

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2018**

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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, 2018, 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, 2018, 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, 2017, and have issued our report thereon dated April 17, 2018, 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 2017 financial statements. The budgetary schedules have been subjected to the auditing procedures applied in the audit of the 2017 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, 2017.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2019, 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  
May 16, 2019

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

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, 2018.

**Financial Highlights**

- The assets of the Council exceeded its liabilities at the close of 2018 by \$4,177,476. Of this total, \$3,995,436, or 96%, is unrestricted and may be used to meet the Council's obligations to the public and creditors.
- The Council's total net position increased \$1,078,832.
- The total cost of the Council's programs increased \$138,711 or 3%, compared to 2017.
- Total revenues increased \$598,147, or 11%, compared to 2017.
- The General Fund reported a fund balance of \$1,252,767 as of December 31, 2018, an increase of \$359,674. Approximately 71% 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, 2018**

**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, 2018**

Table 1 presents an analysis of the Council's net position as of December 31, 2018. The Council's assets exceeded liabilities by \$4,177,476 at the close of 2018. Total net position increased by \$1,078,832 in 2018. The increase is comprised of the following:

- Total assets increased \$937,836 to \$5,301,721. This mainly included an increase in cash from \$1,072,558 in 2017 to \$1,890,616 in 2018 due to an increase in revenue during 2018.
- Total liabilities decreased \$140,996 to \$1,124,245. This change included a decrease of \$165,655 in unearned revenue related to grants.

**Table 1**  
**Northwest Colorado Council of Governments**  
**Summary of Net Position**

	Governmental Activities	
	2018	2017
<b>Assets</b>		
Current and Other Assets	\$ 4,646,907	\$ 3,618,986
Capital Assets	654,814	744,899
Total Assets	<u>5,301,721</u>	<u>4,363,885</u>
<b>Liabilities</b>		
Current Liabilities	626,836	749,909
Long-Term Liabilities	497,409	515,332
Total Liabilities	<u>1,124,245</u>	<u>1,265,241</u>
<b>Net Position</b>		
Net Investment in Capital Assets	140,151	213,677
Restricted	41,889	41,074
Unrestricted	3,995,436	2,843,893
Total Net Position	<u>\$ 4,177,476</u>	<u>\$ 3,098,644</u>

The largest portion of the Council's net position amounting to \$3,995,436 (96%) is unrestricted and may be used to meet its obligations to the public and creditors.

**Analysis of Changes in Net Position**

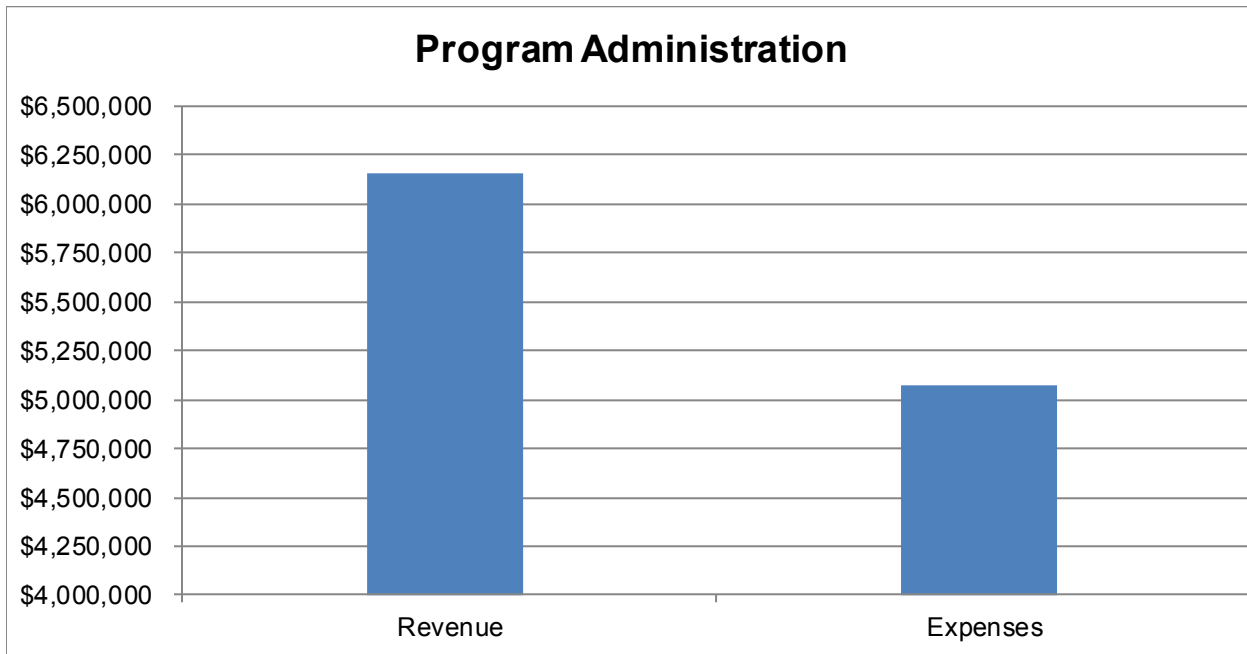
As presented in Table 2, the Council's overall net position increased \$1,078,832 compared to an increase of \$619,396 during 2017. Governmental revenues increased \$598,147 or 11% compared to 2017. The increase was due primarily to federal grant funds received and used by the Northwest Loan Fund in provided loans to businesses within the region which the Northwest Colorado Council of Government operates. Governmental expenses increased \$138,711, or 3% from 2017, primarily due to an increase in wages and an increase in repair and maintenance expenses from 2017 to 2018.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

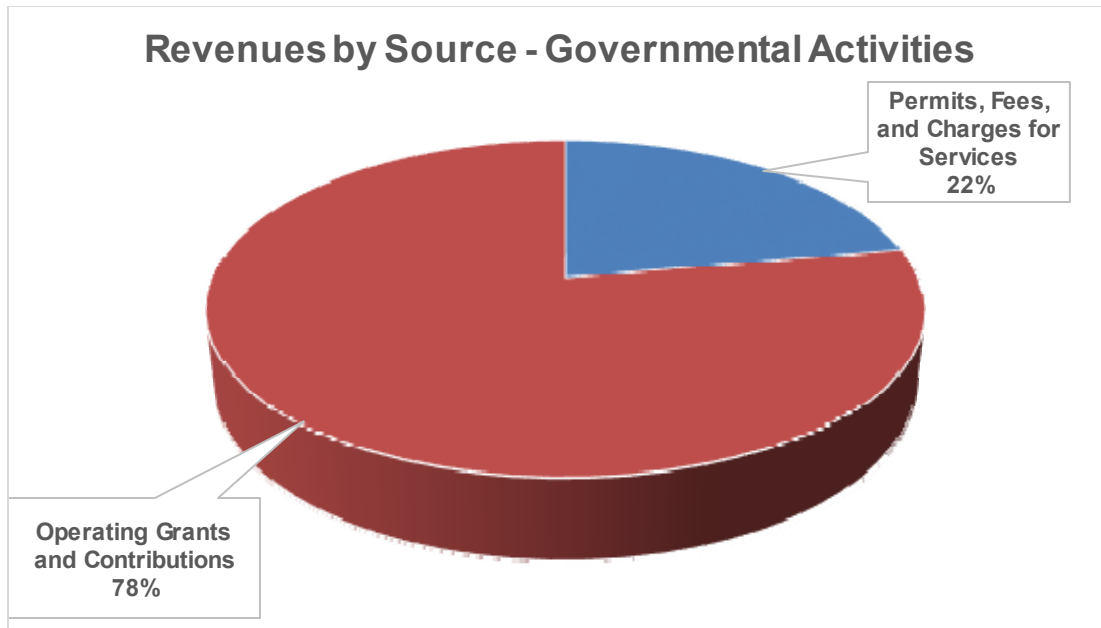
**Table 2**  
**Northwest Colorado Council of Governments**  
**Summary of Changes in net Position**  
**For Years as Stated**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues		
Program Revenues		
Permits, Fees, and Charges for Services	\$ 1,365,995	\$ 1,257,472
Operating Grants and Contributions	4,785,653	4,296,029
Total Revenues	<u>6,151,648</u>	<u>5,553,501</u>
Expenses		
Program Expenses	<u>5,072,816</u>	<u>4,934,105</u>
Total Expenses	<u>5,072,816</u>	<u>4,934,105</u>
Change in Net Position	1,078,832	619,396
Net Position - Beginning of Year	<u>3,098,644</u>	<u>2,479,248</u>
Net Position - End of Year	<u>\$ 4,177,476</u>	<u>\$ 3,098,644</u>

The following graphs provide visual representations of the expenses and revenues for governmental activities for 2018.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**



**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, 2018, the General Fund reported ending fund balances of \$1,252,767, an increase of \$359,674 compared to 2017.

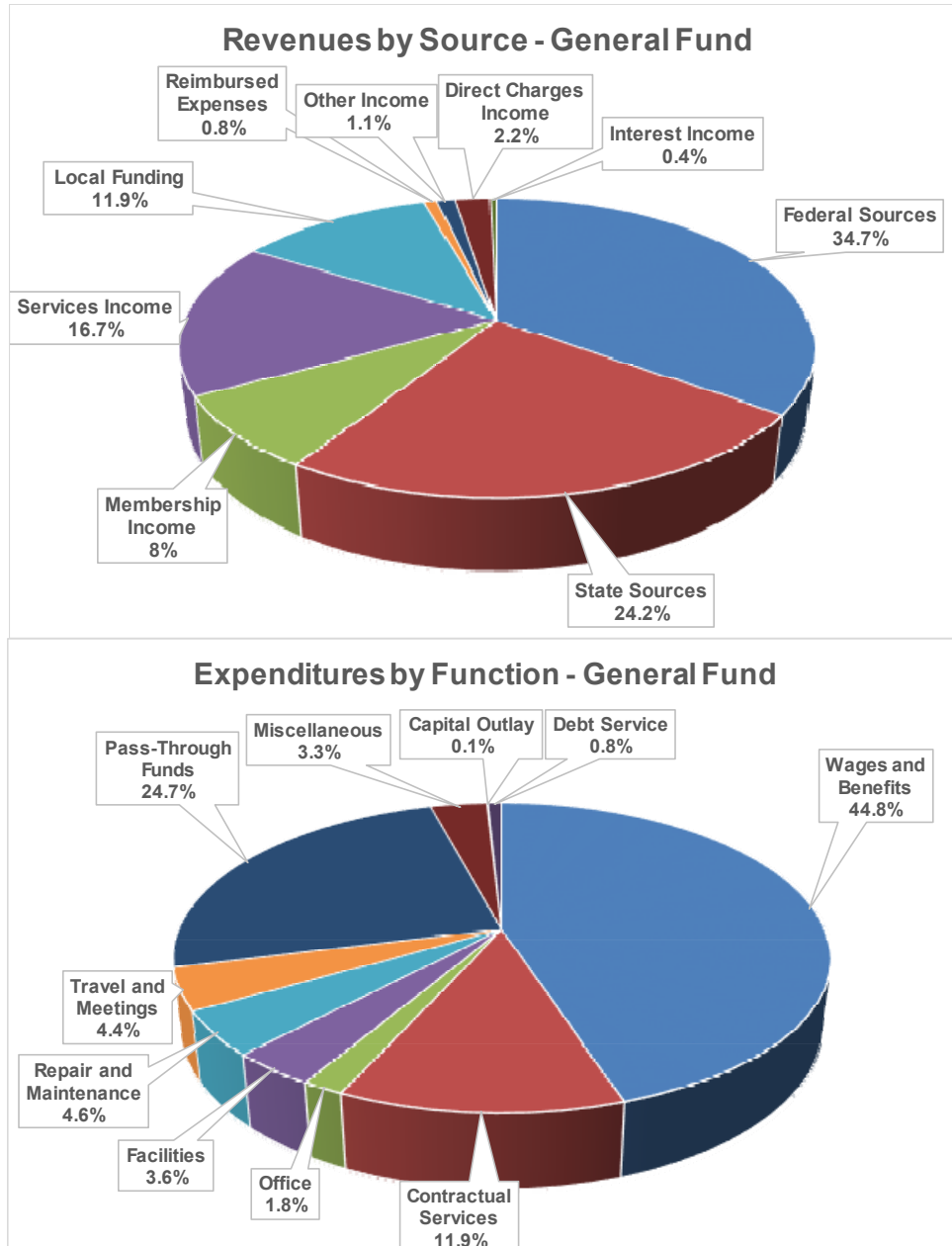
Management and the Board of Directors have assigned approximately 71% of the fund balance as follows:

	Balance December 31, 2017	Additions/ Deletions	Balance December 31, 2018
Alpine Area Agency for Aging	\$ 14,362	\$ (324)	\$ 14,038
Elevator Inspection Program	22,500	-	22,500
Water Quality & Quantity Program	113,287	5,249	118,536
Summit Water Quality Committee	32,746	1,411	34,157
Weatherization	50,679	73,109	123,788
Office Condo	41,422	7,947	49,369
Motor Pool	93,662	10,645	104,307
Emergency Cash Reserve	419,049	-	419,049
	<u>\$ 787,707</u>	<u>\$ 98,037</u>	<u>\$ 885,744</u>

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 25.5% of total General Fund expenditures compared to 19.0% in 2017.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

The following graphs provide visual representations of the expenditures and revenues for the General Fund for 2018.



The Northwest Loan Fund ended the year with a fund balance of \$2,795,071 compared to \$1,989,476 at the end of 2017, an increase of \$805,595 compared to \$485,262 in 2017. This was a result of an increase in federal revenues and related administration cost reimbursements for the administration of the loan program.

The Northwest Colorado Council of Governments Foundation fund ended the year with a fund balance of \$32,567. During 2018, the Foundation recorded \$34,471 in revenues. The fund expended \$35,222 during the year.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**General Fund Budgetary Highlights**

Budgetary comparison schedules are presented as required supplementary information. Actual revenues were \$5,270,905, \$29,226 more than projected. Actual expenditures were \$4,919,306, \$347,576 less than budgeted.

**Capital Assets and Debt Administration**

**Capital Assets**

The Council's investment in capital assets as of December 31, 2018 amounts to \$654,814 (net of accumulated depreciation). The decrease from 2017 was a result of annual depreciation expense.

	<u>2018</u>	<u>2017</u>
Building	\$ 481,227	\$ 498,112
Building Improvements	26,360	28,947
Vehicles	66,169	120,352
Furniture and Equipment	81,058	97,488
	<u>\$ 654,814</u>	<u>\$ 744,899</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 \$602,670 as follows:

	<u>2018</u>	<u>2017</u>
Building Loan	\$ 514,663	\$ 531,222
Compensated Absences	88,007	78,555
	<u>\$ 602,670</u>	<u>\$ 609,777</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 2018. 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 2018 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, 2018**

	2018
<b>ASSETS</b>	
Cash	\$ 1,890,616
Investments	408,212
Investments - Restricted	575,309
Accounts Receivable	187,396
Grants Receivable	362,249
Prepaid Items	341
Inventory	2,250
Loans Receivable	1,220,534
Capital Assets, Net of Accumulated Depreciation	654,814
Total Assets	5,301,721
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts Payable	169,175
Accrued Salaries and Withholdings	95,061
Unearned Revenue	257,339
Noncurrent Liabilities	
Due Within One Year	105,261
Due in More than One Year	497,409
Total Liabilities	1,124,245
<b>NET POSITION</b>	
Net Investment in Capital Assets	140,151
Restricted	41,889
Unrestricted	3,995,436
Total Net Position	\$ 4,177,476

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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	\$ 365,186	\$ 282,070	\$ 85,981	\$ 2,865
Alpine Area Agency for Aging	963,275	-	989,544	26,269
Connect for Health Colorado	172,715	-	173,752	1,037
Economic Development District	130,564	-	141,075	10,511
Elevator Inspection Program	693,142	902,408	-	209,266
Energy Management	1,308,593	-	1,390,280	81,687
Regional Coordinating Council	504,294	-	609,565	105,271
Watershed Services	19,702	-	17,933	(1,769)
Emergency Management	157,477	-	151,231	(6,246)
Summitt Water Quality	32,644	-	34,262	1,618
Water Quality/Quantity	212,968	181,517	38,023	6,572
CO Bark Beetle	1,392	-	-	(1,392)
Broadband	237,145	-	182,168	(54,977)
Northwest Loan Fund	131,773	-	937,368	805,595
NWCCOG Foundation, Inc.	35,222	-	34,471	(751)
Interest on Long Term Debt	21,601	-	-	(21,601)
Unallocated Depreciation	85,123	-	-	(85,123)
<b>Total Governmental Activities</b>	<b>\$ 5,072,816</b>	<b>\$ 1,365,995</b>	<b>\$ 4,785,653</b>	<b>1,078,832</b>
				Change in Net Position
				1,078,832
				Net Position - Beginning of Year
				3,098,644
				Net Position - End of Year
				<b>\$ 4,177,476</b>

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	General Fund	Northwest Loan Fund	NWCCOG Foundation	Total
<b>ASSETS</b>				
Cash	\$ 253,668	\$ 1,600,171	\$ 36,777	\$ 1,890,616
Investments	408,212	-	-	408,212
Investments - Restricted	575,309	-	-	575,309
Accounts Receivable	187,396	-	-	187,396
Grants Receivable	362,249	-	-	362,249
Due from Other Funds	4,210	-	-	4,210
Prepaid Items	341	-	-	341
Inventory	2,250	-	-	2,250
Loans Receivable	-	1,220,534	-	1,220,534
Total Assets	<u>\$ 1,793,635</u>	<u>\$ 2,820,705</u>	<u>\$ 36,777</u>	<u>\$ 4,651,117</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Accounts Payable	\$ 168,541	\$ 634	\$ -	\$ 169,175
Accrued Salaries and Withholdings	95,061	-	-	95,061
Due to Other Funds	-	-	4,210	4,210
Unearned Revenue	232,339	25,000	-	257,339
Total Liabilities	<u>495,941</u>	<u>25,634</u>	<u>4,210</u>	<u>525,785</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred - Unavailable revenue	44,927	-	-	44,927
Total Deferred Inflows of Resources	<u>44,927</u>	<u>-</u>	<u>-</u>	<u>44,927</u>
<b>FUND BALANCES</b>				
Nonspendable				
Inventory	2,250	-	-	2,250
Prepaid Items	341	-	-	341
Restricted				
USDA Loan Reserve	41,889	-	-	41,889
Assigned				
Alpine Area Agency for Aging	14,038	-	-	14,038
Elevator Inspection Program	22,500	-	-	22,500
Water Quality & Quantity Program	118,536	-	-	118,536
Summit Water Quality Committee	34,157	-	-	34,157
Weatherization	123,788	-	-	123,788
Office Condo	49,369	-	-	49,369
Motor Pool	104,307	-	-	104,307
Emergency Cash Reserve	419,049	-	-	419,049
Other Purposes	-	2,795,071	32,567	2,827,638
Unassigned	322,543	-	-	322,543
Total Fund Balances	<u>1,252,767</u>	<u>2,795,071</u>	<u>32,567</u>	<u>4,080,405</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,793,635</u>	<u>\$ 2,820,705</u>	<u>\$ 36,777</u>	<u>\$ 4,651,117</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, 2018**

Total Fund Balance for Governmental Funds	\$ 4,080,405
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.	654,814
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds: Unavailable Revenue	44,927
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, 2018 are:	
Note Payable	(514,663)
Compensated Absences	<u>(88,007)</u>
Net Position of Governmental Activities	<u><u>\$ 4,177,476</u></u>

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, 2018**

	General Fund	Northwest Loan Fund	NWCCOG Foundation	Total
<b>REVENUES</b>				
Federal Sources	\$ 1,837,025	\$ 772,166	\$ -	\$ 2,609,191
State Sources	1,276,805	50,000	-	1,326,805
Membership Income	419,235	-	-	419,235
Services Income	880,909	-	-	880,909
Local Funding	624,967	-	-	624,967
Reimbursed Expenses	42,119	-	-	42,119
Other Income	56,995	113,628	34,421	205,044
Direct Charges Income	114,154	-	-	114,154
Interest Income	18,696	1,574	50	20,320
Total Revenues	<u>5,270,905</u>	<u>937,368</u>	<u>34,471</u>	<u>6,242,744</u>
<b>EXPENDITURES</b>				
Current				
Wages and Benefits	2,209,982	91,518	-	2,301,500
Contractual Services	583,071	11,181	3,162	597,414
Office	86,621	8,941	35	95,597
Facilities	178,710	3,310	-	182,020
Repair and Maintenance	226,023	584	-	226,607
Travel and Meetings	216,564	7,093	-	223,657
Pass-Through Funds	1,213,256	-	32,025	1,245,281
Miscellaneous	163,245	9,146	-	172,391
Capital Outlay	3,674	-	-	3,674
Debt Service				
Principal	16,559	-	-	16,559
Interest	21,601	-	-	21,601
Total Expenditures	<u>4,919,306</u>	<u>131,773</u>	<u>35,222</u>	<u>5,086,301</u>
Other Financing Sources				
Proceeds on Sale of Asset	8,075	-	-	8,075
Total Other Financing Sources	<u>8,075</u>	<u>-</u>	<u>-</u>	<u>8,075</u>
Net Change in Fund Balances	359,674	805,595	(751)	1,164,518
Fund Balances - Beginning of Year	<u>893,093</u>	<u>1,989,476</u>	<u>33,318</u>	<u>2,915,887</u>
Fund Balances - End of Year	<u>\$ 1,252,767</u>	<u>\$ 2,795,071</u>	<u>\$ 32,567</u>	<u>\$ 4,080,405</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, 2018**

Net Change in Fund Balances - Governmental Funds

Amounts reported for governmental activities in the statement of activities are different because: \$ 1,164,518

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.

Capital Outlays	3,674
Depreciation Expense	(85,123)
Book Value of Disposed Assets	(8,636)

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.

Principal Payments on Note Payable	16,559
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds

Unavailable Revenue	(2,708)
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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.

Adjustment to Compensated Absences Liability	(9,452)
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Change in Net Position of Governmental Activities	\$ 1,078,832
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**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 2018**

**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, 2018**

**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, 2018. The reserve calculation does not include pass through funds received by the Council and passed through to other organizations or programs.

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, 2018**

**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, net of related debt.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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 \$2,591 in nonspendable resources as of December 31, 2018.

*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 \$41,889 restricted for the USDA Loan Reserve as of December 31, 2018.

*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, 2018.

*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, 2018**

**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, 2017	Additions/ Deletions	Balance December 31, 2018
Alpine Area Agency for Aging	\$ 14,362	\$ (324)	\$ 14,038
Elevator Inspection Program	22,500	-	22,500
Water Quality & Quantity Program	113,287	5,249	118,536
Summit Water Quality Committee	32,746	1,411	34,157
Weatherization	50,679	73,109	123,788
Office Condo	41,422	7,947	49,369
Motor Pool	93,662	10,645	104,307
Emergency Cash Reserve	419,049	-	419,049
	<u>\$ 787,707</u>	<u>\$ 98,037</u>	<u>\$ 885,744</u>

In addition, the Council reports assigned fund balances of \$2,795,071 and \$32,567 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, 2018**

**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, 2018 are reported as follows:

	Unrestricted	Restricted	Total
Cash	\$ 1,890,616	\$ -	\$ 1,890,616
Investments	408,212	575,309	983,521
Total	\$ 2,298,828	\$ 575,309	\$ 2,874,137

**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, 2018, Council's deposits amounting to \$1,890,616 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, 2018**

**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, 2018, the Council had the following investments:

	<u>Standard &amp; Poor's Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
Local Government Investment Pools			
COLOTRUST	AAAm	< 60 Days	\$ 494,132
CSAFE	AAAm	< 60 Days	489,389
Total			<u>\$ 983,521</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, 2018**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Fair Value**

As of December 31, 2018, the Council had invested \$378,831 in the Colorado Local Government Liquid Asset Trust – PLUS and \$115,301 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, 2018, 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, 2018, the Council had invested \$489,389 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 \$1,252,545 has been reduced by \$32,011 as an allowance for estimated uncollectible. The loans mature as follows:

Year Ending	Total
2019	\$ 153,488
2020	98,572
2021	263,400
2022	85,025
2023	112,418
Thereafter	507,631
Total	\$ 1,220,534

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2018 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	-	(63,927)	611,310
Furniture and Equipment	226,944	3,674	-	230,618
Total Capital Assets Being Depreciated	<u>1,630,473</u>	<u>3,674</u>	<u>(63,927)</u>	<u>1,570,220</u>
Less Accumulated Depreciation				
Building	(177,293)	(16,885)	-	(194,178)
Building Improvements	(23,940)	(2,587)	-	(26,527)
Vehicles	(554,885)	(45,547)	55,291	(545,141)
Furniture and Equipment	(129,456)	(20,104)	-	(149,560)
Total Accumulated Depreciation	<u>(885,574)</u>	<u>(85,123)</u>	<u>55,291</u>	<u>(915,406)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 744,899</u>	<u>\$ (81,449)</u>	<u>\$ (8,636)</u>	<u>\$ 654,814</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, 2018 follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
United States Department of Agriculture (USDA) Note	\$ 531,222	\$ -	\$ (16,559)	\$ 514,663	\$ 17,254
Compensated Absences	78,555	9,452	-	88,007	88,007
	<u>\$ 609,777</u>	<u>\$ 9,452</u>	<u>\$ (16,559)</u>	<u>\$ 602,670</u>	<u>\$ 105,261</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 30 years in monthly installments of \$3,180 beginning April 17, 2007 through March 21, 2038, including interest at 4.125%.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 2018, the Council has restricted \$41,889 of its investments towards this purpose.

The note matures as follows:

	Principal	Interest	Total
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	20,343	17,817	38,160
2024-2028	115,287	75,513	190,800
2029-2033	141,644	49,156	190,800
2034-2038	163,898	16,782	180,680
	<u>\$ 514,663</u>	<u>\$ 238,417</u>	<u>\$ 753,080</u>

**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, 2018, lease expenditures amounted to \$58,164.

**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 2018, the Council's contribution and employee contributions to the Plan were \$103,759 and \$105,486, respectively. The Council has recognized pension expense of \$103,759 and has no outstanding pension liability as of December 31, 2018.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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 \$419,235 were received by the Council during the year ended December 31, 2018. The following represents the source of funds received:

General Operations	\$ 253,514
Water Quality & Quantity	165,721
Total	<u>\$ 419,235</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, 2018**

**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, 2018  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2017)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2017 Actual
<b>Revenues</b>				
Federal Sources				
Federal Contract Revenue	\$ 1,734,986	\$ 1,837,025	\$ 102,039	\$ 1,659,021
State Sources				
State Contract Revenue	1,294,392	1,276,805	(17,587)	1,330,702
Membership Income				
County Pledges	253,105	253,104	(1)	235,469
Municipal Pledges	143,908	144,323	415	127,344
Associate Member Pledges	4,244	7,956	3,712	4,120
Water & Sanitation Income	11,776	13,852	2,076	11,428
Total Membership Income	<u>413,033</u>	<u>419,235</u>	<u>6,202</u>	<u>378,361</u>
Services Income				
Inspection Fees	510,000	464,475	(45,525)	466,975
Specialized Services	-	26,400	26,400	26,400
Other Service Income	210,000	142,575	(67,425)	241,950
Permit Review Fees	100,000	247,459	147,459	131,320
Total Services Income	<u>820,000</u>	<u>880,909</u>	<u>60,909</u>	<u>866,645</u>
Local Funding				
Local Funding	345,373	465,586	120,213	306,699
Matching Funds	16,000	14,575	(1,425)	100,000
Local Funding - NWCCOG Matching	131,314	144,806	13,492	106,633
Total Local Funding	<u>492,687</u>	<u>624,967</u>	<u>132,280</u>	<u>513,332</u>
Reimbursed Expenses				
Reimbursed Fees/Expenses	138,080	42,119	(95,961)	32,559
Other Income				
Internal Indirect Revenue	230,582	10,534	(220,048)	8,887
Other Income	-	46,461	46,461	1,261
Total Other Income	<u>230,582</u>	<u>56,995</u>	<u>(173,587)</u>	<u>10,148</u>
Direct Charges Income	117,919	114,154	(3,765)	110,921
Interest Income	-	18,696	18,696	7,964
<b>Total Revenues</b>	<u>5,241,679</u>	<u>5,270,905</u>	<u>29,226</u>	<u>4,909,653</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, 2018  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2017)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2017 Actual
<b>Expenditures</b>				
Current				
Wages and Benefits				
Salaries - Executive Director	122,433	122,479	(46)	116,604
Salaries - Program Director	172,763	173,804	(1,041)	211,330
Salaries - Assistant Director	150,490	84,000	66,490	80,000
Salaries - Program Staff	973,054	1,135,653	(162,599)	885,017
Salaries - Support	229,985	168,005	61,980	224,196
Taxes and Benefits	519,434	525,114	(5,680)	447,469
Flex Administration Fee	700	927	(227)	-
Total Wages and Benefits	<u>2,168,859</u>	<u>2,209,982</u>	<u>(41,123)</u>	<u>1,964,616</u>
Contractual Services				
Contract Staff	263,895	321,545	(57,650)	345,452
Contract - Fiscal	48,770	47,211	1,559	48,560
Legal Expense	500	1,479	(979)	3,031
Auditing	24,000	24,015	(15)	25,000
Contract Services	225,515	188,821	36,694	265,352
Total Contractual	<u>562,680</u>	<u>583,071</u>	<u>(20,391)</u>	<u>687,395</u>
Office				
Office Supplies	18,619	18,837	(218)	16,543
Bank Charges	1,030	988	42	1,130
Credit Card Fees	4,026	2,928	1,098	4,091
Postage	7,172	6,127	1,045	5,762
Printing	3,650	750	2,900	1,019
Advertising	9,220	11,740	(2,520)	19,228
Internet	9,204	28,985	(19,781)	33,265
Dues and Subscription	13,092	13,938	(846)	10,927
Safety	-	1,387	(1,387)	-
Copier Charges	-	941	(941)	1,054
Total Office	<u>66,013</u>	<u>86,621</u>	<u>(20,608)</u>	<u>93,019</u>
Facilities				
Rent & Utilities	92,177	119,648	(27,471)	117,448
Telephone	27,228	29,226	(1,998)	26,724
Insurance	30,172	25,820	4,352	26,883
Waste Removal	4,000	4,016	(16)	3,712
Total Facilities	<u>153,577</u>	<u>178,710</u>	<u>(25,133)</u>	<u>174,767</u>
Repair & Maintenance				
Equipment Maintenance & Repairs	22,010	22,417	(407)	19,767
Vehicle Repair & Maintenance	16,469	29,918	(13,449)	12,227
Gas, Oil & Supplies	36,900	42,254	(5,354)	27,257
Equipment Lease	16,070	17,524	(1,454)	15,111
Tools and Equipment	6,000	113,910	(107,910)	29,397
Total Repair & Maintenance	<u>97,449</u>	<u>226,023</u>	<u>(128,574)</u>	<u>103,759</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, 2018  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2017)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2017 Actual
Travel and Meetings				
Travel and Meetings	174,692	181,164	(6,472)	139,072
Training & Technical Assistance	117,386	35,400	81,986	13,623
Total Travel and Meetings	<u>292,078</u>	<u>216,564</u>	<u>75,514</u>	<u>152,695</u>
Pass-through Funds				
Pass-through Funds - Subcontracts	1,144,937	1,006,069	138,868	1,252,069
Pass-through Funds - Materials	141,874	207,187	(65,313)	97,092
Total Pass-Through Funds	<u>1,286,811</u>	<u>1,213,256</u>	<u>73,555</u>	<u>1,349,161</u>
Miscellaneous				
Bad Debts - Written Off	-	1,050	(1,050)	-
Program Supplies	4,496	4,706	(210)	3,759
Licenses and Permits	3,500	5,415	(1,915)	2,160
Charitable Donations	-	-	-	19,650
Purchased Food	-	1,574	(1,574)	332
Administration	-	1,390	(1,390)	977
Awards	9,000	4,304	4,696	-
Indirect Costs Applied	221,151	-	221,151	-
Local Match Cost	144,814	144,806	8	106,521
Deferred Expense	62,706	-	62,706	-
Total Miscellaneous	<u>445,667</u>	<u>163,245</u>	<u>282,422</u>	<u>133,399</u>
Capital Outlay	155,588	3,674	151,914	6,323
Debt Service				
Principal	15,250	16,559	(1,309)	15,891
Interest	22,910	21,601	1,309	22,269
Total Expenditures	<u>5,266,882</u>	<u>4,919,306</u>	<u>347,576</u>	<u>4,703,294</u>
Other Financing Sources				
Proceeds on Sale of Asset	-	8,075	8,075	10,520
Total Other Financing Sources	<u>-</u>	<u>8,075</u>	<u>8,075</u>	<u>10,520</u>
Net Change in Fund Balance	(25,203)	359,674	384,877	216,879
Fund Balance - Beginning of Year	633,317	893,093	259,776	676,214
Fund Balance - End of Year	<u>\$ 608,114</u>	<u>\$ 1,252,767</u>	<u>\$ 644,653</u>	<u>\$ 893,093</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, 2018  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2017)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2017 Actual
<b>Revenues</b>				
Federal Sources				
Federal Contract Revenue	\$ 400,000	665,660	\$ 265,660	\$ -
Administration	66,700	106,506	39,806	72,369
State Sources				
State Contract Revenue	100,000	50,000	(50,000)	482,337
Reimbursed Expenses				
Reimbursed Fees/Expenses	-	-	-	14
Other Income				
Loan Principal and Interest	83,000	77,779	(5,221)	69,996
Interest Income	-	1,574	1,574	-
Miscellaneous	-	35,849	35,849	-
<b>Total Revenues</b>	<b>649,700</b>	<b>937,368</b>	<b>287,668</b>	<b>624,716</b>
<b>Expenditures</b>				
Current				
Wages and Benefits				
Salaries - Program Director	75,494	75,495	(1)	71,900
Office Wages	2,566	170	2,396	76
Taxes and Benefits	16,540	15,853	687	15,412
<b>Total Wages and Benefits</b>	<b>94,600</b>	<b>91,518</b>	<b>3,082</b>	<b>87,388</b>
Contractual Services				
Contract Staff	48,000	9,480	38,520	-
Contract - Fiscal	444	264	180	1,239
Contract Services	3,000	1,437	1,563	1,902
<b>Total Contractual</b>	<b>51,444</b>	<b>11,181</b>	<b>40,263</b>	<b>3,141</b>
Office				
Office Supplies	2,000	1,820	180	920
Program Expense	-	2,554	(2,554)	-
Bank Charges	-	10	(10)	72
Postage	300	273	27	209
Internet	-	-	-	13
Advertising	500	-	500	-
Dues and Subscription	800	4,284	(3,484)	808
<b>Total Office</b>	<b>3,600</b>	<b>8,941</b>	<b>(5,341)</b>	<b>2,022</b>
Facilities				
Rent & Utilities	2,415	2,415	-	2,344
Telephone	700	793	(93)	763
Insurance	25	102	(77)	-
<b>Total Facilities</b>	<b>3,140</b>	<b>3,310</b>	<b>(170)</b>	<b>3,107</b>

**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, 2018  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2017)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2017 Actual
Repair & Maintenance				
Tools & Equipment	-	584	(584)	-
Total Repairs & Maintenance	-	584	(584)	-
Travel and Meetings				
Travel and Meetings	9,000	7,093	1,907	6,357
Total Travel and Meetings	9,000	7,093	1,907	6,357
Miscellaneous				
Bad Debts	-	-	-	28,158
Licenses and Permits	1,050	2	1,048	72
Indirect Costs Applied	9,430	9,144	286	9,209
Total Miscellaneous	10,480	9,146	1,334	37,439
Total Expenditures	172,264	131,773	40,491	139,454
Net Change in Fund Balance	477,436	805,595	328,159	485,262
Fund Balance - Beginning of Year	1,989,476	1,989,476	-	1,504,214
Fund Balance - End of Year	<u>\$ 2,466,912</u>	<u>\$ 2,795,071</u>	<u>\$ 328,159</u>	<u>\$ 1,989,476</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, 2018  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2017)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2017 Actual
<b>Revenues</b>				
State Contract Revenue	\$ -	\$ -	\$ -	\$ 426
Foundation and Trusts	-	34,346	34,346	34,285
Interest Income	-	50	50	-
Other Income	-	75	75	6,654
<b>Total Revenues</b>	<b>-</b>	<b>34,471</b>	<b>34,471</b>	<b>41,365</b>
<b>Expenditures</b>				
Current				
Contract Services	19,600	3,162	16,438	46,837
Bank Charges	-	-	-	40
Postage	-	-	-	6
Dues and Subscription	-	10	(10)	70
Pass Through Funds	-	32,025	(32,025)	14,159
Other	-	25	(25)	18,414
<b>Total Expenditures</b>	<b>19,600</b>	<b>35,222</b>	<b>(15,622)</b>	<b>79,526</b>
Net Change in Fund Balance	(19,600)	(751)	18,849	(38,161)
Fund Balance - Beginning of Year	33,318	33,318	-	71,479
Fund Balance - End of Year	<u>\$ 13,718</u>	<u>\$ 32,567</u>	<u>\$ 18,849</u>	<u>\$ 33,318</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018**

**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, 2018, the NWCCOG Council did not adopt supplemental appropriations.

	Original Budget	Revisions	Final Budget
General Fund	\$ 5,266,882	\$ -	\$ 5,266,882
Northwest Loan Fund	172,264	-	172,264
NWCCOG Foundation Fund	19,600	-	19,600

As of December 31, 2018, the Northwest Foundation had actual expenditures of \$15,622 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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
State Sources			
State Contract Revenue	\$ 78,500	\$ 65,319	\$ (13,181)
Membership Income			
County Pledges	151,789	151,789	-
Municipal Pledges	101,048	101,725	677
Subtotal Membership Income	<u>252,837</u>	<u>253,514</u>	<u>677</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	26,400	-	(26,400)
Reimbursed Expenses			
Reimbursed Fees/Expenses	-	360	360
Other Income			
Other Income	-	2,963	2,963
Interest Income	-	16,682	16,682
Total Revenues	<u>357,737</u>	<u>365,238</u>	<u>7,501</u>
<b>Expenditures</b>			
Current			
Wages and Benefits			
Salaries - Executive Director	94,568	97,280	(2,712)
Salaries - Program Staff	-	215	(215)
Taxes and Benefits	24,673	27,734	(3,061)
Total Wages and Benefits	<u>119,241</u>	<u>125,229</u>	<u>(5,988)</u>
Contractual Services			
Contract Staff	26,400	24,245	2,155
Contract Services	14,000	23,984	(9,984)
Legal Expense	500	-	500
Total Contractual	<u>40,900</u>	<u>48,229</u>	<u>(7,329)</u>
Office			
Office Supplies	1,500	815	685
Bank Charges	1,000	898	102
Postage	200	92	108
Printing	500	-	500
Internet	-	704	(704)
Dues and Subscription	1,420	1,464	(44)
Total Office	<u>4,620</u>	<u>3,973</u>	<u>647</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Facilities			
Rent & Utilities	3,667	3,667	-
Telephone	750	1,382	(632)
Insurance	-	5	(5)
Total Facilities	<u>4,417</u>	<u>5,054</u>	<u>(637)</u>
Repair & Maintenance			
Equipment Maintenance & Repairs	-	343	(343)
Travel and Meetings			
Travel and Meetings	10,000	12,722	(2,722)
Training & Technical Assistance	-	3,026	(3,026)
Total Travel and Meetings	<u>10,000</u>	<u>15,748</u>	<u>(5,748)</u>
Pass-through Funds			
Pass-through Funds - Subcontracts	78,500	9,414	69,086
Miscellaneous			
Indirect Costs Applied	11,424	11,777	(353)
Local Match Cost	144,814	144,806	8
Total Miscellaneous	<u>156,238</u>	<u>156,583</u>	<u>(345)</u>
Total Expenditures	<u>413,916</u>	<u>364,573</u>	<u>49,343</u>
Net Change in Fund Balance	<u>\$ (56,179)</u>	<u>\$ 665</u>	<u>\$ 56,844</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Federal Sources			
Federal Contract Revenue	\$ 606,120	\$ 428,730	\$ (177,390)
State Sources			
State Contract Revenue	495,482	523,861	28,379
Local Funding			
Matching Funds	-	75	75
Local Funding	-	4,210	4,210
Local Funding - NWCCOG Matching	29,313	29,313	-
<b>Total Revenues</b>	<b>1,130,915</b>	<b>981,979</b>	<b>(148,936)</b>
<b>Expenditures</b>			
Current			
Wages and Benefits			
Salaries - Program Director	77,763	81,400	(3,637)
Salaries - Program Staff	155,342	142,144	13,198
Salaries - Support	250	804	(554)
Taxes and Benefits	81,350	77,405	3,945
<b>Total Wages and Benefits</b>	<b>314,705</b>	<b>301,753</b>	<b>12,952</b>
Contractual Services			
Contract Staff	-	8,100	(8,100)
Contract - Fiscal	1,344	1,344	-
Auditing	-	1,200	(1,200)
Legal Expense	-	1,235	(1,235)
Contract Services	54,700	875	53,825
<b>Total Contractual</b>	<b>56,044</b>	<b>12,754</b>	<b>43,290</b>
Office			
Office Supplies	2,350	1,509	841
Bank Charges	30	45	(15)
Postage	3,700	878	2,822
Printing	1,800	296	1,504
Internet	424	16,657	(16,233)
Advertising	6,957	2,370	4,587
Dues and Subscription	2,200	2,736	(536)
<b>Total Office</b>	<b>17,461</b>	<b>24,491</b>	<b>(7,030)</b>
Facilities			
Rent & Utilities	13,166	13,167	(1)
Telephone	-	390	(390)
<b>Total Facilities</b>	<b>13,166</b>	<b>13,557</b>	<b>(391)</b>

**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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Travel and Meetings			
Travel and Meetings	26,550	23,919	2,631
Training & Technical Assistance	5,900	4,282	1,618
Total Travel and Meetings	<u>32,450</u>	<u>28,201</u>	<u>4,249</u>
Pass-through Funds			
Pass-through Funds - Subcontracts	710,957	546,832	164,125
Miscellaneous			
Program Supplies	4,496	3,061	1,435
Awards	9,000	4,304	4,696
Purchased Food	-	1,431	(1,431)
Indirect Costs Applied	28,159	25,271	2,888
Deferred Expense	1,249	-	1,249
Total Miscellaneous	<u>42,904</u>	<u>34,067</u>	<u>8,837</u>
Total Expenditures	<u>1,187,687</u>	<u>961,655</u>	<u>226,032</u>
Net Change in Fund Balance	<u>\$ (56,772)</u>	<u>\$ 20,324</u>	<u>\$ 77,096</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
State Sources			
State Contract Revenue	\$ 150,905	\$ 172,424	\$ 21,519
Total Revenues	<u>150,905</u>	<u>172,424</u>	<u>21,519</u>
<b>Expenditures</b>			
Current			
Contractual Services			
Contract Staff	-	61,920	(61,920)
Contract Services	52,000	2,090	49,910
Total Contractual	<u>52,000</u>	<u>64,010</u>	<u>(12,010)</u>
Office			
Bank Charges	-	45	(45)
Total Office	<u>-</u>	<u>45</u>	<u>(45)</u>
Travel and Meetings			
Travel and Meetings	16,666	8,094	8,572
Training & Technical Assistance	1,667	7,500	(5,833)
Total Travel and Meetings	<u>18,333</u>	<u>15,594</u>	<u>2,739</u>
Pass-through Funds			
Pass-through Funds - Subcontracts	65,480	77,100	(11,620)
Miscellaneous			
Indirect Costs Applied	15,092	15,675	(583)
Total Miscellaneous	<u>15,092</u>	<u>15,675</u>	<u>(583)</u>
Total Expenditures	<u>150,905</u>	<u>172,424</u>	<u>(21,519)</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Federal Sources			
Federal Contract Revenue	\$ 70,000	\$ 52,500	\$ (17,500)
State Sources			
State Contract Revenue	-	17,500	17,500
Local Funding			
Local Funding - NWCCOG Matching	56,500	69,996	13,496
<b>Total Revenues</b>	<b>126,500</b>	<b>139,996</b>	<b>13,496</b>
<b>Expenditures</b>			
Current			
Wages and Benefits			
Salaries - Executive Director	9,500	10,578	(1,078)
Salaries - Program Staff	69,161	67,865	1,296
Taxes and Benefits	29,645	29,903	(258)
Total Wages and Benefits	108,306	108,346	(40)
Contractual Services			
Contract Services	-	188	(188)
Total Contractual	-	188	(188)
Office			
Postage	32	7	25
Internet	3,600	5,104	(1,504)
Advertising	-	1,000	(1,000)
Dues and Subscription	900	890	10
Total Office	4,532	7,001	(2,469)
Facilities			
Rent & Utilities	1,845	1,845	-
Total Facilities	1,845	1,845	-
Travel and Meetings			
Travel and Meetings	3,303	2,481	822
Training & Technical Assistance	1,360	1,845	(485)
Total Travel and Meetings	4,663	4,326	337
Miscellaneous			
Indirect Costs Applied	9,502	8,637	865
Total Miscellaneous	9,502	8,637	865
Capital Outlay	-	950	(950)
<b>Total Expenditures</b>	<b>128,848</b>	<b>131,293</b>	<b>(2,445)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (2,348)</b>	<b>\$ 8,703</b>	<b>\$ 11,051</b>

**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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Services Income			
Inspection Fees	\$ 510,000	\$ 464,475	\$ (45,525)
Permit Review Fees	100,000	247,459	147,459
Other Service Income	210,000	142,575	(67,425)
Other Income	-	41,000	41,000
Total Revenue	<u>820,000</u>	<u>895,509</u>	<u>75,509</u>
<b>Expenditures</b>			
Current			
Wages and Benefits			
Salaries - Executive Director	-	538	(538)
Salaries - Program Director	95,000	91,042	3,958
Salaries - Program Staff	264,223	242,945	21,278
Salaries - Support	82,726	75,574	7,152
Taxes and Benefits	135,696	106,280	29,416
Total Wages and Benefits	<u>577,645</u>	<u>516,379</u>	<u>61,266</u>
Contractual Services			
Contract Staff	-	21,620	(21,620)
Contract Services	43,000	28,054	14,946
Total Contractual	<u>43,000</u>	<u>49,674</u>	<u>(6,674)</u>
Office			
Office Supplies	2,500	3,761	(1,261)
Credit Card Fees	4,000	2,928	1,072
Postage	600	672	(72)
Printing	500	203	297
Advertising	1,000	1,590	(590)
Dues and Subscription	1,200	243	957
Total Office	<u>9,800</u>	<u>9,397</u>	<u>403</u>
Facilities			
Rent & Utilities	7,996	7,996	-
Telephone	3,700	3,131	569
Insurance	100	60	40
Total Facilities	<u>11,796</u>	<u>11,187</u>	<u>609</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Repair & Maintenance			
Tools and Equipment	2,000	4,807	(2,807)
Total Repair and Maintenance	<u>2,000</u>	<u>4,807</u>	<u>(2,807)</u>
Travel and Meetings			
Travel and Meetings	30,000	44,770	(14,770)
Training & Technical Assistance	6,000	4,038	1,962
Total Travel and Meetings	<u>36,000</u>	<u>48,808</u>	<u>(12,808)</u>
Miscellaneous			
Bad Debts - Written Off	-	1,050	(1,050)
Licenses and Permits	2,500	1,062	1,438
Indirect Costs Applied	53,387	49,612	3,775
Total Miscellaneous	<u>55,887</u>	<u>51,724</u>	<u>4,163</u>
Total Expenditures	<u>736,128</u>	<u>691,976</u>	<u>44,152</u>
Net Change in Fund Balance	<u>\$ 83,872</u>	<u>\$ 203,533</u>	<u>\$ 119,661</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Federal Sources			
Federal Contract Revenue	\$ 717,935	\$ 1,098,556	\$ 380,621
State Sources			
State Contract Revenue	129,960	-	(129,960)
Local Funding			
Local Funding	130,000	270,740	140,740
Reimbursed Expenses			
Reimbursed Fees/Expenses	122,180	2,355	(119,825)
<b>Total Revenues</b>	<b>1,100,075</b>	<b>1,371,651</b>	<b>271,576</b>
<b>Expenditures</b>			
Current			
Wages and Benefits			
Salaries - Executive Director	-	45	(45)
Salaries - Assistant Director	150,490	84,000	66,490
Salaries - Program Staff	253,433	450,185	(196,752)
Salaries - Support	59,929	11,238	48,691
Taxes and Benefits	152,666	197,450	(44,784)
<b>Total Wages and Benefits</b>	<b>616,518</b>	<b>742,918</b>	<b>(126,400)</b>
Contractual Services			
Contract Services	38,215	46,969	(8,754)
Contract - Fiscal	10,236	9,972	264
<b>Total Contractual</b>	<b>48,451</b>	<b>56,941</b>	<b>(8,490)</b>
Office			
Office Supplies	2,769	3,793	(1,024)
Credit Card Fees	26	-	26
Postage	1,365	1,961	(596)
Printing	225	-	225
Advertising	663	5,886	(5,223)
Dues and Subscription	-	1,889	(1,889)
Safety	-	1,000	(1,000)
<b>Total Office</b>	<b>5,048</b>	<b>14,529</b>	<b>(9,481)</b>
Facilities			
Rent & Utilities	32,874	57,881	(25,007)
Telephone	7,218	8,938	(1,720)
Insurance	13,772	9,615	4,157
<b>Total Facilities</b>	<b>53,864</b>	<b>76,434</b>	<b>(22,570)</b>



**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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Repair & Maintenance			
Equipment Maintenance & Repairs	210	63	147
Vehicle Repair & Maintenance	12,469	15,969	(3,500)
Gas, Oil & Supplies	26,900	31,862	(4,962)
Tools and Equipment	4,000	31,178	(27,178)
Total Repair and Maintenance	<u>43,579</u>	<u>79,072</u>	<u>(35,493)</u>
Travel and Meetings			
Travel and Meetings	36,700	47,126	(10,426)
Training & Technical Assistance	97,008	6,155	90,853
Total Travel and Meetings	<u>133,708</u>	<u>53,281</u>	<u>80,427</u>
Pass-through Funds			
Pass-through Funds - Materials	141,874	207,187	(65,313)
Miscellaneous			
Licenses and Permits	1,000	449	551
Program Supplies	-	1,645	
Purchased Food	-	143	(143)
Indirect Costs Applied	56,033	65,171	(9,138)
Total Miscellaneous	<u>57,033</u>	<u>67,408</u>	<u>(8,730)</u>
Capital Outlay			-
Total Expenditures	<u>1,100,075</u>	<u>1,297,770</u>	<u>(196,050)</u>
Other Financing Sources			
Proceeds on Sale of Asset	-	8,000	8,000
Total Other Financing Sources	<u>-</u>	<u>8,000</u>	<u>8,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 81,881</u>	<u>\$ 81,881</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Federal Sources			
Federal Contract Revenue	\$ 97,600	\$ 108,180	\$ 10,580
State Sources			
State Contract Revenue	307,000	369,703	62,703
Local Funding			
Matching Funds	16,000	11,000	(5,000)
Local Funding	118,000	118,659	659
Reimbursed Expenses			
Reimbursed Fees/Expenses	15,900	-	(15,900)
<b>Total Revenues</b>	<b>554,500</b>	<b>607,542</b>	<b>53,042</b>
<b>Expenditures</b>			
<b>Current</b>			
<b>Wages and Benefits</b>			
Salaries - Program Director	-	1,362	(1,362)
Salaries - Program Staff	94,000	96,254	(2,254)
Salaries - Support	26,250	125	26,125
Taxes and Benefits	39,399	24,999	14,400
<b>Total Wages and Benefits</b>	<b>159,649</b>	<b>122,740</b>	<b>36,909</b>
<b>Contractual Services</b>			
Contract Services	2,600	4,395	(1,795)
<b>Total Contractual</b>	<b>2,600</b>	<b>4,395</b>	<b>(1,795)</b>
<b>Office</b>			
Office Supplies	1,000	2,694	(1,694)
Postage	500	938	(438)
Printing	400	151	249
Internet	3,150	501	2,649
Advertising	600	894	(294)
Dues and Subscription	220	272	(52)
<b>Total Office</b>	<b>5,870</b>	<b>5,450</b>	<b>420</b>
<b>Facilities</b>			
Rent & Utilities	8,747	8,747	-
Telephone	1,200	324	876
<b>Total Facilities</b>	<b>9,947</b>	<b>9,071</b>	<b>876</b>
<b>Repair &amp; Maintenance</b>			
Tools and Equipment	-	195	(195)
<b>Total Repair and Maintenance</b>	<b>-</b>	<b>195</b>	<b>(195)</b>
<b>Travel and Meetings</b>			
Travel and Meetings	6,500	4,202	2,298
Training & Technical Assistance	3,451	860	2,591
<b>Total Travel and Meetings</b>	<b>9,951</b>	<b>5,062</b>	<b>4,889</b>
<b>Pass-through Funds</b>			
Pass-through Funds - Subcontracts	290,000	344,723	(54,723)
<b>Miscellaneous</b>			
Indirect Costs Applied	14,526	11,805	2,721
Deferred Expense	61,457	-	61,457
<b>Total Miscellaneous</b>	<b>75,983</b>	<b>11,805</b>	<b>64,178</b>
Capital Outlay	500	2,724	(2,224)
<b>Total Expenditures</b>	<b>554,500</b>	<b>506,165</b>	<b>48,335</b>
<b>Other Financing Sources</b>			
Proceeds on Sale of Asset	-	50	50
<b>Total Other Financing Sources</b>	<b>-</b>	<b>50</b>	<b>50</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 101,427</b>	<b>\$ 4,757</b>

**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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
State Sources			
State Contract Revenue	\$ 10,800	\$ 10,800	\$ -
Local Funding			
Local Funding - NWCCOG Matching	7,000	6,996	(4)
<b>Total Revenues</b>	<b>17,800</b>	<b>17,796</b>	<b>(4)</b>
<b>Expenditures</b>			
Current			
Contractual Services			
Contract Staff	17,000	14,109	2,891
Contract Services	-	3,500	(3,500)
<b>Total Contractual</b>	<b>17,000</b>	<b>17,609</b>	<b>(609)</b>
Office			
Office Supplies	-	9	(9)
Postage	25	1	24
Printing	25	100	(75)
Dues and Subscription	-	88	(88)
<b>Total Office</b>	<b>50</b>	<b>198</b>	<b>(148)</b>
Facilities			
Telephone	1,000	-	1,000
<b>Total Facilities</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>
Travel and Meetings			
Travel and Meetings	500	378	122
<b>Total Travel and Meetings</b>	<b>500</b>	<b>378</b>	<b>122</b>
Miscellaneous			
Indirect Costs Applied	1,484	1,484	-
<b>Total Miscellaneous</b>	<b>1,484</b>	<b>1,484</b>	<b>-</b>
<b>Total Expenditures</b>	<b>20,034</b>	<b>19,669</b>	<b>365</b>
<b>Net Change in Fund Balance</b>	<b>\$ (2,234)</b>	<b>\$ (1,873)</b>	<b>\$ 361</b>

**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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Federal Sources			
Federal Contract Revenue	\$ 243,331	\$ 149,059	\$ (94,272)
Reimbursed Expenses			
Reimbursed Fees/Expenses	-	1,016	1,016
<b>Total Revenues</b>	<b>243,331</b>	<b>150,075</b>	<b>(93,256)</b>
<b>Expenditures</b>			
Current			
Contractual Services			
Contract Staff	66,500	38,791	27,709
Contract - Fiscal	4,020	3,900	120
Auditing	2,500	2,500	-
Contract Services	-	2,921	(2,921)
<b>Total Contractual</b>	<b>73,020</b>	<b>48,112</b>	<b>24,908</b>
Office			
Postage	-	189	(189)
<b>Total Office</b>	<b>-</b>	<b>189</b>	<b>(189)</b>
Repair & Maintenance			
Tools and Equipment	-	73,807	(73,807)
Travel and Meetings			
Travel and Meetings	19,223	7,104	12,119
Training & Technical Assistance	2,000	-	2,000
<b>Total Travel and Meetings</b>	<b>21,223</b>	<b>7,104</b>	<b>14,119</b>
Pass-through Funds			
Pass-through Funds - Subcontracts	-	28,000	(28,000)
Capital Outlay	149,088	-	149,088
<b>Total Expenditures</b>	<b>243,331</b>	<b>157,212</b>	<b>86,119</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ (7,137)</b>	<b>\$ (7,137)</b>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND – GENERAL FUND  
CO BARK BEETLE COOP  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Local Funding			
Local Funding	\$ -	\$ -	\$ -
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Current			
Office			
Administration	-	1,390	(1,390)
Total Office	<u>-</u>	<u>1,390</u>	<u>(1,390)</u>
Total Expenditures	<u>-</u>	<u>1,390</u>	<u>(1,390)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,390)</u>	<u>\$ (1,390)</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Local Funding			
Local Funding	\$ 33,000	\$ 34,000	\$ 1,000
Total Revenues	<u>33,000</u>	<u>34,000</u>	<u>1,000</u>
<b>Expenditures</b>			
Current			
Contractual Services			
Contract Staff	26,000	24,187	1,813
Contract Services	2,500	350	2,150
Total Contractual	<u>28,500</u>	<u>24,537</u>	<u>3,963</u>
Office			
Postage	100	13	87
Printing	50	-	50
Dues and Subscription	100	-	100
Total Office	<u>250</u>	<u>13</u>	<u>237</u>
Facilities			
Telephone	1,000	1,760	(760)
Total Facilities	<u>1,000</u>	<u>1,760</u>	<u>(760)</u>
Repair & Maintenance			
Equipment Maintenance & Repairs	100	-	100
Travel and Meetings			
Travel and Meetings	2,750	3,671	(921)
Total Travel and Meetings	<u>2,750</u>	<u>3,671</u>	<u>(921)</u>
Miscellaneous			
Indirect Costs Applied	2,608	2,608	-
Total Miscellaneous	<u>2,608</u>	<u>2,608</u>	<u>-</u>
Total Expenditures	<u>35,208</u>	<u>32,589</u>	<u>2,619</u>
Net Change in Fund Balance	<u>\$ (2,208)</u>	<u>\$ 1,411</u>	<u>\$ 3,619</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Membership Income			
County Pledges	\$ 101,316	\$ 101,315	\$ (1)
Municipal Pledges	42,860	42,598	(262)
Associate Member Pledges	4,244	7,956	3,712
Water & Sanitation Income	11,776	13,852	2,076
Subtotal Membership Income	<u>160,196</u>	<u>165,721</u>	<u>5,525</u>
Local Funding			
Local Funding	2,000	10,908	8,908
Matching Funds	-	3,500	3,500
Reimbursed Expenses			
Reimbursed Fees/Expenses	-	35,718	35,718
Other Income			
Interest Income	-	2,014	2,014
Total Revenues	<u>162,196</u>	<u>217,861</u>	<u>55,665</u>
<b>Expenditures</b>			
Current			
Contractual Services			
Contract Staff	127,995	127,042	953
Contract Services	13,000	50,253	(37,253)
Total Contractual	<u>140,995</u>	<u>177,295</u>	<u>(36,300)</u>
Office			
Postage	50	27	23
Printing	50	-	50
Internet	30	-	30
Dues and Subscription	1,700	1,501	199
Total Office	<u>1,830</u>	<u>1,528</u>	<u>302</u>
Facilities			
Telephone	360	330	30
Insurance	1,800	1,650	150
Total Facilities	<u>2,160</u>	<u>1,980</u>	<u>180</u>
Repair & Maintenance			
Gas, Oil & Supplies	-	100	(100)
Travel and Meetings			
Travel and Meetings	10,000	19,308	(9,308)
Total Travel and Meetings	<u>10,000</u>	<u>19,308</u>	<u>(9,308)</u>
Miscellaneous			
Indirect Costs Applied	12,399	12,399	-
Total Miscellaneous	<u>12,399</u>	<u>12,399</u>	<u>-</u>
Total Expenditures	<u>167,384</u>	<u>212,610</u>	<u>(45,226)</u>
Net Change in Fund Balance	<u>\$ (5,188)</u>	<u>\$ 5,251</u>	<u>\$ 10,439</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND – GENERAL FUND  
BROADBAND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
State Sources			
State Contract Revenue	\$ 121,745	\$ 116,486	\$ (5,259)
Local Funding			
Local Funding	35,973	25,788	(10,185)
Local Funding - NWCCOG Matching	38,501	38,501	
<b>Total Revenues</b>	<u>196,219</u>	<u>180,775</u>	<u>(15,444)</u>
<b>Expenditures</b>			
Current			
Wages and Benefits			
Salaries - Executive Director	-	14,038	(14,038)
Salaries - Program Staff	136,895	136,045	850
Taxes and Benefits	33,241	33,970	(729)
Total Wages and Benefits	<u>170,136</u>	<u>184,053</u>	<u>(13,917)</u>
Contractual Services			
Contract Services	-	22,305	(22,305)
Legal Expense	-	244	(244)
Total Contractual	<u>-</u>	<u>22,549</u>	<u>(22,549)</u>
Office			
Dues and Subscription	180	-	180
Total Office	<u>180</u>	<u>-</u>	<u>180</u>
Facilities			
Rent & Utilities	2,304	2,304	-
Telephone	-	695	(695)
Total Facilities	<u>2,304</u>	<u>2,999</u>	<u>(695)</u>
Repair & Maintenance			
Tools and Equipment	-	1,805	(1,805)
Total Repair and Maintenance	<u>-</u>	<u>1,805</u>	<u>(1,805)</u>
Travel and Meetings			
Travel and Meetings	12,000	7,210	4,790
Total Travel and Meetings	<u>12,000</u>	<u>7,210</u>	<u>4,790</u>
Miscellaneous			
Indirect Costs Applied	16,537	18,130	(1,593)
Total Miscellaneous	<u>16,537</u>	<u>18,130</u>	<u>(1,593)</u>
<b>Total Expenditures</b>	<u>201,157</u>	<u>236,746</u>	<u>(35,589)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (4,938)</u>	<u>\$ (55,971)</u>	<u>\$ (51,033)</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Direct Charges Income	\$ 77,919	\$ 77,919	\$ -
Total Revenues	<u>77,919</u>	<u>77,919</u>	<u>-</u>
<b>Expenditures</b>			
Current			
Contractual Services			
Contract Services	2,000	-	2,000
Total Contractual	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Facilities			
Mortgage Expense	38,160	38,160	-
Rent & Utilities	6,000	6,000	-
Waste Removal	3,400	3,416	(16)
Total Facilities	<u>47,560</u>	<u>47,576</u>	<u>(16)</u>
Repair & Maintenance			
Equipment Maintenance & Repairs	21,700	21,614	86
Tools and Equipment	-	783	(783)
Total Repair & Maintenance	<u>21,700</u>	<u>22,397</u>	<u>(697)</u>
Total Expenditures	<u>71,260</u>	<u>69,973</u>	<u>1,287</u>
Net Change in Fund Balance	<u>\$ 6,659</u>	<u>\$ 7,946</u>	<u>\$ 1,287</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Reimbursed Expenses			
Reimbursed Fees/Expenses	\$ -	\$ 2,670	\$ 2,670
Other Income			
Direct Charges Income	40,000	36,235	(3,765)
Total Revenues	<u>40,000</u>	<u>38,905</u>	<u>(1,095)</u>
<b>Expenditures</b>			
Current			
Contractual Services			
Contract - Fiscal	2,882	2,112	770
Total Contractual	<u>2,882</u>	<u>2,112</u>	<u>770</u>
Facilities			
Insurance	2,500	1,877	623
Total Facilities	<u>2,500</u>	<u>1,877</u>	<u>623</u>
Repair & Maintenance			
Vehicle Repair & Maintenance	4,000	13,949	(9,949)
Gas, Oil & Supplies	10,000	10,292	(292)
Travel and Meetings			
Travel and Meetings	-	30	(30)
Total Travel and Meetings	<u>-</u>	<u>30</u>	<u>(30)</u>
Total Expenditures	<u>19,382</u>	<u>28,260</u>	<u>(8,878)</u>
Net Change in Fund Balance	<u>\$ 20,618</u>	<u>\$ 10,645</u>	<u>\$ (9,973)</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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
State Sources			
State Contract Revenue	\$ -	\$ 712	\$ 712
Local Funding			
Local Funding	-	1,281	1,281
Other Income			
Internal Indirect Revenue	230,582	235,923	5,341
Other Income	-	2,498	2,498
<b>Total Revenues</b>	<b>230,582</b>	<b>240,414</b>	<b>9,832</b>
<b>Expenditures</b>			
Current			
Wages and Benefits			
Salaries - Executive Director	18,365	-	18,365
Salaries - Support	60,830	80,264	(19,434)
Taxes and Benefits	22,764	27,373	(4,609)
Flex Administration Fee	700	927	(227)
<b>Total Wages and Benefits</b>	<b>102,659</b>	<b>108,564</b>	<b>(5,905)</b>
Contractual Services			
Contract Staff	-	1,531	(1,531)
Contract Services	3,500	2,937	563
Contract - Fiscal	30,288	29,883	405
Auditing	21,500	20,315	1,185
<b>Total Contractual</b>	<b>55,288</b>	<b>54,666</b>	<b>622</b>
Office			
Office Supplies	8,500	6,256	2,244
Postage	600	1,349	(749)
Printing	100	-	100
Internet	2,000	6,019	(4,019)
Dues and Subscription	5,172	4,855	317
Safety	-	387	(387)
Copier Charges	-	941	(941)
<b>Total Office</b>	<b>16,372</b>	<b>19,807</b>	<b>(3,435)</b>
Facilities			
Rent & Utilities	15,578	18,041	(2,463)
Telephone	12,000	12,276	(276)
Insurance	12,000	12,613	(613)
Waste Removal	600	600	-
<b>Total Facilities</b>	<b>40,178</b>	<b>43,530</b>	<b>(3,352)</b>

**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, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Repair & Maintenance			
Equipment Maintenance & Repairs	-	397	(397)
Equipment Lease	16,070	17,524	(1,454)
Tools and Equipment	-	1,335	(1,335)
Total Repair & Maintenance	<u>16,070</u>	<u>19,256</u>	<u>(3,186)</u>
Travel and Meetings			
Travel and Meetings	500	149	351
Training & Technical Assistance	-	7,694	(7,694)
Total Travel and Meetings	<u>500</u>	<u>7,843</u>	<u>(7,343)</u>
Miscellaneous			
Licenses and Permits	-	3,904	(3,904)
Total Miscellaneous	<u>-</u>	<u>3,904</u>	<u>(3,904)</u>
Capital Outlay	6,000	-	6,000
Total Expenditures	<u>237,067</u>	<u>257,570</u>	<u>(20,503)</u>
Other Financing Sources			
Proceeds on Sale of Asset	-	25	25
Total Other Financing Sources	<u>-</u>	<u>25</u>	<u>25</u>
Net Change in Fund Balance	<u>\$ (6,485)</u>	<u>\$ (17,131)</u>	<u>\$ 30,360</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, 2018, 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 May 16, 2019.

**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. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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  
May 16, 2019



**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 the 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 the Northwest Colorado Council of Governments' major federal program for the year ended December 31, 2018. 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 the 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 the 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 the Northwest Colorado Council of Governments' compliance.

***Opinion on the Major Federal Program***

In our opinion, the 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, 2018.

***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 2018-001. Our opinion on the major federal program is not modified with respect to these matters.

The Northwest Colorado Council of Governments' response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. The 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 the 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 the 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 the 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 did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.



Board of Directors  
Northwest Colorado Council of Governments

The 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. The 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  
May 16, 2019

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2018**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of Commerce</b>				
Economic Development Support for Planning Organizations	11.302		\$ -	\$ 52,500
Total Department of Commerce Direct Programs			-	52,500
<b>Department of Housing and Urban Development</b>				
Colorado Department of Local Affairs				
Community Development Block Grants	14.228	F16CDB16602	-	1,729,166
Total Department of Housing and Urban Development			-	1,729,166
<b>Department of Transportation</b>				
Colorado Department of Transportation				
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513		-	89,911
Total for Department of Transportation			-	89,911
<b>Department of Energy</b>				
Colorado Department of Local Affairs				
Weatherization Assistance for Low Income Persons	81.042		-	1,097,731
Total Department of Energy			-	1,097,731
<b>Department of Health and Human Services</b>				
Colorado Department of Human Services				
Special Program for the Aging				
Title III, Part D Disease Prevention & Health Promotion Aging Cluster	93.043		-	5,136
Title III, Admin.	93.044		-	20,873
Title III, Part B Grants for Supportive Services	93.044		-	106,867
Title III, NSIP C-1	93.045		-	-
Title III, NSIP C-2	93.045		-	831
Title III, Part C-1	93.045		-	102,989
Title III, Part C-2	93.045		-	62,148
Total Aging Cluster			-	293,708
Title III, Part E - National Family Caregiver Support	93.052		-	21,287
Total Department of Health and Human Services			-	320,131
<b>Agency for International Development</b>				
Cooperative Development Program	94.002		-	82,540
Total Agency for International Development			-	82,540
<b>Department of Homeland Security</b>				
Homeland Security Grant Program	97.067		-	156,289
Total Department of Homeland Security			-	156,289
Total Expenditures of Federal Awards			\$ -	\$ 3,528,268

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, 2018**

**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, 2018. 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 measurable 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.

**NOTE 3 PRIOR YEAR EXPENSES INCLUDED AS 2018 SEFA EXPENDITURES**

Reported on the SEFA for the year ended December 31, 2018 is \$957,000 of federal expenditures which were omitted from the SEFA for the years ended December 31, 2016 and December 31, 2017, in aggregate for the Community Development Block Grant program identified with CFDA number 14.228.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2018**

***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)**

14.228

**Name of Federal Program or Cluster**

Community Development Block Grant

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, 2018**

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***Section II – Financial Statement Findings***

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

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2018-001**

Federal agency: Department of Housing and Urban Development

Federal program title: Community Development Block Grant

CFDA Number: 14.228

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** In accordance with the 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), the Northwest Colorado Council of Governments should report all federal expenditures in the Schedule of Expenditures of Federal Awards (SEFA) each fiscal year.

**Condition:** In reviewing the expenditure detail and supporting documentation for the 2018 SEFA, the Northwest Colorado Council of Governments had omitted approximately \$957,000 of federal expenditures which were expended as part of the loan program on the 2016 and 2017 SEFAs.

**Questioned costs:** None

**Context:** The omission of balances from the prior years SEFAs was identified during testing of the current year major program.

**Cause:** The Northwest Colorado Council of Governments has classified the loan activity and subsequent reimbursements as State grant activity during the prior two fiscal years.

**Effect:** Excluding program expenditures from the SEFA results in the Northwest Colorado Council of Government being out of compliance with the requirements of individual grant agreements and the Uniform Grant Guidance.

**Repeat Finding:** No

**Recommendation:** We recommend that the Northwest Colorado Council of Governments review all grant expenditures related to a fiscal year and verify whether grant expenditures were derived from either federal grant programs or state grant programs.

**Views of responsible officials:** Northwest Colorado Council of Governments as conducted a review of funds passed through the State of Colorado and Eagle County related to federal grant programs. This review has been completed and will be ongoing as new grant funds are received by the Northwest Colorado Council of Governments.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2018**

Department of Energy

The Northwest Colorado Council of Governments respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2018.

Audit period: Year ended December 31, 2018

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

**FINDINGS—FINANCIAL STATEMENT AUDIT**

There were no financial statement findings in the prior year.

**FINDINGS— FEDERAL AWARD PROGRAMS AUDITS**

**2017 – 001 Internal Control over Compliance**

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

**Status:** Corrected. Procedures and controls have been implemented over the review and approval of payroll timesheets.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
CORRECTIVE ACTION PLAN  
YEAR ENDED DECEMBER 31, 2018**

Department of Housing and Urban Development

The Northwest Colorado Council of Governments respectfully submits the following corrective action plan for the year ended December 31, 2018.

Audit period: Year ended December 31, 2018

The finding from the schedule of findings and questioned costs are discussed below. The finding is numbered consistently with the numbers assigned in the schedule.

**FINDINGS—FEDERAL AWARD PROGRAMS AUDITS**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

2018-001      Community Development Block Grant – CFDA No. 14.228

Recommendation: The Northwest Colorado Council of Governments should review all grant expenditures related to a fiscal year and verify whether grant expenditures were derived from either federal grant programs or state grant programs.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Northwest Colorado Council of Governments has conducted a review of grant funds received via the State of Colorado and Eagle County.

Name(s) of the contact person(s) responsible for corrective action: Jon Stavney, Executive Director and Michael Kurth, Fiscal Officer

Planned completion date for corrective action plan: May 2019