

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**



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**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2023**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>4</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>12</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>13</b>
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>14</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET     TO THE STATEMENT OF NET POSITION</b>	<b>15</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCES – GOVERNMENTAL FUNDS</b>	<b>16</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO     THE STATEMENT OF ACTIVITIES</b>	<b>17</b>
<b>NOTES TO THE FINANCIAL STATEMENT</b>	<b>18</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL – GENERAL FUND</b>	<b>35</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL – NORTHWEST LOAN FUND</b>	<b>38</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL – NWCCOG FOUNDATION FUND</b>	<b>40</b>
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>41</b>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2023**

**COMPLIANCE**

**SINGLE AUDIT**

<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>42</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b>	<b>44</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>47</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>48</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>49</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Northwest Colorado Council of Governments  
Silverthorne, Colorado

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Northwest Colorado Council of Governments, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Northwest Colorado Council of Governments, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

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

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

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

**Required Supplementary Information**

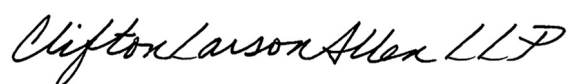
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northwest Colorado Council of Governments' basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2024, on our consideration of Northwest Colorado Council of Governments' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Governments' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
July 2, 2024

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

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, 2023.

**Financial Highlights**

- The assets of the Council exceeded its liabilities at the close of 2023 by \$12,225,673. Of this total, \$9,133,528, or 74.7%, is unrestricted and may be used to meet the Council's obligations to the public and creditors.
- The Council's total net position increased \$3,739,944.
- The total cost of the Council's programs increased \$2,401,285 or 24.4%, compared to 2022.
- Total revenues increased \$3,174,806 or 24.8%, compared to 2022.
- The General Fund reported a fund balance of \$3,044,611 as of December 31, 2023, an increase of \$691,496. Approximately 113% 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, 2023**

**Fund Financial Statements (Continued)**

**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).

**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, 2023**

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

**Analysis of Net Position (Continued)**

Table 1 presents an analysis of the Council's net position as of December 31, 2023. The Council's assets exceeded liabilities by \$12,225,673 at the close of 2023. Total net position increased by \$3,739,944 in 2023. The increase is comprised of the following:

- Total assets increased from \$12,591,447 to \$15,916,543.
- Total liabilities decreased from \$4,105,718 to \$3,690,870.

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

	Governmental Activities	
	2023	2022
Assets		
Current and Other Assets	\$ 11,128,013	\$ 9,515,658
Capital Assets	4,788,530	3,075,789
Total Assets	15,916,543	12,591,447
Liabilities		
Current Liabilities	2,075,843	2,852,334
Long-Term Liabilities	1,615,027	1,253,384
Total Liabilities	3,690,870	4,105,718
Net Position		
Net Investment in Capital Assets	2,525,883	1,406,166
Restricted	46,169	43,859
Unrestricted	9,653,621	7,035,704
Total Net Position	\$ 12,225,673	\$ 8,485,729

The largest portion of the Council's net position amounting to \$9,653,621, or 79.0% 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 \$3,739,944 compared to an increase of \$2,966,423 during 2022. Governmental revenues increased \$3,174,806 or 24.8%, and governmental expenses increased \$2,401,285, or 24.4% compared to 2022. The increase for revenues and expenses was primarily due to federal, state, and local grant funds received and expended, including federal Community Development Block Grant funding received by the Northwest Loan Fund in 2023 for loans issued to businesses within the region in which the Northwest Colorado Council of Government operates.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

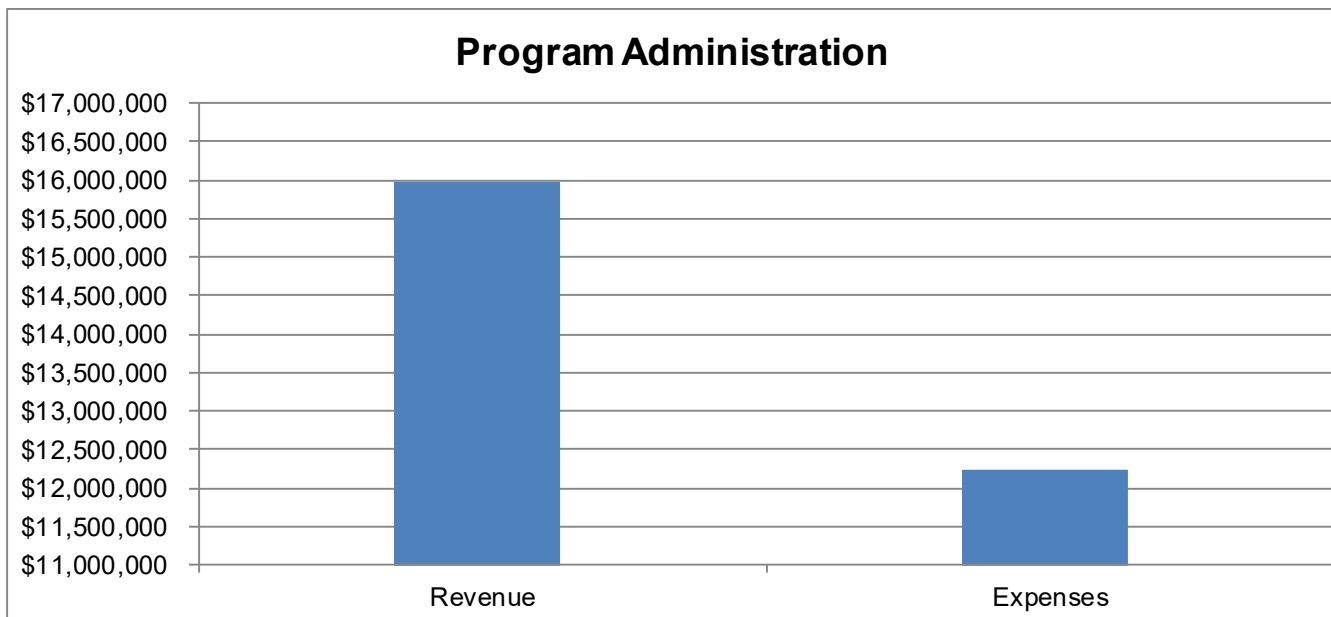
**Government-Wide Financial Analysis (Continued)**

Analysis of Changes in Net Position (Continued)

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

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues		
Permits, Fees, and Charges for Services	\$ 3,061,563	\$ 2,139,012
Operating Grants and Contributions	12,815,434	10,660,891
Investment Earnings	97,712	-
Total Revenues	<u>15,974,709</u>	<u>12,799,903</u>
Expenses		
Program Expenses	<u>12,234,765</u>	<u>9,833,480</u>
Total Expenses	<u>12,234,765</u>	<u>9,833,480</u>
Change in Net Position	3,739,944	2,966,423
Net Position - Beginning of Year	<u>8,485,729</u>	<u>5,519,306</u>
Net Position - End of Year	<u>\$ 12,225,673</u>	<u>\$ 8,485,729</u>

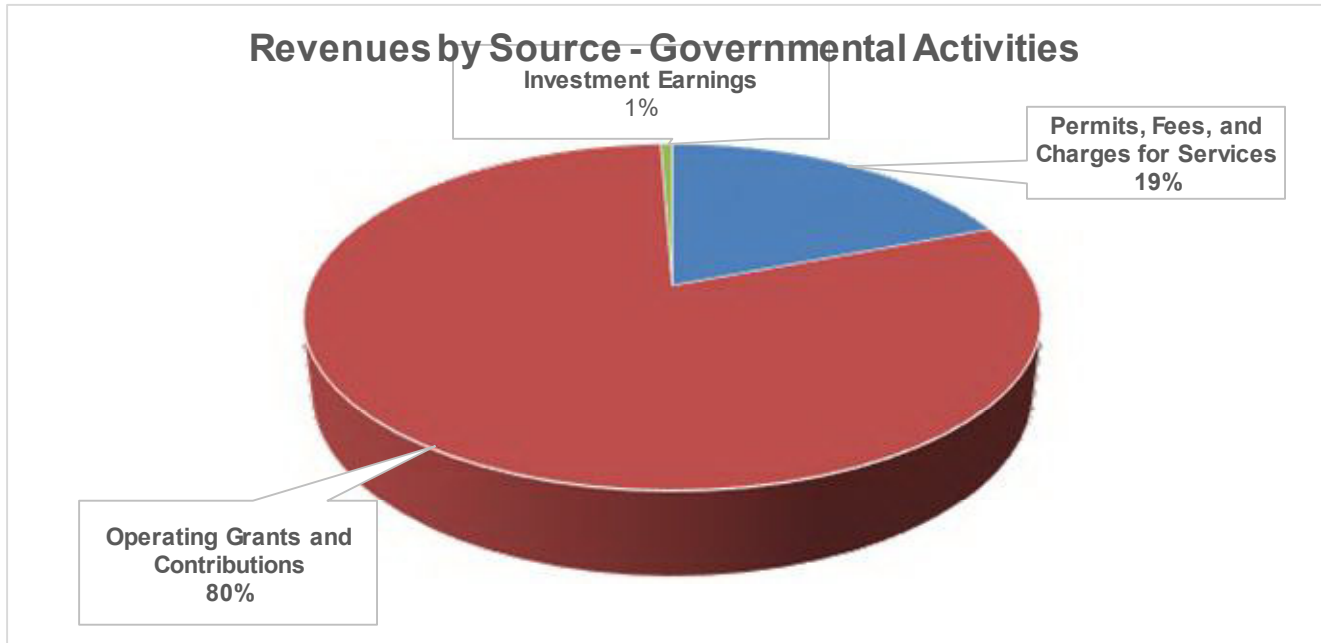
The following graphs provide visual representations of the expenses and revenues for governmental activities for 2023.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

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

**Analysis of Changes in Net Position (Continued)**



**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.

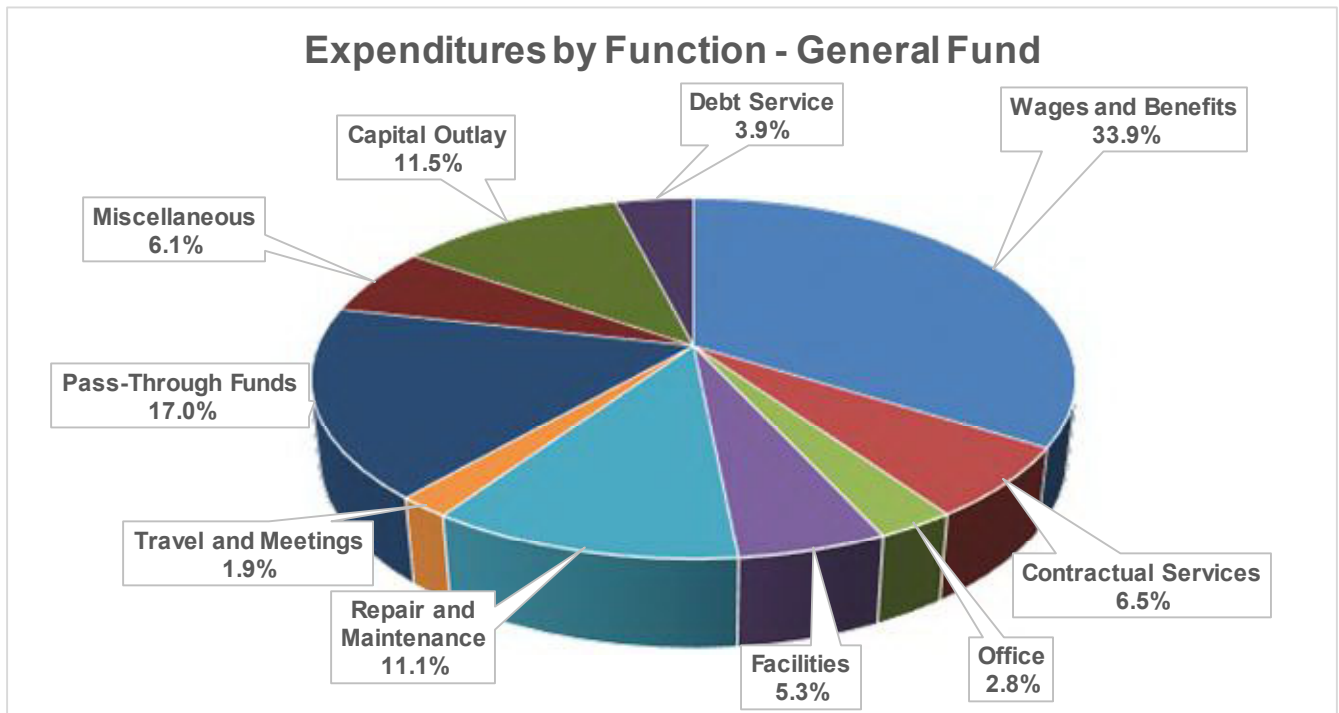
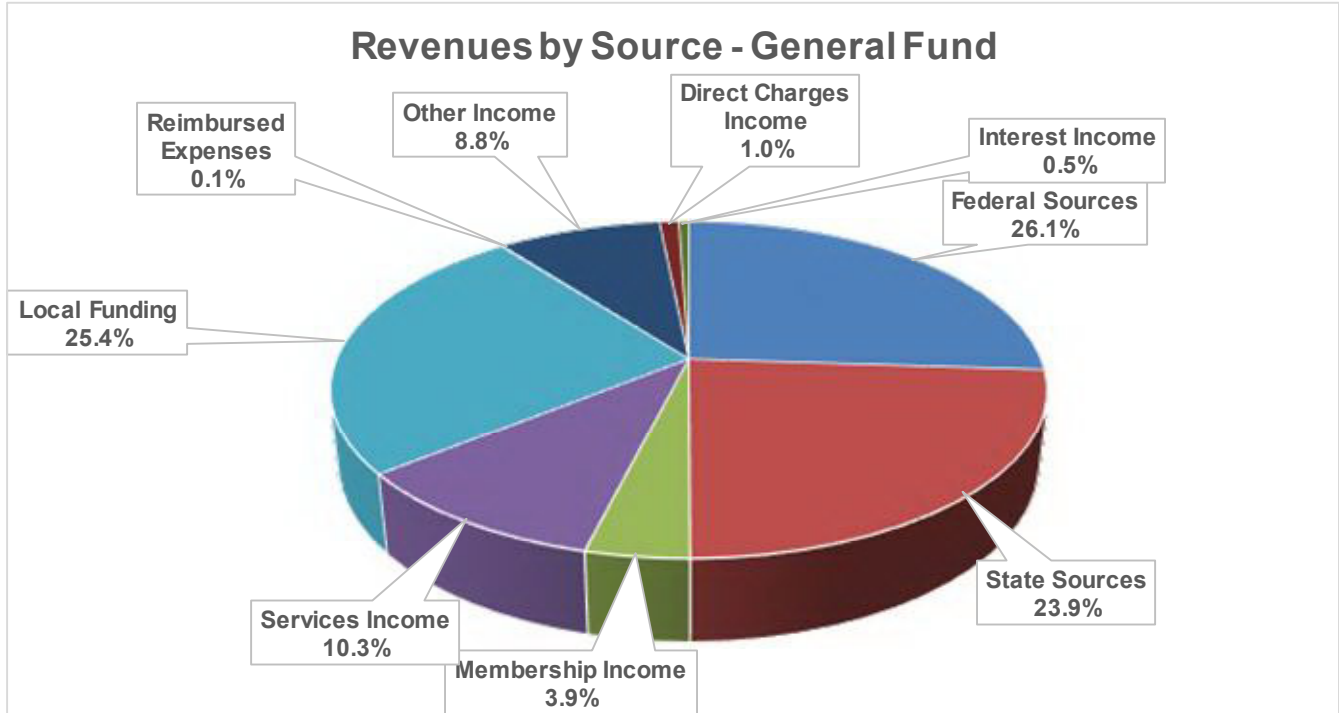
The General Fund is the primary operating fund of the Council. At December 31, 2023, the General Fund reported ending fund balances of \$3,044,611, an increase of \$691,496 compared to 2022.

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 20.6% of total General Fund expenditures compared to 19.3% in 2022.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Financial Analysis of the Council's Funds (Continued)**

The following graphs provide visual representations of the expenditures and revenues for the General Fund for 2023.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**Financial Analysis of the Council's Funds (Continued)**

The Northwest Loan Fund ended the year with a fund balance of \$6,175,606 compared to \$4,638,681 at the end of 2022, an increase of \$1,536,925 compared to \$1,179,367 in 2022. This was primarily a result of federal grant funding for the administration of the loan program.

The Northwest Colorado Council of Governments Foundation fund ended the year with a fund balance of \$21,454. During 2023, the Foundation recorded \$52,156 in revenues. The fund expended \$52,758 during the year.

**General Fund Budgetary Highlights**

Budgetary comparison schedules are presented as required supplementary information. Actual revenues were \$14,831,739, \$78,188 more than budgeted. Actual expenditures were \$14,777,065, \$409,689 more than budgeted.

**Capital Assets and Debt Administration**

**Capital Assets**

The Council's investment in capital assets as of December 31, 2023 amounts to \$4,788,530 (net of accumulated depreciation and amortization). The increase from 2022 was a result of new equipment purchases for Project THOR and additional leases entered into in 2023.

	2023	2022
Construction-in-Progress	\$ 53,280	\$ 283,308
Building	1,372,777	1,415,012
Building Improvements	393,189	96,270
Right-to-Use Lease Assets	1,318,389	980,160
Vehicles	452,464	254,043
Furniture and Equipment	1,198,431	46,996
	<u>\$ 4,788,530</u>	<u>\$ 3,075,789</u>

**Debt Administration**

The Council had total long-term obligations as follows:

	2023	2022
Building Note	\$ 420,829	441,172
CHFA Note	60,000	60,000
FirstBank Note	728,613	742,611
Leases Payable	593,112	485,840
Compensated Absences	207,779	156,068
	<u>\$ 2,010,333</u>	<u>\$ 1,885,691</u>

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

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**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 2023. 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 2023 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, 2023**

**ASSETS**

Cash	\$	3,572,567
Cash - Restricted		95,422
Investments - Restricted		1,567,007
Accounts Receivable		966,804
Grants Receivable		1,061,479
Prepaid Items		315,971
Loans Receivable		3,548,763
Capital Assets:		
Capital Assets not Being Depreciated		53,280
Capital Assets, Net of Accumulated Depreciation and Amortization		<u>4,735,250</u>
Total Assets		15,916,543

**LIABILITIES AND NET POSITION**

**LIABILITIES**

Accounts Payable		785,255
Accrued Salaries and Withholdings		204,421
Unearned Revenue		690,861
Noncurrent Liabilities:		
Due Within One Year		395,306
Due in More than One Year		<u>1,615,027</u>
Total Liabilities		3,690,870

**NET POSITION**

Net Investment in Capital Assets		2,525,883
Restricted		46,169
Unrestricted		<u>9,653,621</u>
Total Net Position		<u>\$ 12,225,673</u>

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

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
<b>Governmental Activities:</b>				
Regional Business	\$ 592,523	\$ 457,162	\$ 244,270	\$ 108,909
Alpine Area Agency for Aging	2,105,966	-	2,210,846	104,880
Northwest Region Healthcare Coalition	201,105	-	210,549	9,444
Economic Development District	157,569	17,865	294,604	154,900
Elevator Inspection Program	1,530,818	2,081,892	-	551,074
Energy Management	4,774,339	4,864	5,376,225	606,750
Regional Coordinating Council	70,940	-	75,100	4,160
Watershed Services	41,208	-	(38,435)	(79,643)
Project Thor	1,054,441	-	2,333,071	1,278,630
Emergency Management	176,994	-	185,305	8,311
Water Quality/Quantity	372,974	196,730	219,450	43,206
Broadband	247,933	5,281	210,283	(32,369)
Northwest Loan Fund	219,989	245,655	1,494,166	1,519,832
NWCCOG Foundation, Inc.	52,758	52,114	-	(644)
Interest on Long Term Debt and Leases	75,166	-	-	(75,166)
Unallocated Depreciation and Amortization	560,042	-	-	(560,042)
<b>Total Governmental Activities</b>	<b>\$ 12,234,765</b>	<b>\$ 3,061,563</b>	<b>\$ 12,815,434</b>	<b>3,642,232</b>
<b>General Revenues</b>				
				97,712
				<u>97,712</u>
				3,739,944
				<u>8,485,729</u>
				<u>\$ 12,225,673</u>

See accompanying Notes to Financial Statements.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	General Fund	Northwest Loan Fund	NWCCOG Foundation	Total
<b>ASSETS</b>				
Cash	\$ 924,022	\$ 2,627,091	\$ 21,454	\$ 3,572,567
Cash - Restricted	95,422	-	-	95,422
Investments - Restricted	1,567,007	-	-	1,567,007
Accounts Receivable	966,804	-	-	966,804
Grants Receivable	1,061,479	-	-	1,061,479
Prepaid Items	315,971	-	-	315,971
Loans Receivable, Net	-	3,548,763	-	3,548,763
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 4,930,705</u>	<u>\$ 6,175,854</u>	<u>\$ 21,454</u>	<u>\$ 11,128,013</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 785,007	\$ 248	\$ -	\$ 785,255
Accrued Salaries and Withholdings	204,421	-	-	204,421
Unearned Revenue	690,861	-	-	690,861
Total Liabilities	<u>1,680,289</u>	<u>248</u>	<u>-</u>	<u>1,680,537</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	205,805	-	-	205,805
Total Deferred Inflows of Resources	<u>205,805</u>	<u>-</u>	<u>-</u>	<u>205,805</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Items	315,971	-	-	315,971
Restricted:				
USDA Loan Reserve	46,169	-	-	46,169
Assigned:				
Alpine Area Agency for Aging	225,506	-	-	225,506
Elevator Inspection Program	1,761,222	-	-	1,761,222
Water Quality and Quantity Program	65,620	-	-	65,620
Weatherization	731,775	-	-	731,775
Office Condo	592,899	-	-	592,899
Motor Pool	60,882	-	-	60,882
Other Purposes	-	6,175,606	21,454	6,197,060
Unassigned	(755,433)	-	-	(755,433)
Total Fund Balances	<u>3,044,611</u>	<u>6,175,606</u>	<u>21,454</u>	<u>9,241,671</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,930,705</u>	<u>\$ 6,175,854</u>	<u>\$ 21,454</u>	<u>\$ 11,128,013</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  
YEAR ENDED DECEMBER 31, 2023**

Total Fund Balance for Governmental Funds	\$ 9,241,671
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.	4,788,530
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds:	
Unavailable Revenue	205,805
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.	
Note Payable	(1,209,442)
Leases Payable	(593,112)
Compensated Absences	(207,779)
	(1,990,333)
Net Position of Governmental Activities	\$ 12,225,673

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	General Fund	Northwest Loan Fund	NWCCOG Foundation	Total
<b>REVENUES</b>				
Federal Sources	\$ 3,860,921	\$ 1,194,166	\$ -	\$ 5,055,087
State Sources	3,547,467	-	-	3,547,467
Membership Income	584,925	-	-	584,925
Services Income	1,521,140	-	-	1,521,140
Local Funding	3,767,098	300,000	-	4,067,098
Reimbursed Expenses	11,081	-	3,865	14,946
Other Income	1,305,098	245,655	48,249	1,599,002
Direct Charges Income	153,432	-	-	153,432
Interest Income	80,577	17,093	42	97,712
Total Revenues	<u>14,831,739</u>	<u>1,756,914</u>	<u>52,156</u>	<u>16,640,809</u>
<b>EXPENDITURES</b>				
Current:				
Wages and Benefits	5,010,981	129,294	-	5,140,275
Contractual Services	945,606	9,765	-	955,371
Office	414,773	12,301	814	427,888
Facilities	786,327	4,537	-	790,864
Repair and Maintenance	1,639,725	4,222	-	1,643,947
Travel and Meetings	280,832	8,453	-	289,285
Pass-Through Funds	2,517,643	38,558	51,944	2,608,145
Miscellaneous	906,100	12,859	-	918,959
Capital Outlay	1,692,133	-	-	1,692,133
Debt Service:				
Principal	507,779	-	-	507,779
Interest	75,166	-	-	75,166
Total Expenditures	<u>14,777,065</u>	<u>219,989</u>	<u>52,758</u>	<u>15,049,812</u>
<b>OTHER FINANCING SOURCES</b>				
Insurance Recovery	20,885	-	-	20,885
Leases	615,937	-	-	615,937
Total Other Financing Sources	<u>636,822</u>	<u>-</u>	<u>-</u>	<u>636,822</u>
<b>NET CHANGE IN FUND BALANCES</b>	691,496	1,536,925	(602)	2,227,819
Fund Balances - Beginning of Year	<u>2,353,115</u>	<u>4,638,681</u>	<u>22,056</u>	<u>7,013,852</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,044,611</u>	<u>\$ 6,175,606</u>	<u>\$ 21,454</u>	<u>\$ 9,241,671</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  
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Governmental Funds	\$ 2,227,819
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.</p>	
Expenditures for Capital Assets	2,308,069
Current Year Depreciation and Amortization	(560,042)
Book Value of Disposed Assets	(35,286)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consume current financial resources of governmental funds. These transactions, however, have no effect on net position.</p>	
Principal Payments on Notes Payable	34,341
Leases	(615,937)
Principal Payments on Leases	473,438
Reduction of Lease Liabilities on Terminated Leases	35,227
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds</p>	
Unavailable Revenue	(75,974)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Adjustment to Compensated Absences Liability	(51,711)
Change in Net Position of Governmental Activities	\$ 3,739,944

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America 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 six 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 issue 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 nonprofit 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 issue separate financial statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**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.

**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, (NLF) 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.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**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.

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 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. Investments are presented on the balance sheet in the basic financial statements at net asset value or amortized cost as described in Note 2.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**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, 2023. 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).

**Receivables**

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The allowance for loan loss on loans receivable is determined based on the perceived risk, collateral, payment history and knowledge of the financial condition of the clients. The determination of the risk and collectability of amounts due requires NLF to make judgments regarding future events and trends on an individual loan and overall basis. Based on a review of these factors, NLF establishes or adjusts the allowance for specific clients or the loan receivable portfolio as a whole.

**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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In the governmental funds, reported prepaid items are classified as nonspendable fund balance.

**Capital Assets**

Capital assets, which include building, building improvements, right-to-use lease buildings, right-to-use lease fiber, right-to-use lease vehicles, right-to-use lease equipment, and furniture, fixtures, and operating 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.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Capital Assets (Continued)**

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. Construction in progress is not depreciated. The other tangible property, plant and equipment of the Council are depreciated/amortized using the straight-line method over the following estimated useful lives:

Building	40 years
Building Improvements	10 to 40 years
Right-to-Use Lease Buildings	Life of underlying lease
Right-to-Use Lease Fiber	Life of underlying lease
Right-to-Use Lease Vehicles	Life of underlying lease
Right-to-Use Lease Equipment	Life of underlying lease
Furniture, Fixtures, and Operating Equipment	3 to 20 years
Vehicles	7 to 15 years

**Leases (Lessee)**

The Council is a lessee for noncancellable leases of buildings, vehicles, and equipment. The Council recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities in the government-wide financial statements. The Council recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Council initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

The Council uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Council uses its estimated incremental borrowing rate as the discount rate for leases.

The Council monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

**Unearned Revenue**

Unearned revenues are reported in connection with resources that have been received but not yet earned.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**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.

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 and are not invested in capital assets.

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. When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed.

*Fund Balances*

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.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Net Position and Fund Equity (Continued)**

*Fund Balances (Continued)*

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.

*Restricted* – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation.

*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, 2023.

*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:

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.

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.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**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.

**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 are reported as follows:

	Unrestricted	Restricted	Total
Cash	\$ 3,572,567	\$ 95,422	\$ 3,667,989
Investments	-	1,567,007	1,567,007
Total	\$ 3,572,567	\$ 1,662,429	\$ 5,234,996

**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.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Cash (Continued)**

*Custodial Credit Risk – Cash (Continued):*

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, 2023, Council's deposits 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.

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 the Council had the following investments:

	Rating	Maturities	Fair Value
Local Government Investment Pools			
COLOTRUST	AAAm	< 60 Days	\$ 607,496
CSAFE	AAAmmf	< 60 Days	959,511
Total			\$ 1,567,007

**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).

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

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

**Credit Risk (Continued)**

*Concentration of Credit Risk* – Neither state statutes nor 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.

**Fair Value**

As of December 31, 2023, the Council had invested \$481,573 in the Colorado Local Government Liquid Asset Trust – PLUS and \$125,923 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, 2023, 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, 2023, the Council had invested \$959,511 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 gross loan balance of \$3,876,335 has been reduced by \$327,572 as an allowance for estimated uncollectible. The loans mature as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2024	\$ 424,775
2025	183,429
2026	379,240
2027	238,965
2028	399,418
Thereafter	1,922,936
Total	<u>\$ 3,548,763</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction-in-Progress	\$ 283,308	\$ 77,105	\$ (307,133)	\$ 53,280
Total Capital Assets, Not Being Depreciated	283,308	77,105	(307,133)	53,280
Capital Assets Being Depreciated and Amortized:				
Building	\$ 1,689,405	\$ -	\$ -	\$ 1,689,405
Building Improvements	134,998	307,133	-	442,131
Right-to-Use Lease Buildings	109,895	469,126	(109,894)	469,127
Right-to-Use Lease Fiber	909,979	-	-	909,979
Right-to-Use Lease Vehicles	163,565	123,859	(83,955)	203,469
Right-to-Use Lease Equipment Vehicles	5,987	22,952	-	28,939
Furniture and Equipment	265,561	1,360,501	-	1,626,062
Total Capital Assets Being Depreciated and Amortized	4,038,710	2,538,097	(193,849)	6,382,958
Less Accumulated Depreciation and Amortization:				
Building	(274,393)	(42,235)	-	(316,628)
Building Improvements	(38,728)	(10,214)	-	(48,942)
Right-to-Use Lease Buildings	(74,945)	(83,150)	109,894	(48,201)
Right-to-Use Lease Fiber	(78,550)	(104,948)	-	(183,498)
Right-to-Use Lease Vehicles	(53,957)	(48,216)	48,669	(53,504)
Right-to-Use Lease Equipment Vehicles	(1,814)	(6,108)	-	(7,922)
Furniture and Equipment	(218,565)	(209,066)	-	(427,631)
Total Accumulated Depreciation and Amortization	(1,246,229)	(560,042)	158,563	(1,647,708)
Total Capital Assets, Being Depreciated and Amortized, Net	2,792,481	1,978,055	(35,286)	4,735,250
Total Governmental Activities Capital Assets	<u>\$ 3,075,789</u>	<u>\$ 2,055,160</u>	<u>\$ (342,419)</u>	<u>\$ 4,788,530</u>

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

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS**

Long-term obligation activity for the year ended December 31, 2023 follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Direct Borrowing:					
United States Department of Agriculture (USDA) Note	\$ 441,172	\$ -	\$ (20,343)	\$ 420,829	\$ 21,198
Colorado Housing and Finance Authority (CHFA) Note	60,000	-	-	60,000	-
FirstBank Promissory Note	742,611	-	(13,998)	728,613	14,694
Total Direct Borrowing	1,243,783	-	(34,341)	1,209,442	35,892
Leases Payable	485,840	615,937	(508,665)	593,112	151,635
Compensated Absences	156,068	51,711	-	207,779	207,779
Total	<u>\$ 1,885,691</u>	<u>\$ 667,648</u>	<u>\$ (543,006)</u>	<u>\$ 2,010,333</u>	<u>\$ 395,306</u>

**Note from Direct Borrowing**

**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%.

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, 2023, the Council has restricted \$46,169 of its investments towards this purpose. There are no unused lines of credit. In the event of default, the Council shall have the right to take any action permitted or required pursuant to the Note Agreement and to take whatever other action at law or in equity to collect amounts then due and thereafter become due.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Note from Direct Borrowing (Continued)**

**USDA Note (Continued)**

The note matures as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 21,198	\$ 16,962	\$ 38,160
2025	22,090	16,070	38,160
2026	23,018	15,142	38,160
2027	23,986	14,174	38,160
2028	24,994	13,166	38,160
2029-2033	141,644	49,156	190,800
2034-2038	163,899	16,782	180,681
Total	<u>\$ 420,829</u>	<u>\$ 141,452</u>	<u>\$ 562,281</u>

**CHFA Note**

On May 7, 2021, the Council entered into a note with the Colorado Housing and Finance Authority (CHFA), in the original amount of \$173,785 to issue loans to small businesses under the Energize Colorado Gap Fund. The note does not bear interest, and is due in full on December 31, 2026. During 2021, the Council issued \$60,000 of loans to small businesses. The remaining balance not loaned out of \$113,785 was required to be repaid to CHFA in January 2022. There are no unused lines of credit. In the event of default, the Council shall have the right to take any action permitted or required pursuant to the Note Agreement and to take whatever other action at law or in equity to collect amounts then due and thereafter become due.

**FirstBank Note**

On November 9, 2022, the Council entered into a note with FirstBank in the original amount of \$744,250 for acquiring building space for operations of the Council. The note is payable over 25 years in monthly installments of \$4,644 starting December 5, 2022 through November 5, 2047, including interest at 5.59%. There are no unused lines of credit. In the event of default, the Council shall have the right to take any action permitted or required pursuant to the note agreement and to take whatever other action at law or in equity to collect amounts then due and thereafter become due.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Note from Direct Borrowing (Continued)**

FirstBank Note (Continued)

The note matures as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 14,694	\$ 41,030	\$ 55,724
2025	15,667	40,058	55,725
2026	16,578	39,146	55,724
2027	17,542	38,182	55,724
2028	18,456	37,269	55,725
2029-2033	110,190	168,432	278,622
2034-2038	146,204	132,417	278,621
2039-2043	193,992	84,629	278,621
2044-2048	195,290	22,960	218,250
Total	<u>\$ 728,613</u>	<u>\$ 604,123</u>	<u>\$ 1,332,736</u>

**Leases Payable**

The Entity leases vehicles, fiber strands, as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2032.

On July 1, 2019, the Council entered into a lease arrangement for dark fiber with a 10.5-year term expiring on December 31, 2028. The Council used its incremental borrowing rate of 5.5% to calculate the present value of the right-to-use lease asset and lease liability. The lease agreement may be renewed for another 10 years upon written agreement of both parties at the lease rate current at the time that the lease agreement is renewed. In November 2022, the Council exercised its option to pay for the lease through December 31, 2028. Accordingly, there is no future minimum lease payment included in the table below for this agreement.

In October 2022, the Council entered into a lease arrangement for dark fiber with a 10-year term expiring on October 31, 2032. The Council used its incremental borrowing rate of 5.5% to calculate the present value of the right-to-use lease asset and lease liability. The Council paid for this arrangement in full in January 2023.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 151,635	\$ 29,533	\$ 181,168
2025	162,149	20,585	182,734
2026	162,707	11,396	174,103
2027	81,202	4,506	85,708
2028	35,419	632	36,051
Total Minimum Lease Payments	<u>\$ 593,112</u>	<u>\$ 66,652</u>	<u>\$ 659,764</u>

**Other General Obligations**

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

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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 2023, the Council's contribution and employee contributions to the Plan were \$235,383 and \$235,383, respectively. The Council has recognized pension expense of \$235,383 and has no outstanding pension liability as of December 31, 2023.

**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 \$584,925 were received by the Council during the year ended December 31, 2023. The following represents the source of funds received:

General Operations	\$ 398,639
Water Quality and Quantity	186,286
Total	<u>\$ 584,925</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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 allow ability 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.

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.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2023**

**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. There is some question whether the TABOR amendment applies to the Council, 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.

**NOTE 13 COMPLIANCE**

The following funds may be in violation of state statutes as the expenditures exceed the appropriated budgets.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<b>Total Expenditures</b>				
General Fund	\$ 11,416,655	\$ 14,367,376	\$ 14,777,065	\$ (409,689)

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Federal Sources:				
Federal Contract Revenue	\$ 4,630,961	\$ 3,030,651	\$ 3,860,921	\$ 830,270
State Sources:				
State Contract Revenue	2,628,134	4,502,520	3,547,467	(955,053)
Membership Income:				
County Pledges	349,318	346,999	346,999	-
Municipal Pledges	201,503	201,503	201,503	-
Associate Member Pledges	24,501	24,501	24,501	-
Water and Sanitation Income	12,490	11,922	11,922	-
Total Membership Income	<u>587,812</u>	<u>584,925</u>	<u>584,925</u>	<u>-</u>
Services Income:				
Inspection Fees	665,000	667,917	741,120	73,203
Specialized Services	28,800	28,800	36,345	7,545
Other Service Income	360,000	390,460	390,460	-
Permit Review Fees	150,000	353,065	353,215	150
Total Services Income	<u>1,203,800</u>	<u>1,440,242</u>	<u>1,521,140</u>	<u>80,898</u>
Local Funding:				
Local Funding	1,549,704	3,432,351	3,563,725	131,374
Local Funding - NWCCOG Matching	203,373	208,373	203,373	(5,000)
Total Local Funding	<u>1,753,077</u>	<u>3,640,724</u>	<u>3,767,098</u>	<u>126,374</u>
Reimbursed Expenses:				
Reimbursed Fees/Expenses	-	7,027	11,081	4,054
Other Income:				
Internal Indirect Revenue	607,212	640,129	643,258	3,129
Other Income	457,506	679,472	661,840	(17,632)
Total Other Income	<u>1,064,718</u>	<u>1,319,601</u>	<u>1,305,098</u>	<u>(14,503)</u>
Direct Charges Income	153,436	153,432	153,432	-
Interest Income	6,200	74,429	80,577	6,148
Total Revenues	<u>12,028,138</u>	<u>14,753,551</u>	<u>14,831,739</u>	<u>78,188</u>

See accompanying Notes to the Required Supplementary Information.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES</b>				
Current:				
Wages and Benefits:				
Salaries - Executive Director	\$ 160,000	\$ 160,084	\$ 161,867	\$ (1,783)
Salaries - Program Director	537,443	538,838	313,081	225,757
Salaries - Assistant Director	194,006	-	117,923	(117,923)
Salaries - Program Staff	2,300,347	2,524,686	2,656,824	(132,138)
Salaries - Support	536,784	848,591	638,353	210,238
Taxes and Benefits	1,284,024	1,166,534	1,121,632	44,902
Background Check	750	40	28	12
Flex Administration Fee	-	1,020	1,273	(253)
Total Wages and Benefits	<u>5,013,354</u>	<u>5,239,793</u>	<u>5,010,981</u>	<u>228,812</u>
Contractual Services:				
Contract Staff	528,900	530,835	501,125	29,710
Contract - Fiscal	13,332	5,000	4,675	325
Legal Expense	5,665	4,777	7,283	(2,506)
Auditing	37,500	58,591	61,606	(3,015)
Contract Services	226,590	498,056	370,917	127,139
Total Contractual	<u>811,987</u>	<u>1,097,259</u>	<u>945,606</u>	<u>151,653</u>
Office:				
Office Supplies	69,450	140,069	149,261	(9,192)
Bank Charges	920	1,070	565	505
Credit Card Fees	400	-	-	-
Postage	3,300	5,793	5,709	84
Printing	5,593	6,215	2,316	3,899
Advertising	17,307	18,421	25,263	(6,842)
Internet and IT Security	139,750	139,073	123,500	15,573
Dues and Subscription	52,801	70,389	90,965	(20,576)
Safety	-	-	17,194	(17,194)
Total Office	<u>289,521</u>	<u>381,030</u>	<u>414,773</u>	<u>(33,743)</u>
Facilities:				
Rent and Utilities	192,681	271,649	679,101	(407,452)
Telephone	33,868	36,648	37,030	(382)
Cam Fees	16,687	16,687	16,687	-
Insurance	38,000	45,186	47,009	(1,823)
Waste Removal	6,500	6,429	6,500	(71)
Total Facilities	<u>287,736</u>	<u>376,599</u>	<u>786,327</u>	<u>(409,728)</u>
Repair and Maintenance:				
Equipment Maintenance and Repairs	28,500	9,873	24,420	(14,547)
Vehicle Repair and Maintenance	50,350	38,255	32,542	5,713
Gas, Oil, and Supplies	97,500	105,967	110,683	(4,716)
Equipment Lease	88,473	86,910	166,526	(79,616)
Tools and Equipment	259,621	373,340	290,587	82,753
Broadband:7510 -+ Monthly Recurring Cost	790,840	1,314,477	1,009,782	304,695
Broadband:7550 -+ Network Operations Equipment	157,000	1,300,068	5,185	1,294,883
Total Repair and Maintenance	<u>1,472,284</u>	<u>3,228,890</u>	<u>1,639,725</u>	<u>1,589,165</u>

See accompanying Notes to the Required Supplementary Information.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Travel and Meetings:				
Meeting Expense	\$ 3,070	\$ 4,565	\$ 5,276	\$ (711)
Travel and Meetings	143,862	239,274	219,820	19,454
Training and Technical Assistance	37,301	38,865	55,736	(16,871)
Total Travel and Meetings	<u>184,233</u>	<u>282,704</u>	<u>280,832</u>	<u>1,872</u>
Pass-through Funds:				
Pass-through Funds - Subcontracts	1,393,871	1,240,380	1,491,964	(251,584)
Pass-through Funds - Materials	722,064	836,476	1,025,679	(189,203)
Total Pass-Through Funds	<u>2,115,935</u>	<u>2,076,856</u>	<u>2,517,643</u>	<u>(440,787)</u>
Miscellaneous:				
Bad Debts - Written Off	3,000	1,500	4,593	(3,093)
Program Expense	5,662	15,046	12,645	2,401
Program Supplies	1,000	2,287	3,038	(751)
Licenses and Permits	6,000	24,113	14,764	9,349
Transferred Between Programs	49,600	283,097	-	283,097
Purchased Food	-	200	183	17
EIP Debts Forgiven	-	37,025	37,566	(541)
Permit Fees Rebate	20,000	5,000	4,588	412
Indirect Costs Applied	597,693	605,809	625,350	(19,541)
Local Match Cost	192,017	208,373	203,373	5,000
Total Miscellaneous	<u>874,972</u>	<u>1,182,450</u>	<u>906,100</u>	<u>276,350</u>
Capital Outlay	272,745	407,000	1,692,133	(1,285,133)
Debt Service:				
Principal	93,888	93,884	507,779	(413,895)
Interest	-	911	75,166	(74,255)
Total Expenditures	<u>11,416,655</u>	<u>14,367,376</u>	<u>14,777,065</u>	<u>(409,689)</u>
<b>OTHER FINANCING SOURCES</b>				
Insurance Recovery	-	-	20,885	20,885
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>636,822</u>	<u>636,822</u>
<b>NET CHANGE IN FUND BALANCES</b>	611,483	386,175	691,496	305,321
Fund Balances - Beginning of Year	<u>2,353,115</u>	<u>2,353,115</u>	<u>2,353,115</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,964,598</u>	<u>\$ 2,739,290</u>	<u>\$ 3,044,611</u>	<u>\$ 305,321</u>

See accompanying Notes to the Required Supplementary Information.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – NORTHWEST LOAN FUND  
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Federal Sources:				
Federal Contract Revenue	\$ 625,000	\$ 1,018,000	\$ 1,031,286	\$ 13,286
Administration	100,000	162,880	162,880	-
Local Funding:				
Local Funding	-	-	300,000	300,000
Other Income:				
Loan Interest	100,000	158,516	245,655	87,139
Interest Income	2,000	6,610	17,093	10,483
Total Revenues	827,000	1,346,006	1,756,914	410,908
<b>EXPENDITURES</b>				
Current:				
Wages and Benefits:				
Salaries - Program Director	108,070	108,070	108,070	-
Office Wages	-	-	465	(465)
Taxes and Benefits	21,091	21,091	20,759	332
Total Wages and Benefits	129,161	129,161	129,294	(133)
Contractual Services:				
Contract Staff	2,000	2,500	2,415	85
Contract Services	12,000	10,000	7,350	2,650
Total Contractual	14,000	12,500	9,765	2,735
Office:				
Office Supplies	1,500	3,400	2,873	527
Program Expense	5,000	8,800	3,569	5,231
Bank Charges	120	100	197	(97)
Postage	500	1,100	824	276
Printing	-	-	78	(78)
Advertising	-	1,000	1,000	-
Dues and Subscription	7,000	6,000	3,760	2,240
Total Office	14,120	20,400	12,301	8,099
Facilities:				
Rent and Utilities	3,028	3,028	3,028	-
Telephone	1,250	1,500	1,509	(9)
Total Facilities	4,278	4,528	4,537	(9)

See accompanying Notes to the Required Supplementary Information.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – NORTHWEST LOAN FUND (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Repair and Maintenance:				
Gas, Oil, and Supplies	\$ 2,000	\$ 2,800	\$ 4,222	\$ (2,222)
Total Repairs and Maintenance	2,000	2,800	4,222	(2,222)
Travel and Meetings:				
Travel and Meetings	12,700	14,000	8,453	5,547
Total Travel and Meetings	12,700	14,000	8,453	5,547
Pass-Through Funds:				
Pass-Through Funds	-	-	38,558	(38,558)
Miscellaneous:				
Bad Debts	-	35,000	(5,049)	40,049
Indirect Costs Applied	17,832	17,832	17,908	(76)
Total Miscellaneous	17,832	52,832	12,859	39,973
Total Expenditures	194,091	236,221	219,989	15,432
<b>NET CHANGE IN FUND BALANCES</b>	632,909	1,109,785	1,536,925	427,140
Fund Balances - Beginning of Year	4,638,681	4,638,681	4,638,681	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,271,590</u>	<u>\$ 5,748,466</u>	<u>\$ 6,175,606</u>	<u>\$ 427,140</u>

See accompanying Notes to the Required Supplementary Information.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – NWCCOG FOUNDATION FUND  
YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Reimbursed Fees/Expenses	\$ 1,500	\$ 719	\$ 3,865	\$ 2,365
Contributions	20,000	51,345	48,249	(3,096)
Interest Income	15	15	42	27
Other Income	-	50	-	-
Total Revenues	<u>21,515</u>	<u>52,129</u>	<u>52,156</u>	<u>(704)</u>
<b>EXPENDITURES</b>				
Current:				
Bank Charges	120	120	120	-
Fundraising	-	-	694	(694)
Pass-Through Funds	20,000	51,944	51,944	-
Program Admin Charge	-	694	-	694
Total Expenditures	<u>20,120</u>	<u>52,758</u>	<u>52,758</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,395	(629)	(602)	27
Fund Balances - Beginning of Year	<u>22,056</u>	<u>22,056</u>	<u>22,056</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 23,451</u></u>	<u><u>\$ 21,427</u></u>	<u><u>\$ 21,454</u></u>	<u><u>\$ 27</u></u>

See accompanying Notes to the Required Supplementary Information.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 DECEMBER 31, 2023**

**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, 2023, the NWCCOG Council adopted supplemental appropriations.

	Original Budget	Revisions	Final Budget
General Fund	\$ 11,416,655	\$ 2,950,721	\$ 14,367,376
Northwest Loan Fund	194,091	42,130	236,221
NWCCOG Foundation Fund	20,120	32,638	52,758



**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 of the Northwest Colorado Council of Governments, as of and for the year ended December 31, 2023, 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 July 2, 2024.

**Report on 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) as a basis for designing 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.

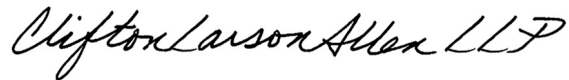
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on 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 financial statements. 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 results 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  
July 2, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND 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**

***Opinion on Each Major Federal Program***

We have audited Northwest Colorado Council of Governments' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Northwest Colorado Council of Governments' major federal programs for the year ended December 31, 2023. Northwest Colorado Council of Governments' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Northwest Colorado Council of Governments complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Northwest Colorado Council of Governments and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Northwest Colorado Council of Governments' compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Northwest Colorado Council of Governments' federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Northwest Colorado Council of Governments' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Northwest Colorado Council of Governments' compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Northwest Colorado Council of Governments' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Northwest Colorado Council of Governments' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Northwest Colorado Council of Governments' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Northwest Colorado Council of Governments' response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Northwest Colorado Council of Governments' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Northwest Colorado Council of Governments' response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Northwest Colorado Council of Governments' responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
July 2, 2024

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>Department of Commerce</b>				
Economic Development Support for Planning Organizations	11.302		\$ -	\$ 144,401
Total Department of Commerce Direct Programs			-	144,401
<b>Department of Housing and Urban Development</b>				
Colorado Department of Local Affairs				
Community Development Block Grants	14.228	F16CDB16602	-	474,092
COVID-19 - Community Development Block Grants	14.228	F16CDB16602	-	464,000
Total Department of Housing and Urban Development			-	938,092
<b>Department of Transportation</b>				
Colorado Department of Transportation				
Transit Services Programs Cluster				
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	None provided	-	34,047
Total Transit Services Programs Cluster			-	34,047
Total for Department of Transportation			-	34,047
<b>Environmental Protection Agency</b>				
Colorado Department of Public Health and Environment				
Water Quality Management Planning	66.454	None provided	-	33,733
Clean Water State Revolving Fund Cluster				
Clean Water State Revolving Fund	66.458	None provided	-	14,023
Total Clean Water State Revolving Fund Cluster			-	14,023
Total Environmental Protection Agency			-	47,756
<b>Department of Energy</b>				
Colorado Department of Local Affairs				
Weatherization Assistance for Low Income Persons	81.042	None provided	-	1,483,858
Total Department of Energy			-	1,483,858
<b>Department of Health and Human Services</b>				
Colorado Department of Human Services				
Special Programs for the Aging				
Title III, Part D Disease Prevention and Health Promotion	93.043	None provided	-	27,253
COVID-19 - ARPA, Title III, Part D Disease Prevention and Health Promotion	93.043	None provided	-	21,495
Subtotal	93.043		-	48,748
Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	None provided	-	2,562
Aging Cluster				
Title III, Admin.				
Title III, Part B Grants for Supportive Services	93.044	None provided	-	44,797
COVID-19 - ARPA, Title III, Part B Grants for Supportive Services	93.044	None provided	134,602	137,811
COVID-19 - ARPA, Title III, Part B Grants for Supportive Services	93.044	None provided	45,694	54,063
COVID-19 - ARPA, Title III, Admin	93.044	None provided	-	22,655
COVID-19 - ARPA, Title III, Public Health	93.044	None provided	-	2,423
COVID-19 - Title III, Colorado Vaccine Act	93.044	None provided	-	-
Subtotal	93.044		180,296	261,749
Title III, NSIP C-1	93.045	None provided	27,994	27,994
Title III, Part C-1	93.045	None provided	294,206	294,970
COVID-19 - ARPA, Title III, Part C-1	93.045	None provided	75,860	76,038
Title III, Part C-2	93.045	None provided	138,039	138,178
COVID-19 - ARPA, Title III, Part C-2	93.045	None provided	80,982	80,982
Subtotal	93.045		617,081	618,162
Total Aging Cluster			797,377	879,911
Title III, Part E - National Family Caregiver Support				
COVID-19 - ARPA, Title III, Part E - National Family Caregiver Support	93.052	None provided	-	103,292
COVID-19 - ARPA, Title III, Part E - National Family Caregiver Support	93.052	None provided	-	33,503
Subtotal	93.052		-	136,795
State Health Insurance Assistance Program	93.324	None provided	-	15,604
Low-Income Home Energy Assistance	93.568	None provided	-	658,023
Total Department of Health and Human Services			797,377	1,741,643
Colorado Department of Public Health and Environment				
National Bioterrorism Hospital Preparedness Program	93.889	None provided	-	200,335
Total Department of Public Health and Environment			-	200,335
<b>Department of Homeland Security</b>				
Homeland Security Grant Program				
Total Department of Homeland Security	97.067		-	176,316
Total Expenditures of Federal Awards			\$ 797,377	\$ 4,766,448

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, 2023**

**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, 2023. 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.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023**

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***Section I – Summary of Auditors’ Results***

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***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***

**Assistance Listing Number(s)**

14.228

81.042

**Name of Federal Program or Cluster**

Community Development Block Grants

Weatherization Assistance for Low Income Persons

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

\$   750,000  

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        x   no

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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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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**2023-001**

Federal Agency: Department of Housing and Urban Development

Federal Program Title: Community Development Block Grants

Assistance Listing Number: 14.228

Federal Award Identification Number and Year: B-21-DC-08-0001 2021

Pass-Through Agency: Colorado Department of Local Affairs

Pass-Through Number: F20CDBG20630

Award Period: April 1, 2020 – March 31, 2024

Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matter

**Criteria or Specific Requirement:** In accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), the Council should report all federal expenditures in the schedule of expenditures of federal awards (SEFA) each fiscal year. Additionally, per 2 CFR section 200.502(a)-(d), the determination of when a federal award is expended must be based on when the activity related to the federal award occurs, including the value of new loans made during the audit period.

**Condition:** In reviewing the expenditure detail and supporting documentation for the 2023 SEFA, the Council included \$150,000 of excess federal expenditures that were not disbursed in 2023.

**Questioned Costs:** None

**Context:** The inclusion of excess expenditures to be reported in 2024 was identified during completeness testing of the current year major program.

**Cause:** SEFA expenditures for the CDBG program were not reconciled to loan disbursements in 2023. Management misinterpreted the loan amount report provided by NLF's loan management software. One loan for \$150,000 was disbursed during 2023 and another \$150,000 loan was disbursed to the same borrower in 2024. However, all \$300,000 was initially reported on the 2023 SEFA.

**Effect:** The 2023 SEFA was initially overstated by \$150,000, and was subsequently adjusted.

**Repeat Finding:** The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2022-003.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2023-001 (Continued)**

**Recommendation:** We recommend that the Council record federal expenditures on the SEFA under the program in the year upon which the loan disbursement occurs using the proper report from NLF's loan management software.

**Views of Responsible Officials:** There is no disagreement with the audit finding.

**2023-002**

Federal Agency: Department of Energy

Federal Program Title: Weatherization Assistance for Low-income Persons

Assistance Listing Number: 81.042

Federal Award Identification Number and Year: DEEE0007908-2017 2019

Pass-Through Agency: Colorado Energy Office

Pass-Through Number: GAE 20-2019

Award Period: July 1, 2019 – June 30, 2024

Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matter

**Criteria or Specific Requirement:** 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* requires charges to federal awards for salaries and wages be based on records that accurately reflect the work performed. These records must be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

**Condition:** One hourly employee's wages were overpaid and charged to the grant when compared to the hours per the approved timesheet.

**Questioned Costs:** \$46

**Context:** For one employee, and one pay period tested, the hourly employee's gross wages overpaid and overcharged to the grant by \$46 based on two hours that were improperly included in the final payroll run.

**Cause:** Entering payroll into QuickBooks using the approved timesheet for hourly employees was a manual process. For this individual, the timesheet reported a total of 92 hours of regular pay. However, when the time sheet hours were summed, it was noted there were only 90 hours reported on the time sheet, thus 2 hours were improperly included on the payroll run as hour totals were not verified.

**Effect:** For the February 15, 2023, pay period, the employee was overpaid, and the grant was overcharged a total of \$46.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2023-002 (Continued)**

**Repeat Finding:** The finding is a repeat of a finding in the 2021 fiscal. Prior year finding number was 2021-002.

**Recommendation:** We recommend the Council review its payroll procedures over hourly employees to ensure all hours are properly accounted for by pay code in the final payroll.

**Views of Responsible Officials:** There is no disagreement with the audit finding.



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