

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024**



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## 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, 2024, 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, 2024, 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***

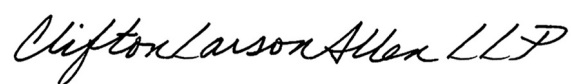
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management 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 May 29, 2025, 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**

Denver, Colorado  
May 29, 2025

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

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, 2024.

**Financial Highlights**

- The assets of the Council exceeded its liabilities at the close of 2024 by \$14,439,257. Of this total, \$10,583,784, or 73.3%, is unrestricted and may be used to meet the Council's obligations to the public and creditors.
- The Council's total net position increased \$2,213,584.
- The total cost of the Council's programs increased \$824,670 or 6.7%, compared to 2023.
- Total revenues decreased \$701,690 or 4.4%, compared to 2023.
- The General Fund reported a fund balance of \$3,163,747 as of December 31, 2024, an increase of \$119,136. Approximately 115% 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, 2024**

**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, 2024**

**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, 2024. The Council's assets exceeded liabilities and deferred inflows of resources by \$14,439,257 at the close of 2024. Total net position increased by \$2,213,584 in 2024.

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

	Governmental Activities	
	2024	2023
Assets		
Current and Other Assets	\$ 12,377,795	\$ 11,128,013
Capital Assets	5,390,060	4,788,530
Total Assets	<u>17,767,855</u>	<u>15,916,543</u>
Liabilities		
Current Liabilities	1,791,517	2,075,843
Long-Term Liabilities	1,374,532	1,615,027
Total Liabilities	<u>3,166,049</u>	<u>3,690,870</u>
Deferred Inflows of Resources	162,549	-
Net Position		
Net Investment in Capital Assets	3,806,824	2,525,883
Restricted	48,649	46,169
Unrestricted	10,583,784	9,653,621
Total Net Position	<u>\$ 14,439,257</u>	<u>\$ 12,225,673</u>

The largest portion of the Council's net position amounting to \$10,583,784, or 73.3% 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 \$2,213,584 compared to an increase of \$3,739,944 during 2023. Governmental revenues decreased \$701,690 or 4.4%, and governmental expenses increased \$824,670 or 6.7% compared to 2023. The decrease for revenues and increase for 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 2024 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, 2024**

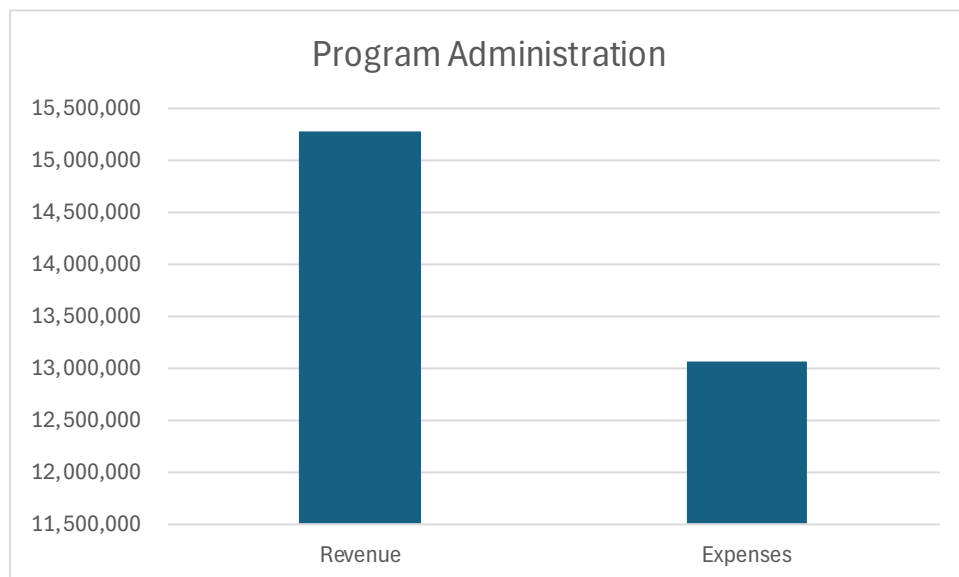
**Government-Wide Financial Analysis (Continued)**

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

**Table 2**  
**Northwest Colorado Council of Governments**  
**Summary of Changes in Net Position**

	Governmental Activities	
	2024	2023
Revenues		
Program Revenues:		
Permits, Fees, and Charges for Services	\$ 3,288,842	\$ 3,061,563
Operating Grants and Contributions	11,872,776	12,815,434
Investment Earnings	111,401	97,712
Total Revenues	15,273,019	15,974,709
Expenses		
Program Expenses	13,059,435	12,234,765
Total Expenses	13,059,435	12,234,765
Change in Net Position	2,213,584	3,739,944
Net Position - Beginning of Year	12,225,673	8,485,729
Net Position - End of Year	<u>\$ 14,439,257</u>	<u>\$ 12,225,673</u>

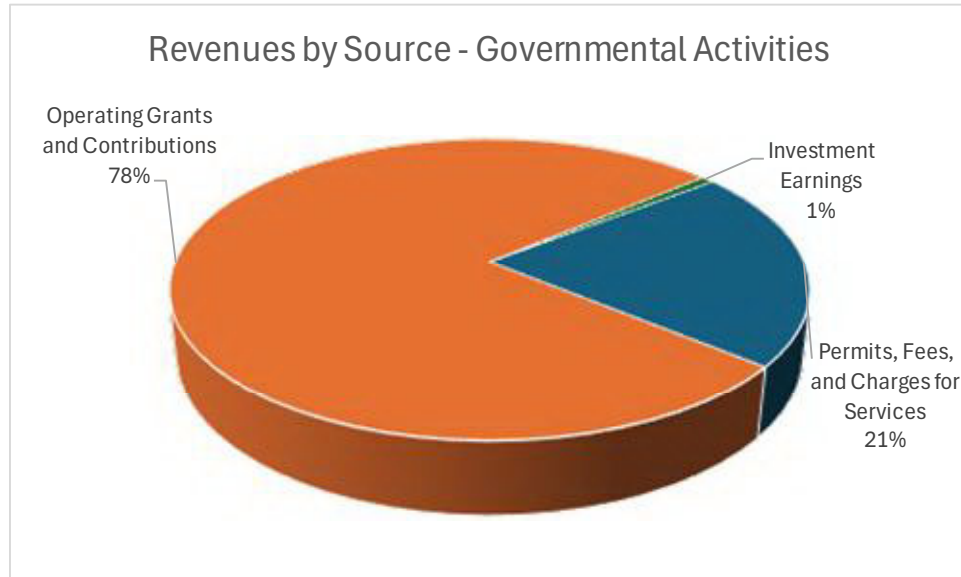
The following graphs provide visual representations of the expenses and revenues for governmental activities for 2024.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

**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.

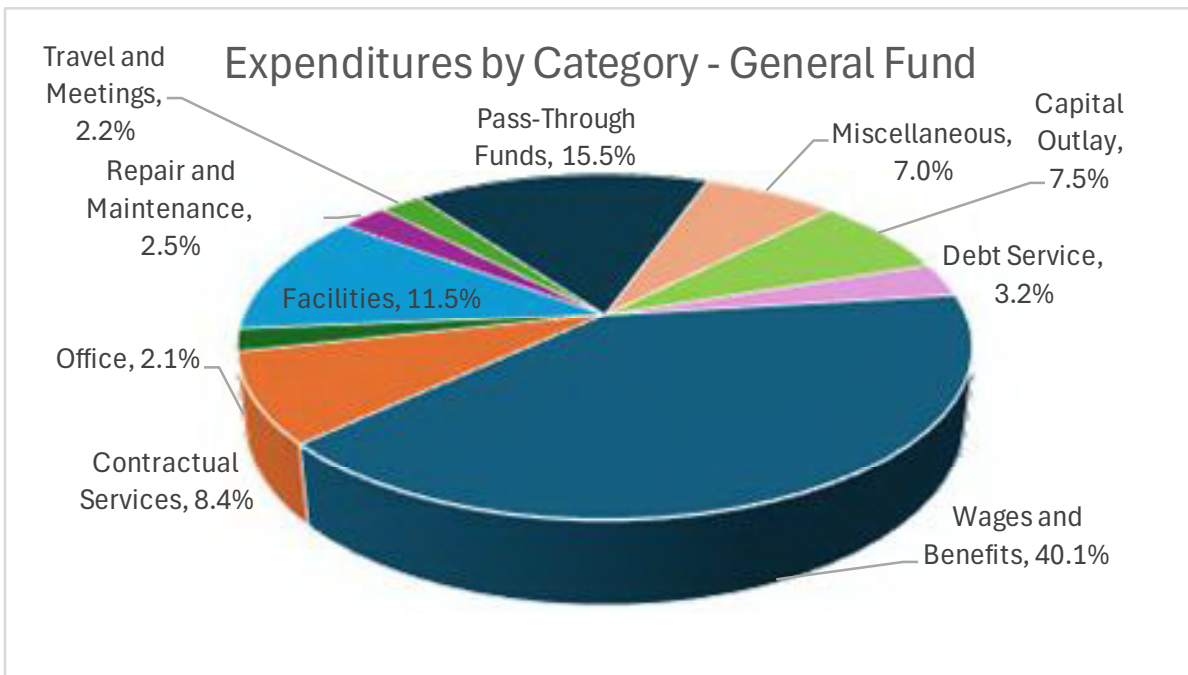
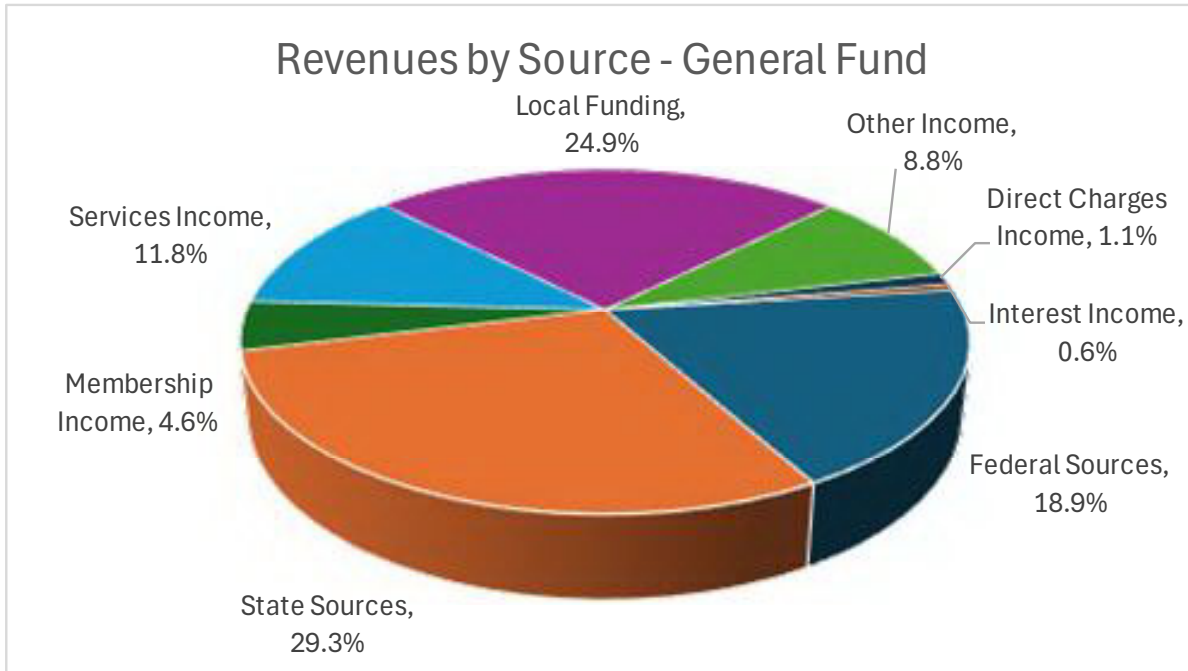
The General Fund is the primary operating fund of the Council. At December 31, 2024, the General Fund reported ending fund balances of \$3,163,747, an increase of \$119,136 compared to 2023.

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 21.9% of total General Fund expenditures compared to 20.6% in 2023.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

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

The following graphs provide visual representations of the expenditures and revenues for the General Fund for 2024.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

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

The Northwest Loan Fund ended the year with a fund balance of \$7,677,843 compared to \$6,175,606 at the end of 2023, an increase of \$1,502,237 compared to \$1,536,925 in 2023. 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 \$21,404. During 2024, the Foundation recorded \$69 in revenues. The fund expended \$119 during the year.

**General Fund Budgetary Highlights**

Budgetary comparison schedules are presented as required supplementary information. Actual revenues were \$14,387,336, \$154,193 less than budgeted. Actual expenditures were \$14,478,792, \$513,344 more than budgeted.

**Capital Assets and Debt Administration**

**Capital Assets**

The Council's investment in capital assets as of December 31, 2024 amounts to \$5,390,060 (net of accumulated depreciation and amortization). The increase from 2023 was a result of new building improvements, vehicles, equipment purchases and leases entered into in 2024.

	2024	2023
Construction-in-Progress	\$ 82,754	\$ 53,280
Building	1,330,542	1,372,777
Building Improvements	644,789	393,189
Right-to-Use Lease Assets	1,197,947	1,318,389
Vehicles	857,552	452,464
Furniture and Equipment	1,276,476	1,198,431
Total	<u>\$ 5,390,060</u>	<u>\$ 4,788,530</u>

**Debt Administration**

The Council had total long-term obligations as follows:

	2024	2023
Building Note	\$ 399,631	\$ 420,829
CHFA Note	60,000	60,000
FirstBank Note	713,919	728,613
Leases Payable	469,686	593,112
Compensated Absences	252,335	207,779
Total	<u>\$ 1,895,571</u>	<u>\$ 2,010,333</u>

Additional information on long-term obligations can be found in the notes to the financial statements (Note 6).

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

**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 2025. 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 intends to continue its current programs in 2025 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, 2024**

**ASSETS**

Cash	\$ 5,365,363
Investments	19,252
Investments - Restricted	1,631,985
Accounts Receivable	510,516
Grants Receivable	911,248
Prepaid Items	293,915
Loans Receivable	3,645,516
Capital Assets:	
Capital Assets not Being Depreciated	82,754
Capital Assets, Net of Accumulated Depreciation and Amortization	<u>5,307,306</u>
Total Assets	<u>17,767,855</u>

**LIABILITIES**

Accounts Payable	270,111
Accrued Salaries and Withholdings	209,278
Unearned Revenue	791,089
Noncurrent Liabilities:	
Due Within One Year	521,039
Due in More than One Year	<u>1,374,532</u>
Total Liabilities	<u>3,166,049</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Amounts Related to Leases	<u>162,549</u>
Total Deferred Inflows of Resources	<u>162,549</u>

**NET POSITION**

Net Investment in Capital Assets	3,806,824
Restricted	48,649
Unrestricted	<u>10,583,784</u>
Total Net Position	<u><u>\$ 14,439,257</u></u>

See accompanying Notes to Financial Statements.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Fees and Charges for Services	Operating Grants and Contributions	Total Governmental Activities
<b>Governmental Activities:</b>				
Regional Business	\$ 663,761	\$ 481,236	\$ 98,858	\$ (83,667)
Area Agency on Aging	1,918,378	-	1,890,918	(27,460)
Northwest Region Healthcare Coalition	232,110	-	232,573	463
Economic Development District	198,077	1,659	189,481	(6,937)
Elevator Inspection Program	1,677,657	2,317,336	-	639,679
Energy Management	4,815,264	(1,990)	5,687,172	869,918
Regional Coordinating Council	147,434	1,845	137,491	(8,098)
Watershed Services	85,154	-	52,139	(33,015)
Project Thor	1,426,272	-	1,515,194	88,922
Emergency Management	60,389	-	60,510	121
Water Quality/Quantity	444,371	208,485	278,619	42,733
Broadband	295,145	6,129	211,133	(77,883)
Northwest Loan Fund	317,695	274,091	1,518,688	1,475,084
NWCCOG Foundation, Inc.	119	51	-	(68)
Interest on Long Term Debt and Leases	102,269	-	-	(102,269)
Unallocated Depreciation and Amortization	675,340	-	-	(675,340)
<b>Total Governmental Activities</b>	<b>\$ 13,059,435</b>	<b>\$ 3,288,842</b>	<b>\$ 11,872,776</b>	<b>2,102,183</b>
<b>General Revenues</b>				
Investment Earnings				111,401
Total General Revenues and Transfers				111,401
Change in Net Position				2,213,584
Net Position - Beginning of Year				12,225,673
Net Position - End of Year				<u>\$ 14,439,257</u>

See accompanying Notes to Financial Statements.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	General Fund	Northwest Loan Fund	NWCCOG Foundation	Total
<b>ASSETS</b>				
Cash	\$ 1,307,855	\$ 4,036,104	\$ 21,404	\$ 5,365,363
Investments	19,252	-	-	19,252
Investments - Restricted	1,631,985	-	-	1,631,985
Accounts Receivable	510,516	-	-	510,516
Grants Receivable	911,248	-	-	911,248
Prepaid Items	293,915	-	-	293,915
Loans Receivable, Net	-	3,645,516	-	3,645,516
	<u>-</u>	<u>3,645,516</u>	<u>-</u>	<u>3,645,516</u>
Total Assets	<u>\$ 4,674,771</u>	<u>\$ 7,681,620</u>	<u>\$ 21,404</u>	<u>\$ 12,377,795</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 266,334	\$ 3,777	\$ -	\$ 270,111
Accrued Salaries and Withholdings	209,278	-	-	209,278
Unearned Revenue	791,089	-	-	791,089
Total Liabilities	<u>1,266,701</u>	<u>3,777</u>	<u>-</u>	<u>1,270,478</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	81,774	-	-	81,774
Deferred Amounts Related to Leases	<u>162,549</u>	<u>-</u>	<u>-</u>	<u>162,549</u>
Total Deferred Inflows of Resources	<u>244,323</u>	<u>-</u>	<u>-</u>	<u>244,323</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Items	293,915	-	-	293,915
Restricted:				
USDA Loan Reserve	48,649	-	-	48,649
Assigned:				
Area Agency on Aging	194,387	-	-	194,387
Elevator Inspection Program	2,247,114	-	-	2,247,114
Water Quality and Quantity Program	132,470	-	-	132,470
Weatherization	616,721	-	-	616,721
Office Condo	402,496	-	-	402,496
Motor Pool	54,680	-	-	54,680
Other Purposes	-	7,677,843	21,404	7,699,247
Unassigned	<u>(826,685)</u>	<u>-</u>	<u>-</u>	<u>(826,685)</u>
Total Fund Balances	<u>3,163,747</u>	<u>7,677,843</u>	<u>21,404</u>	<u>10,862,994</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,674,771</u>	<u>\$ 7,681,620</u>	<u>\$ 21,404</u>	<u>\$ 12,377,795</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, 2024**

Total Fund Balance for Governmental Funds	\$ 10,862,994
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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.	5,390,060
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Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds:	
Unavailable Revenue	81,774

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	(1,173,550)
Leases Payable	(469,686)
Compensated Absences	<u>(252,335)</u>

Net Position of Governmental Activities	<u><u>\$ 14,439,257</u></u>
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**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	General Fund	Northwest Loan Fund	NWCCOG Foundation	Total
<b>REVENUES</b>				
Federal Sources	\$ 2,712,676	\$ 1,086,588	\$ -	\$ 3,799,264
State Sources	4,212,589	352,000	-	4,564,589
Membership Income	667,781	-	-	667,781
Services Income	1,703,001	-	-	1,703,001
Local Funding	3,582,900	80,100	-	3,663,000
Other Income	1,262,409	274,091	51	1,536,551
Direct Charges Income	161,750	-	-	161,750
Interest Income	84,230	27,153	18	111,401
Total Revenues	<u>14,387,336</u>	<u>1,819,932</u>	<u>69</u>	<u>16,207,337</u>
<b>EXPENDITURES</b>				
Current:				
Wages and Benefits	5,809,408	138,405	-	5,947,813
Contractual Services	1,213,771	7,750	-	1,221,521
Office	303,099	13,493	119	316,711
Facilities	1,671,229	5,134	-	1,676,363
Repair and Maintenance	363,213	1,898	-	365,111
Travel and Meetings	320,583	10,736	-	331,319
Pass-Through Funds	2,244,707	130,267	-	2,374,974
Miscellaneous	1,014,326	10,012	-	1,024,338
Capital Outlay	1,078,914	-	-	1,078,914
Debt Service:				
Principal	357,273	-	-	357,273
Interest	102,269	-	-	102,269
Total Expenditures	<u>14,478,792</u>	<u>317,695</u>	<u>119</u>	<u>14,796,606</u>
<b>OTHER FINANCING SOURCES</b>				
Insurance Recovery	12,637	-	-	12,637
Leases	197,955	-	-	197,955
Total Other Financing Sources	<u>210,592</u>	<u>-</u>	<u>-</u>	<u>210,592</u>
<b>NET CHANGE IN FUND BALANCES</b>	119,136	1,502,237	(50)	1,621,323
Fund Balances - Beginning of Year	<u>3,044,611</u>	<u>6,175,606</u>	<u>21,454</u>	<u>9,241,671</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,163,747</u>	<u>\$ 7,677,843</u>	<u>\$ 21,404</u>	<u>\$ 10,862,994</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, 2024**

Net Change in Fund Balances - Governmental Funds	\$ 1,621,323
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Amounts reported for governmental activities in the  
Statement of Activities are different because:

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.

Expenditures for Capital Assets	1,276,870
Current Year Depreciation and Amortization	(675,340)

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal of long-term debt  
consume current financial resources of governmental funds. These transactions,  
however, have no effect on net position.

Principal Payments on Notes Payable	35,892
Leases	(197,955)
Principal Payments on Leases	321,381

Revenues in the Statement of Activities that do not provide current financial  
resources are not reported as revenues in governmental funds.

Unavailable Revenue	(124,031)
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Some expenses reported in the Statement of Activities do not  
require the use of current financial resources and therefore are not  
reported as expenditures in governmental funds.

Adjustment to Compensated Absences Liability	<u>(44,556)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 2,213,584</u></u>
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**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2024**

**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, 2024**

**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 150 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, 2024**

**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, 2024. 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 6).

**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. 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.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Capital Assets (Continued)**

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.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and the governmental funds balance sheet includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The statement of net position and the governmental funds balance sheet reports a deferred inflow of resources related to leases. The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Under the modified accrual basis of accounting, deferred inflows of resources also include revenues not collected within the availability period after the fiscal year-end. The Council has reported deferred inflows of resources related to unavailable revenues for charges from the elevator inspection program. These amounts are deferred and will be recognized as an inflow of resources in the period that amounts become available.

**Unearned Revenue**

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

**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**

The Council adopted GASB Statement No. 101, *Compensated Absences*, in 2024. The adoption did not have a significant affect on the Council's financial statements. The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. 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.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**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.

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, 2024.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

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

*Fund Balances (Continued)*

*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.

**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.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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	\$ 5,365,363	\$ -	\$ 5,365,363
Investments	19,252	1,631,985	1,651,237
Total	<u>\$ 5,384,615</u>	<u>\$ 1,631,985</u>	<u>\$ 7,016,600</u>

**Cash**

*Custodial Credit Risk – Cash*

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

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2024, 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.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Investments (Continued)**

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

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

At December 31 the Council had the following investments:

	<u>Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
Local Government Investment Pools:			
COLOTRUST	AAAm	< 60 Days	\$ 640,184
CSAFE	AAAmmf	< 60 Days	1,011,053
Total			<u>\$ 1,651,237</u>

**Credit Risk**

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

*Concentration of Credit Risk* – Neither state statutes 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.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Fair Value**

As of December 31, 2024, the Council had invested \$507,714 in the Colorado Local Government Liquid Asset Trust – PLUS and \$132,470 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, 2024, 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, 2024, the Council had invested \$1,011,053 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 \$3,964,021 has been reduced by \$318,505 as an allowance for estimated uncollectible. The loans mature as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2025	\$ 328,439
2026	209,965
2027	334,166
2028	481,990
2029	445,702
Thereafter	1,845,254
Total	<u>\$ 3,645,516</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction-in-Progress	\$ 53,280	\$ 29,474	\$ -	\$ 82,754
Total Capital Assets, Not Being Depreciated	53,280	29,474	-	82,754
Capital Assets Being Depreciated and Amortized:				
Building	1,689,405	-	-	1,689,405
Building Improvements	442,131	266,765	-	708,896
Right-to-Use Lease Buildings	469,127	-	-	469,127
Right-to-Use Lease Fiber	909,979	161,304	-	1,071,283
Right-to-Use Lease Vehicles	203,469	36,651	-	240,120
Right-to-Use Lease Equipment	28,939	-	-	28,939
Vehicles	1,013,846	492,106	-	1,505,952
Furniture and Equipment	1,626,062	290,570	-	1,916,632
Total Capital Assets Being Depreciated and Amortized	6,382,958	1,247,396	-	7,630,354
Less Accumulated Depreciation and Amortization:				
Building	(316,628)	(42,235)	-	(358,863)
Building Improvements	(48,942)	(15,165)	-	(64,107)
Right-to-Use Lease Buildings	(48,201)	(115,680)	-	(163,881)
Right-to-Use Lease Fiber	(183,498)	(138,907)	-	(322,405)
Right-to-Use Lease Vehicles	(53,504)	(57,312)	-	(110,816)
Right-to-Use Lease Equipment	(7,922)	(6,498)	-	(14,420)
Vehicles	(561,382)	(87,018)	-	(648,400)
Furniture and Equipment	(427,631)	(212,525)	-	(640,156)
Total Accumulated Depreciation and Amortization	(1,647,708)	(675,340)	-	(2,323,048)
Total Capital Assets, Being Depreciated and Amortized, Net	4,735,250	572,056	-	5,307,306
Total Governmental Activities Capital Assets	<u>\$ 4,788,530</u>	<u>\$ 601,530</u>	<u>\$ -</u>	<u>\$ 5,390,060</u>

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

**NOTE 5 DEFERRED INFLOWS OF RESOURCES – LEASE**

The Council, acting as lessor, leases strands of optical fiber under a long-term, noncancelable lease agreement. The lease expires in 2034. The lease was paid in full by the lessee in 2024. During the year ended December 31, 2024, the Council recognized \$11,611 in lease revenue. As of December 31, 2024, the deferred inflows of resources on the statement of net position and governmental funds balance sheet was \$162,549.



**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 6 LONG-TERM OBLIGATIONS**

Long-term obligation activity for the year ended December 31, 2024 follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Direct Borrowing:					
United States Department of Agriculture (USDA) Note	\$ 420,829	\$ -	\$ (21,198)	\$ 399,631	\$ 22,090
Colorado Housing and Finance Authority (CHFA) Note	60,000	-	-	60,000	60,000
FirstBank Promissory Note	728,613	-	(14,694)	713,919	15,667
Total Direct Borrowing	1,209,442	-	(35,892)	1,173,550	97,757
Leases Payable	593,112	197,955	(321,381)	469,686	170,947
Compensated Absences	207,779	44,556	-	252,335	252,335
Total	<u>\$ 2,010,333</u>	<u>\$ 242,511</u>	<u>\$ (357,273)</u>	<u>\$ 1,895,571</u>	<u>\$ 521,039</u>

The change in compensated absence liability is presented as a net change.

**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, 2024, the Council has restricted \$48,649 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.

The note matures as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	26,045	12,115	38,160
2030-2034	147,599	49,156	196,755
2035-2039	131,899	16,782	148,681
Total	<u>\$ 399,631</u>	<u>\$ 136,605</u>	<u>\$ 536,236</u>

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**Note from Direct Borrowing (Continued)**

**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.

The note matures as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	19,636	36,088	55,724
2030-2034	116,599	168,432	285,031
2035-2039	154,709	132,417	287,126
2040-2044	205,247	84,629	289,876
2045-2049	149,485	22,960	172,445
Total	<u>\$ 713,919</u>	<u>\$ 599,181</u>	<u>\$ 1,313,100</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 2033.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**Leases Payable (Continued)**

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.

In July 2024, the Council entered into a lease arrangement for dark fiber with a 10-year term expiring on July 31, 2033. 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 December 2024.

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>	
2025	\$ 170,947	\$ 22,226	\$ 193,173
2026	172,098	18,927	191,025
2027	91,225	9,706	100,931
2028	35,416	632	36,048
Total Minimum Lease Payments	<u>\$ 469,686</u>	<u>\$ 51,491</u>	<u>\$ 521,177</u>

**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 2024, the Council's contribution and employee contributions to the Plan were \$266,588 and \$266,588, respectively. The Council has recognized pension expense of \$266,588 and has no outstanding pension liability as of December 31, 2024.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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, 2024. The following represents the source of funds received:

General Operations	\$ 462,115
Water Quality and Quantity	205,666
Total	<u>\$ 667,781</u>

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

**Grant Programs**

The Council administers numerous projects through grants awarded by various federal and state agencies. All projects are subject to audit by the granting agencies. A substantial amount of grant revenue has been awarded to sub-recipients. All grants are subject to final review and approval as to 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).

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 11 RISK MANAGEMENT (CONTINUED)**

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.

**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 fund may be in violation of state statutes as the expenditures exceed the appropriated budget.

	Original Budget	Final Budget	Actual	Unfavorable Variance
<b>Total Expenditures</b>				
General Fund	\$ 12,811,702	\$ 13,965,448	\$ 14,478,792	\$ (513,344)

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Federal Sources:				
Federal Contract Revenue	\$ 3,165,525	\$ 2,636,489	\$ 2,712,676	\$ 76,187
State Sources:				
State Contract Revenue	3,268,185	4,323,176	4,212,589	(110,587)
Membership Income:				
County Pledges	372,574	384,679	384,679	-
Municipal Pledges	217,581	219,081	242,770	23,689
Associate Member Pledges	25,906	26,406	25,906	(500)
Water and Sanitation Income	12,401	12,404	14,426	2,022
Total Membership Income	628,462	642,570	667,781	25,211
Services Income:				
Inspection Fees	760,112	674,112	831,090	156,978
Specialized Services	31,200	33,000	32,400	(600)
Other Service Income	425,000	480,410	465,222	(15,188)
Permit Review Fees	200,000	371,349	374,289	2,940
Total Services Income	1,416,312	1,558,871	1,703,001	144,130
Local Funding:				
Local Funding	3,157,091	3,429,407	3,358,513	(70,894)
Local Funding - NWCCOG Matching	224,387	224,387	224,387	-
Total Local Funding	3,381,478	3,653,794	3,582,900	(70,894)
Reimbursed Expenses:				
Reimbursed Fees/Expenses	8,474	23,115	(5,837)	(28,952)
Other Income:				
Internal Indirect Revenue	703,275	721,914	735,734	13,820
Other Income	699,624	738,529	532,512	(206,017)
Total Other Income	1,402,899	1,460,443	1,268,246	(192,197)
Direct Charges Income	161,750	161,750	161,750	-
Interest Income	31,000	81,321	84,230	2,909
Total Revenues	13,464,085	14,541,529	14,387,336	(154,193)

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, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES</b>				
Current:				
Wages and Benefits:				
Salaries - Executive Director	\$ 172,487	\$ 172,487	\$ 172,627	\$ (140)
Salaries - Program Director	421,499	393,767	463,319	(69,552)
Salaries - Program Staff	2,849,507	3,059,173	2,920,681	138,492
Salaries - Support	1,039,067	818,639	863,973	(45,334)
Taxes and Benefits	1,543,893	1,447,873	1,386,996	60,877
Background Check	-	40	6	34
Flex Administration Fee	-	1,400	1,806	(406)
Total Wages and Benefits	6,026,453	5,893,379	5,809,408	83,971
Contractual Services:				
Contract Staff	334,765	543,057	577,439	(34,382)
Legal Expense	5,200	1,500	1,721	(221)
Auditing	59,500	81,038	82,333	(1,295)
Contract Services	521,049	515,214	552,278	(37,064)
Total Contractual	920,514	1,140,809	1,213,771	(72,962)
Office:				
Office Supplies	71,200	79,624	90,907	(11,283)
Bank Charges	920	740	858	(118)
Postage	4,510	2,920	3,779	(859)
Printing	5,300	3,200	3,861	(661)
Advertising	14,507	8,800	3,731	5,069
Internet and IT Security	168,250	69,489	65,294	4,195
Dues and Subscription	50,900	107,538	120,306	(12,768)
Safety	-	290	14,363	(14,073)
Total Office	315,587	272,601	303,099	(30,498)
Facilities:				
Rent and Utilities	277,848	367,083	197,790	169,293
Telephone	31,706	38,695	37,675	1,020
Cam Fees	20,000	20,000	16,687	3,313
Insurance	47,550	47,056	42,986	4,070
Waste Removal	6,500	6,500	7,501	(1,001)
Broadband:7510 -+ Monthly Recurring Cost	871,280	1,430,617	1,326,571	104,046
Broadband:7550 -+ Network Operations Equipment	70,000	70,000	42,019	27,981
Total Facilities	1,324,884	1,979,951	1,671,229	308,722
Repair and Maintenance:				
Equipment Maintenance and Repairs	22,000	30,154	10,239	19,915
Vehicle Repair and Maintenance	18,500	45,965	79,950	(33,985)
Gas, Oil, and Supplies	113,100	106,753	118,049	(11,296)
Equipment Lease	94,910	77,200	49,172	28,028
Tools and Equipment	226,341	93,943	105,803	(11,860)
Total Repair and Maintenance	474,851	354,015	363,213	(9,198)

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, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Travel and Meetings:				
Meeting Expense	\$ 7,200	\$ 7,782	\$ 11,406	\$ (3,624)
Travel and Meetings	150,359	241,384	248,084	(6,700)
Training and Technical Assistance	86,900	40,960	61,093	(20,133)
Total Travel and Meetings	244,459	290,126	320,583	(30,457)
Pass-through Funds:				
Pass-through Funds - Subcontracts	1,342,639	1,051,684	1,326,086	(274,402)
Pass-through Funds - Materials	721,900	748,585	918,621	(170,036)
Total Pass-Through Funds	2,064,539	1,800,269	2,244,707	(444,438)
Miscellaneous:				
Bad Debts - Written Off	1,500	45,778	3,582	42,196
Program Expense	7,472	21,990	69,640	(47,650)
Program Supplies	1,000	3,500	3,633	(133)
Licenses and Permits	24,200	3,700	4,409	(709)
Purchased Food	-	1,516	1,045	471
EIP Debts Forgiven	39,237	8,000	4,150	3,850
Permit Fees Rebate	5,000	2,500	1,838	662
Indirect Costs Applied	678,947	695,101	701,642	(6,541)
Local Match Cost	224,387	224,387	224,387	-
Total Miscellaneous	981,743	1,006,472	1,014,326	(7,854)
Capital Outlay	364,788	1,133,942	1,078,914	55,028
Debt Service:				
Principal	93,884	93,884	357,273	(263,389)
Interest	-	-	102,269	(102,269)
Total Expenditures	12,811,702	13,965,448	14,478,792	(513,344)
<b>OTHER FINANCING SOURCES</b>				
Insurance Recovery	-	-	12,637	12,637
Leases	-	-	197,955	197,955
Total Other Financing Sources	-	-	210,592	210,592
<b>NET CHANGE IN FUND BALANCES</b>	652,383	576,081	119,136	(456,945)
Fund Balances - Beginning of Year	3,044,611	3,044,611	3,044,611	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,696,994</u>	<u>\$ 3,620,692</u>	<u>\$ 3,163,747</u>	<u>\$ (456,945)</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, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Federal Sources:				
Federal Contract Revenue	\$ 1,390,000	\$ 936,714	\$ 936,714	\$ -
Administration	-	149,874	149,874	-
State Sources:				
State Contract Revenue	422,400	107,100	352,000	244,900
Local Funding:				
Local Funding	-	62,500	80,100	17,600
Other Income:				
Loan Interest	274,244	269,959	274,091	4,132
Interest Income	4,000	24,000	27,153	3,153
Total Revenues	<u>2,090,644</u>	<u>1,550,147</u>	<u>1,819,932</u>	<u>269,785</u>
<b>EXPENDITURES</b>				
Current:				
Wages and Benefits:				
Salaries - Program Director	115,635	115,635	115,635	-
Taxes and Benefits	23,430	23,474	22,770	704
Total Wages and Benefits	<u>139,065</u>	<u>139,109</u>	<u>138,405</u>	<u>704</u>
Contractual Services:				
Contract Staff	3,000	2,500	2,323	177
Contract Services	12,000	7,000	5,427	1,573
Total Contractual	<u>15,000</u>	<u>9,500</u>	<u>7,750</u>	<u>1,750</u>
Office:				
Office Supplies	2,000	4,000	5,298	(1,298)
Program Expense	5,000	3,500	2,571	929
Bank Charges	100	120	71	49
Postage	1,100	200	309	(109)
Advertising	1,000	1,000	829	171
Dues and Subscription	6,000	4,580	4,415	165
Total Office	<u>15,200</u>	<u>13,400</u>	<u>13,493</u>	<u>(93)</u>
Facilities:				
Rent and Utilities	13,354	3,331	3,331	-
Telephone	-	1,850	1,803	47
Total Facilities	<u>13,354</u>	<u>5,181</u>	<u>5,134</u>	<u>47</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 (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

	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	\$ 2,650	\$ 1,898	\$ 102
Total Repairs and Maintenance	2,000	2,650	1,898	102
Travel and Meetings:				
Travel and Meetings	12,700	9,500	10,736	(1,236)
Total Travel and Meetings	12,700	9,500	10,736	(1,236)
Pass-Through Funds:				
Pass-Through Funds	-	110,810	130,267	(19,457)
Miscellaneous:				
Bad Debts	24,192	26,036	(9,068)	35,104
Indirect Costs Applied	19,080	19,080	19,080	-
Total Miscellaneous	43,272	45,116	10,012	35,104
 Total Expenditures	 240,591	 335,266	 317,695	 16,921
 <b>NET CHANGE IN FUND BALANCES</b>	 1,850,053	 1,214,881	 1,502,237	 287,356
 Fund Balances - Beginning of Year	 6,175,606	 6,175,606	 6,175,606	 -
 <b>FUND BALANCES - END OF YEAR</b>	 <u>\$ 8,025,659</u>	 <u>\$ 7,390,487</u>	 <u>\$ 7,677,843</u>	 <u>\$ 287,356</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, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Reimbursed Fees/Expenses	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	51	51
Interest Income	50	21	18	(3)
Other Income	1,500	-	-	-
Total Revenues	1,550	21	69	48
<b>EXPENDITURES</b>				
Current:				
Bank Charges	120	120	119	1
Fundraising	-	-	-	-
Pass-Through Funds	-	-	-	-
Program Admin Charge	-	-	-	-
Total Expenditures	120	120	119	1
<b>NET CHANGE IN FUND BALANCES</b>	1,430	(99)	(50)	49
Fund Balances - Beginning of Year	21,454	21,454	21,454	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 22,884</u>	<u>\$ 21,355</u>	<u>\$ 21,404</u>	<u>\$ 49</u>

See accompanying Notes to the Required Supplementary Information.

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2024**

**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, 2024, the NWCCOG Council adopted supplemental appropriations.

	Original Budget	Revisions	Final Budget
General Fund	\$ 12,811,702	\$ 1,153,746	\$ 13,965,448
Northwest Loan Fund	240,591	94,675	335,266
NWCCOG Foundation Fund	120	-	120



**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, 2024, and the related notes to the financial statements, which collectively comprise Northwest Colorado Council of Governments' basic financial statements, and have issued our report thereon dated May 29, 2025.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024 – 001 that we consider to be a significant deficiency.

### **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*.

### **Northwest Colorado Council of Governments' Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the Northwest Colorado Council of Governments' response to the findings identified in our audit and 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 the financial statements and, accordingly, we express no opinion on the response.

### **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**

Denver, Colorado  
May 29, 2025



**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, 2024. 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, 2024.

***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.



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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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**

Denver, Colorado  
May 29, 2025

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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	None provided	\$ -	\$ 63,463
Total Department of Commerce Direct Programs			-	63,463
<b>Department of Housing and Urban Development</b>				
Colorado Department of Local Affairs				
Community Development Block Grants	14.228	F16CDB16602	-	522,000
COVID-19 Community Development Block Grants	14.228	F16CDB16602	-	290,000
Total Department of Housing and Urban Development			-	812,000
<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	-	84,942
Total Transit Services Programs Cluster			-	84,942
Total for Department of Transportation			-	84,942
<b>Department of the Treasury</b>				
Colorado Department of Local Affairs				
Coronavirus State and Local Fiscal Recovery Funds	21.027	None provided	-	40,978
Total Department of the Treasury			-	40,978
<b>Environmental Protection Agency</b>				
Colorado Department of Public Health and Environment				
Water Quality Management Planning	66.454	None provided	-	22,862
Clean Water State Revolving Fund Cluster				
Clean Water State Revolving Fund	66.458	None provided	-	11,107
Total Clean Water State Revolving Fund Cluster			-	11,107
Total Environmental Protection Agency			-	33,969
<b>Department of Energy</b>				
Colorado Energy Office				
Weatherization Assistance for Low Income Persons	81.042	None provided	-	974,319
Total Department of Energy			-	974,319
<b>Department of Health and Human Services</b>				
Colorado Department of Human Services				
Special Programs for the Aging				
Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	None provided	1,884	1,884
Title VII, Ombudsman	93.042	None provided	892	892
Title III, Part D Disease Prevention and Health Promotion	93.043	None provided	6,936	9,302
Aging Cluster				
Title III, Admin.	93.044	None provided	1,500	38,256
Title III, Part B Grants for Supportive Services	93.044	None provided	29,525	176,299
COVID-19 - ARPA, Title III, Part B Grants for Supportive Services	93.044	None provided	17,945	40,199
	93.044	Subtotal	48,970	254,754
Title III, NSIP C-1	93.045	None provided	6,673	16,462
Title III, Part C-1	93.045	None provided	38,617	281,939
COVID-19 - ARPA, Title III, Part C-1	93.045	None provided	19,993	26,395
Title III, Part C-2	93.045	None provided	39,815	138,827
COVID-19 - ARPA, Title III, Part C-2	93.045	None provided	85,166	92,833
	93.045	Subtotal	190,264	556,456
Total Aging Cluster			239,234	811,210
Title III, Part E - National Family Caregiver Support	93.052	None provided	20,671	57,495
COVID-19 - ARPA, Title III, Part E - National Family Caregiver Support	93.052	None provided	21,769	21,769
	93.052	Subtotal	42,440	79,264
State Health Insurance Assistance Program	93.324	None provided	-	24,601
Low-Income Home Energy Assistance	93.568	None provided	-	352,851
Total Department of Health and Human Services			291,386	1,280,004
<b>Colorado Department of Public Health and Environment</b>				
National Bioterrorism Hospital Preparedness Program	93.889	None provided	-	231,325
Total Department of Public Health and Environment			-	231,325
<b>Department of Homeland Security</b>				
Homeland Security Grant Program	97.067	None provided	-	60,185
Total Department of Homeland Security			-	60,185
Total Expenditures of Federal Awards			\$ 291,386	\$ 3,581,185

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2024**

**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, 2024. 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, 2024**

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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?   x   yes      \_\_\_\_\_ 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? \_\_\_\_\_ yes        x   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)? \_\_\_\_\_ yes        x   no

***Identification of Major Federal Programs***

**Assistance Listing Number(s)**

81.042

**Name of Federal Program or Cluster**

Weatherization Assistance for Low Income Persons

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

\$   750,000  

Auditee qualified as low-risk auditee?

  x   yes      \_\_\_\_\_ no

**NORTHWEST COLORADO COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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

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**2024 – 001: Schedule of Expenditures of Federal Awards (SEFA) Reconciliation**

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

**Condition:** The Council did not accurately report the schedule of federal awards as of and for the year ended December 31, 2024. Amounts of federal expenditures of certain programs had to be revised to accurately report federal expenditures on the SEFA.

**Criteria or specific requirement:** 2 CFR 200.510 requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) which must include the total federal award expended by program in accordance with 2 CFR 200.502.

**Effect:** As a result, the following adjustments were required to be posted to the SEFA by the Council:

- ALN 11.302 Economic Development Support for Planning Organizations decreased expenditures by \$126,650.
- ALN 20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities decreased expenditures by \$29,835.
- ALN 66.454 Water Quality Management Planning decreased expenditures by \$22,576.

**Cause:** Federal expenditures were not properly identified and reported on the SEFA. Namely, expenditures that were funded by matching funds and other income rather than federal funding were included in SEFA expenditures.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend the Council review its controls over reporting of federal expenditures on the SEFA. Copies of grant awards and other resources should be reviewed to assist in proper identification of federal revenues and expenditures. Finally, the Council should add a procedure to reconcile federal revenue with SEFA expenditures, particularly those recorded in the General Fund.

**Views of responsible officials:** The Council agrees with the finding. Management will perform a review of internal controls to develop a process to ensure accurate reporting of federal expenditures on the SEFA.

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

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

