



Board of Directors  
Northwest Colorado Council of Governments  
Silverthorne, Colorado

We have audited the financial statements of the governmental activities and each major fund of Northwest Colorado Council of Governments (the Council) as of and for the year ended December 31, 2022, and have issued our report thereon dated July 5, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our planning communication dated March 24, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Northwest Colorado Council of Governments are described in Note 1 to the financial statements.

As described in Note 1, the Council changed accounting policies related to leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, effective January 1, 2022. Accordingly, the accounting change has been applied to the beginning of the period of adoption.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the depreciation and amortization expense is based on estimated useful lives from the approximate date the asset is placed into service. We evaluated the key factors and assumptions used to develop the depreciation and amortization expense estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the allowance for loan losses is based on an analysis of the collectibility of individual loans and on an overall basis. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

**Financial statement disclosures**

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures. The financial statement disclosures are neutral, consistent, and clear.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

- \$17,836 of credit memos were issued in 2023 that related to accounts receivable of the Elevator Inspection Program as of December 31, 2022. Credit memos were posted in fiscal 2023.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

***Corrected misstatements***

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Circumstances that affect the form and content of the auditors' report***

As previously communicated to you, the report was modified to include an emphasis of matter paragraph relating to the adoption of GASB Statement No. 87, *Leases*, effective January 1, 2022.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated July 5, 2023.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Other audit findings or issues***

The following describes findings or issues arising during the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process:

- During the audit we identified the following significant risk of material misstatement that has not previously been communicated to you:
  - Segregation of duties

We have provided a separate communication to you dated July 5, 2023, communicating internal control related matters identified during the audit.

***Required supplementary information***

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

***Supplementary information in relation to the financial statements as a whole***

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated July 5, 2023.

\* \* \*

This communication is intended solely for the information and use of the board of directors and management of Northwest Colorado Council of Governments and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
July 5, 2023

Account	Description	Debit	Credit
<b>General Fund - Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
AJE to zero out carryover revenue and deferred expense accounts and to true up Local Advanced Funds as of 12/31/2022			
2130	Local Advanced Funds	226,096.00	
4640	Carryover Revenue	1,170,092.00	
9160	Deferred Expense	207,878.00	
1500	Deferred Expense C/O		70,120.00
4650	Carryover to next period		1,396,564.00
9140	Deferred Exp from prior period		137,382.00
<b>Total</b>		<b>1,604,066.00</b>	<b>1,604,066.00</b>
<b>Adjusting Journal Entries JE # 2</b>			
GASBS No. 34, paragraph 87, requires debt issuance costs to be reported as expenditures.			
CLA4	Loan Fees	7,907.00	
1701	Loan Fees - Firstbank (Energy)		7,907.00
<b>Total</b>		<b>7,907.00</b>	<b>7,907.00</b>
<b>Adjusting Journal Entries JE # 7</b>			
To reverse PBC GASB 87 year-end entries, which were based on full accrual.			
1485	Accum. Dep - Lease Asset	159,874.00	
2870	Lease Payable	48,398.00	
6720	Rent & Utilities	52,414.00	
6725	Rent & Utilities(external)	24,440.00	
6830	Equipment Lease-Long Term	1,863.00	
7530	Fiber Lease (IRU)	945,312.00	
1480	Right to Use Leased Asset		1,032,886.00
6635	Interest Expense		39,541.00
6695	Leased Asset - Depreciation		159,874.00
<b>Total</b>		<b>1,232,301.00</b>	<b>1,232,301.00</b>
<b>Adjusting Journal Entries JE # 8</b>			
To record 2022 lease interest and principal expenditures on pre-existing leases.			
6635	Interest Expense	34,504.00	
6710	Mortgage Expense	629,225.00	
6720	Rent & Utilities		75,117.00
7530	Fiber Lease (IRU)		588,612.00
<b>Total</b>		<b>663,729.00</b>	<b>663,729.00</b>
<b>Adjusting Journal Entries JE # 9</b>			
To record new lease in 2022 and correct Zayo cash payment, which occurred in 2023.			
1010	1st Bank Operating	356,700.00	
7530	Fiber Lease (IRU)	351,970.00	
7530	Fiber Lease (IRU)		356,700.00
CLA5	OFS - Leases		351,970.00
<b>Total</b>		<b>708,670.00</b>	<b>708,670.00</b>
<b>Adjusting Journal Entries JE # 10</b>			
To move \$100,000 supplemental payment from Eagle County for BEECH agreement from revenue to unearned.			
4520	Other Local Funding	100,000.00	
2180	Unearned Revenue		100,000.00
<b>Total</b>		<b>100,000.00</b>	<b>100,000.00</b>

**Adjusting Journal Entries JE # 11**

GASB 87 modified accrual entry to post interest and principal expenditures on Enterprise vehicle leases.

6635	Interest Expense	5,699.00	
6710	Mortgage Expense	54,361.00	
6830	Equipment Lease-Long Term		10,491.00
CLA5	OFS - Leases		49,569.00
<b>Total</b>		<b>60,060.00</b>	<b>60,060.00</b>

**Adjusting Journal Entries JE # 12**

To adjust year-end Elevator Inspection revenue to unavailable revenue based on 12/31/22 amounts uncollected through 3/1/23.

4410	Inspection Income	172,421.00	
CLA1	Deferred Revenue		172,421.00
<b>Total</b>		<b>172,421.00</b>	<b>172,421.00</b>

**Adjusting Journal Entries JE # 13**

To adjust year end Federal Grant revenue to unavailable revenue based on 12/31/22 amounts uncollected through 3/1/23.

4100	Federal Grant Income	109,358.00	
CLA1	Deferred Revenue		109,358.00
<b>Total</b>		<b>109,358.00</b>	<b>109,358.00</b>

**Adjusting Journal Entries - NLF****Adjusting Journal Entries JE # 1**

Entries to correct beginning fund balance based on prior year NLF loan and other financing source entries.

2050.02	Loan Funds:Energize Loans:Loan ECGF	60,000.00	
CLA4	Debt Service Principal Expenditures	113,785.00	
3100	NLF Net Equity		173,785.00
<b>Total</b>		<b>173,785.00</b>	<b>173,785.00</b>

**Adjusting Journal Entries JE # 2**

Move CDBG loan reimbursement from revenue to unearned revenue.

4100	Federal Grant Income	13,286.00	
2181	NLF Unearned Revenue		13,286.00
<b>Total</b>		<b>13,286.00</b>	<b>13,286.00</b>



**MEMBER  
JURISDICTIONS**  
City of Glenwood  
Springs

**ROUTT COUNTY**  
City of Steamboat  
Springs  
Town of Hayden

**EAGLE COUNTY**  
Avon  
Basalt  
Eagle  
Gypsum  
Mintum  
Red Cliff  
Vail

**GRAND COUNTY**  
Fraser  
Granby  
Grand Lake  
Hot Sulphur  
Springs  
Kremmling  
Winter Park

**JACKSON  
COUNTY**  
Walden

**PITKIN COUNTY**  
Aspen  
Snowmass Village

**SUMMIT COUNTY**  
Breckenridge  
Blue River  
Dillon  
Frisco  
Montezuma  
Silverthorne

July 5, 2023

CliftonLarsonAllen LLP  
8390 E. Crescent Blvd., Suite 300  
Greenwood Village, Colorado 80111

This representation letter is provided in connection with your audit of the financial statements of Northwest Colorado Council of Governments (the Council), which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2022, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, 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.

We confirm, to the best of our knowledge and belief, as of July 5, 2023, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2022.

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated January 25, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements or in the schedule of findings and questioned costs.
7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts, including adjusting journal entries to convert our full accrual basis records to the modified accrual basis. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
10. We have implemented GASB Statement No. 87, *Leases*, during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed



in the standard. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.

11. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
12. Participation in a public entity risk pool has been properly reported and disclosed in the financial statements.
13. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.
14. The allowance for loan losses is adequate under current economic conditions.

#### Information Provided

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - e. Access to all audit or relevant monitoring reports, if any, received from funding sources.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

6. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. There are no known related-party relationships or transactions which need to be accounted for or disclosed in accordance with U.S. GAAP.
10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
11. We have a process to track the status of audit findings and recommendations.
12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Northwest Colorado Council of Governments, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
15. Other than the budget violations disclosed in the financial statements, there are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
17. We have complied with all restrictions on resources and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance.

18. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
19. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
20. The financial statements properly classify all funds and activities.
21. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
22. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
23. Investments are properly valued.
24. Provisions for uncollectible receivables have been properly identified and recorded.
25. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
26. Revenues are appropriately classified in the statement of activities within program revenues.
27. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
28. Deposits and investment securities are properly classified as to risk and are properly valued and disclosed.
29. Capital assets are properly capitalized, reported, and, if applicable, depreciated.
30. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
31. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
32. We acknowledge our responsibility for presenting 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* (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of


measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

33. As part of your audit, you prepared the draft financial statements, related notes, supplementary information, and schedule of expenditures of federal awards. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, supplementary information, and schedule of expenditures of federal awards. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
34. We understand that as part of your audit, you prepared the adjusting journal entries necessary to convert our full accrual records to the modified accrual basis of accounting and acknowledge that we have reviewed and approved those entries and accepted responsibility for them. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
35. We have evaluated the adequacy and results of the lease implementation consulting services performed and accept responsibility for the results. We acknowledge our responsibility for our lease asset and lease liability (lease schedule) based on the lease information provided by us. We have reviewed our lease contracts and related lease schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the lease schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your lease services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
36. In regards to the preparation of the data collection form services performed by you, we have:
  - a. Made all management judgments and decisions and assumed all management responsibilities.
  - b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.
  - c. Evaluated the adequacy and results of the services performed.
  - d. Accepted responsibility for the results of the services.
  - e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.

37. We have informed all banking, savings and loan institutions that our deposits are subject to the respective Public Deposit Protection Act and have provided banking institutions with our assigned number.
38. We understand that TABOR (Section 20 to Article X of the Colorado Constitution) is complex and subject to interpretations and that many of the provisions will require judicial interpretation. The Council has a legal opinion that it is not a "local government" subject to TABOR in part because we have no authority to tax or to issue general obligation debt.
39. With respect to federal award programs:
  - a. We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) including requirements relating to preparation of the schedule of expenditures of federal awards.
  - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
  - c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issued the SEFA and the auditors' report thereon.
  - d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
  - e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
  - f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.
- j. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- q. We have disclosed to you whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and/or material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

- s. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u. We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- v. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w. We have charged costs to federal awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- z. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Signature:   
Jon Stavney (Jul 5, 2023 14:43 PDT)

Title: July 5, 2023

Signature:   
Becky Walter (Jul 5, 2023 16:39 MDT)

Title: Finance Manager

**SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT**  
**Northwest Colorado Council of Governments**  
**Governmental Activities**  
**Year Ended December 31, 2022**

<b>UNCORRECTED MISSTATEMENTS OF AMOUNTS</b>	<b>Effect of misstatements on:</b>			
<b>Description</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Fund Balance / Net Assets</b>	<b>Net Expense/Revenue and Change in Net Assets / Fund Balance</b>
EIP AR credit memos issued in 2023 that pertained to 12/31/22 AR balances.	\$ (17,836)			\$ 17,836
Net current year misstatements (Iron Curtain Method)	(17,836)	-	-	17,836
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ (17,836)	\$ -	\$ -	\$ 17,836
Financial statement totals	\$ 12,591,447	\$ (4,105,718)	\$ (8,485,729)	\$ (2,966,423)
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%			-1%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%			-1%

**INADEQUATE DISCLOSURES OR UNCORRECTED MISSTATEMENTS OF DISCLOSURES**

<b>Description</b>	<b>Amount (If Applicable)</b>
None	