____ no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency(ies) identified? _____ x _____ yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ x _____ yes _____ no

Identification of Major Federal Programs

CFDA Number(s)

81.042

Name of Federal Program or Cluster

Weatherization Assistance for Low Income Persons

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

x yes _____ no

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2017-001

Federal agency: Department of Energy

Federal program title: Weatherization Assistance for Low Income Persons

CFDA Number: 81.042

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The Code of Federal Regulations, 2 CFR 200.303 requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations and the terms and conditions of the Federal award.

Condition: The Council's process to comply with 2 CFR 200.303, as it relates to timesheet review during the payroll process. During our testing of internal controls over compliance related to payroll, we noted that there was three items tested that were not properly reviewed and approved.

Questioned costs: None

Context: We selected forty payroll items for testing of internal controls and compliance over the payroll process and noted three instances where the control process was not followed.

Cause: The timesheets were missed in Management's review process.

Effect: Failing to follow internal control procedures in place over payroll can lead to incorrect reporting on the timesheets.

Repeat Finding: No

Recommendation: We recommend that Supervisory Management makes sure to look over all employee timesheet prior to payment to ensure accuracy of the timesheet as payroll costs are allocated to programs based on time entry.

Views of responsible officials: The Council is in agreement with the audit finding and has updated the Employee Handbook to clarify the responsibilities for time card review moving forward so that this doesn't happen again.

Section IV – Prior Year Findings

There were no findings in the prior year that were required to be reported.