

ASSOCIATED GOVERNMENTS OF
NORTHWEST COLORADO
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2020

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Paul D. Miller CPA, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Associated Governments of Northwest Colorado
Rifle, CO

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Associated Governments of Northwest Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Associated Governments of Northwest Colorado's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Associated Governments of Northwest Colorado, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 3-6 and the budgetary comparison information, on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Associated Governments of Northwest Colorado's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management, was derived from, and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards are 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*, I have also issued my report dated May 31, 2021, on my consideration of the Associated Governments of Northwest Colorado's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Associated Governments of Northwest Colorado's internal control over financial reporting and compliance.

Paul D. Miller, CPA, LLC

Grand Junction, CO
May 31, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the Associated Governments of Northwest Colorado's (the "Association") financial performance provides readers with an overall review of the financial activities of the Association for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the Association's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the Association's financial performance.

FINANCIAL HIGHLIGHTS

- The Association's assets exceeded liabilities by \$368,438 on December 31, 2020
- Total Association's cash and investments decreased by \$434,675 from 2019.

The December 31, 2020, General Fund, balance is \$41,375 more than the previous year. The total fund balance is 9.9 percent of 2020 General Fund operating expenditures.

USING THIS ANNUAL REPORT

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Association as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Association, presenting both an aggregate view of the Association's finances and a longer-term view of those assets. The Statement of Activities shows net (expense) revenue and changes to net position related to each department of the Association. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

OVERVIEW OF THE ASSOCIATIONS FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Association's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting like the accounting method used by the private sector. The basis for this accounting considers all the year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Association's net position and the changes in those positions. This change in position is important because it tells the reader whether, for the Association as a whole, the financial position of the Association has improved or diminished. However, in evaluating the overall position of the Association, non-financial information such as changes in the member's tax base and the condition of Association capital assets will also need to be evaluated.

In the Statement of Net Position and Statement of Activities, all the Association's activities are reported as Governmental Activities.

FUND FINANCIAL STATEMENTS

Governmental Funds. Governmental funds are used to account for essentially the same functions reported 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 fiscal 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.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 through 15 of this report.

Budgetary Comparisons. The Association adopts an annual appropriated budget for the General Fund. A Budgetary comparison schedule has been provided for the General Fund on page 16.

REPORTING THE ASSOCIATION AS A WHOLE

Net Position: As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the Association's net position for 2020 and 2019.

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Assets:		
Current and other assets	\$ 938,518	\$ 1,306,389
Capital assets	-	-
Restricted Cash	<u>100,000</u>	<u>-</u>
Total Assets	<u>1,038,518</u>	<u>1,306,389</u>
Liabilities:		
Current and other liabilities	670,080	979,326
Long-term liabilities	<u>6,846</u>	<u>6,001</u>
Total Liabilities	<u>670,080</u>	<u>985,327</u>
Net Position:		
Non-spendable	541	875
Net investment in capital assets	-	-
Restricted funds	4,611	2,909
Unrestricted	<u>363,286</u>	<u>317,278</u>
Total Net Position	<u>\$ 368,438</u>	<u>\$ 321,062</u>

A significant portion of the Association's position represents unrestricted net position of \$363,286 that may be used to meet the ongoing obligations to patrons and creditors.

The following table indicates the changes in net position.

Governmental Activities:

	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenue:		
Charges for services	\$ 198,471	\$ 204,381
Operating grants and contributions	3,541,023	2,778,199
General revenues:		
Interest	<u>937</u>	<u>2,658</u>
Total Revenues	<u>3,740,431</u>	<u>2,985,238</u>
Expenses:		
General and administrative	225,312	273,675
Dinosaur Welcome Center	30,005	80,525
EDA & Mini Grants	128,059	77,272
Area Agency on Aging	<u>3,315,680</u>	<u>2,555,927</u>
Total Expenses	<u>3,699,056</u>	<u>2,987,399</u>
Increase (Decrease) in Net Position	<u>\$ 41,375</u>	<u>\$ -2,161</u>

Governmental Activities. Governmental activities increased the Association's net position by \$41,375 in 2020.

Several revenue sources fund the Association. Grants and member dues are the major sources of funding.

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUND

Information about the Association's governmental fund begins on page 7. This fund is accounted for using the accrual basis of accounting.

As of December 31, 2020, the total fund balance of the Association's governmental fund was \$361,592. Approximately 99 percent of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the Association. \$4,611 of the fund balance is restricted for Dinosaur Welcome Center expense. The Association had revenues of \$3,740,431 and expenditures of \$3,699,056.

GENERAL FUND BUDGETARY HIGHLIGHTS

	2020 General Fund Budget		
	Original and Final Budget	Actual	(Over) Under Budget
Beginning Fund Balance	\$ 471,656	\$ 327,063	\$ 144,593
Revenue & other financing sources	3,551,979	3,740,431	188,452
Expenditures & other Financing uses	<u>3,588,893</u>	<u>3,699,056</u>	<u>-110,163</u>
Ending Fund Balance	<u>\$ 434,742</u>	<u>\$ 368,438</u>	<u>\$ 78,290</u>

Actual revenues and other financing sources were more than budgeted by \$188,452. This was due to not receiving anticipated State grants.

Budgeted expenditures were more than actual by \$110,163. This is primarily due to receiving additional funding from State and Federal AAOA funding.

CAPITAL ASSET AND DEBT ADMINISTRATION

Long-term Debt. During the year ended December 31, 2020, the Association had compensated absences of \$6,846.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Association's finances for all those with an interest in the Association's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the Association, P.O. Box 593, Grand Junction, Colorado 81502.

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2020

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 345,810	\$ -	\$ 345,810
Accounts receivable	592,167	-	592,167
Prepaid expenses	541	-	541
Restricted CARES Grant	100,000	-	100,000
Capital Assets (net of accumulated depreciation):			
Office furniture & equipment	-	-	-
TOTAL ASSETS	\$ 1,038,518	-	1,038,518
LIABILITIES			
Accounts payable	\$ 4,818	-	4,818
Accounts payable - Area Agency on Aging	546,144	-	546,144
Accrued expenses	5,372	-	5,372
Accrued Wages	13,746	-	13,746
Unearned revenue:			
CARES Money	100,000	-	100,000
Long-term liabilities:			
Compensated absences	-	6,846	6,846
TOTAL LIABILITIES	670,080	6,846	676,926
FUND BALANCES AND Net Position			
Non-spendable	541	(541)	-
Restricted for:			
DWC	4,611	(4,611)	-
Unassigned	363,286	(363,286)	-
TOTAL FUND BALANCES	368,438	(368,438)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,038,518		
NET POSITION			
Invested in capital assets, net of related debt	\$ -	-	-
Restricted:			
DWC	-	4,611	4,611
Unrestricted	-	356,981	356,981
TOTAL NET POSITION	\$ -	\$ 361,592	\$ 361,592

Adjustments to reconcile the governmental fund balance sheet to the statement of Net Position are as follows:

Fund balance per general fund balance sheet	\$ 368,438
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	-
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore is not included in the /General Fund	(6,846)

Net Position for governmental activities	\$ 361,592
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The notes to the financial statement are an integral part of this statement.

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
Statement of Revenue, Expenditures, and Change in Fund Balances-Governmental
and Statement of Activities
For the Year Ended December 31, 2020

	General Fund	Adjustments (See Page 9)	Statement of Activities
EXPENDITURES/EXPENSES			
Administration Expenses	\$ 225,312	\$ 845	\$ 226,157
Program Expenses	3,473,744	-	3,473,744
Depreciation	-	-	-
Total expenditures/expenses	<u>3,699,056</u>	<u>845</u>	<u>3,699,901</u>
PROGRAM REVENUES			
Charges for services	198,471	-	198,471
Other Grants	136,783	-	136,783
Area Agency on Aging	3,315,680	-	3,315,680
Dinosaur Welcome Center	31,708	-	31,708
Net program revenues	<u>3,682,642</u>	<u>-</u>	<u>3,682,642</u>
GENERAL REVENUES			
Contributions	56,852	-	56,852
Interest income	937	-	937
Total general revenues	<u>57,789</u>	<u>-</u>	<u>57,789</u>
Excess of (expenditures) over revenues	41,375	(845)	
Change in Net Position			40,530
FUND BALANCE/NET POSITION			
Beginning of the year	327,063	(6,001)	321,062
End of the year	<u>\$ 368,438</u>	<u>\$ (6,846)</u>	<u>\$ 361,592</u>

The notes to the financial statement are an integral part of this statement.

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
 Reconciliation of the Statement of Revenues Expenditures,
 and Change in the Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2019

Amounts reported for the governmental activities in the statement of activities (page 8) are different because:

Excess of revenue over expenditures - general funds (page 8)	<u>\$ 41,375</u>
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activity the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	-
Loss on disposal of fixed assets	-
Depreciation	<u>-</u>
	<u>-</u>

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Decrease (Increase) in compensated absences	<u>(845)</u>
	<u>(845)</u>

Change in Net Position of governmental activities (page 8)	<u><u>\$ 40,530</u></u>
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The notes to the financial statement are an integral part of this statement.

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Associated Governments of Northwest Colorado (AGNC) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies consistently applied in the preparation of the financial statements.

REPORTING ENTITY

The Associated Governments of Northwest Colorado was established by state statute as an advisory coordination agency to promote cooperation among and between local governments and agencies within the region comprised of Garfield, Mesa, Moffat, Rio Blanco, and Routt Counties. AGNC serves as a spokesperson for local governments of the region by developing and formalizing policies involving state and national legislation on matters that are of mutual concern to member entities.

AGNC is governed by a 10 member Board of directors composed of one elected official from each county, and member municipalities elect one city official to represent them on the board.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements reports information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include, charges to customers, or applications that purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. AGNC has one governmental fund, the General fund, and is considered a major fund. AGNC has no fiduciary funds.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL PRESENTATION

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 with a liability is incurred, regardless of the timing of related cash flow. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. As a rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2020

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL PRESENTATION – continued

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, AGNC considers revenue available if it is collected within 180 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under the accrual method. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgements, are recorded only when payment is due.

Governmental Funds

General Fund – The General fund is AGNC’s general operating fund and is used to account for financial transactions except those required to be accounted for in another fund. The major revenue sources are grants and charges for services. Expenditures include all costs associated with the daily operations of AGNC.

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

BUDGETS AND BUDGETARY ACCOUNTING

In accordance with the State Budget Law, the District’s Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District’s Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The budget is prepared on the same basis as that of the fund financial statements.

The details of the budget calendar are outlined below:

October 15,	Deadline for Budget Officer to submit proposed budget to the government board. Governing body must publish "Notice of Budget" upon receiving proposed budget.
December 31,	Statutory deadline for local governing body to adopt budget. A certified copy of the adopted budget must be sent to the Division of Local Government within 30 days of adoption.
By December 31,	The District shall enact an ordinance appropriating the budget for the ensuing year.

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2020

RISK OF LOSS

AGNC is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which AGNC carries commercial insurance coverage. There have been no significant reductions in insurance coverage in the current year and settlement amounts, if any, have not exceeded insurance coverage for any of the three preceding years.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

CAPITAL ASSETS AND INFRASTRUCTURE

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated life of two year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated market value at the date of donation. AGNC does not have infrastructure.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is provided using the straight-line method over the following estimated useful lives:

Equipment and furniture	3 to 5 years.
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COMPENSATED ABSENCES

It is AGNC's policy to permit employees to accumulate unused annual vacation benefits. A liability is recorded for the unused accumulated annual leave (up to 80 hours with 5 years or less of service; 120 hours with service of 5 to 10 years; 160 hours for service of 11 to 14 years, and 200 hours with service of 15 or more years. Part-time employees vacation time is prorated based on their hours worked. On December 31, 2020, \$6,846 has been accrued.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

All receivables were considered collectible on December 31, 2020.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

In general, payables and accrued liabilities are paid in a timely manner and in full from current financial resources and are reported as current obligations for the fund. Long-term obligations are accrued as a long-term liability on the financial statements.

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2020

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- 1) There are certain differences between the governmental fund balance sheet and the government-wide statement of net position. A reconciliation of the differences can be found on page 7 of the financial statements.
- 2) There are certain differences between the governmental fund statement of revenue, expenditures, and changes in fund balance and the government-wide statement of activities. A reconciliation of the differences can be found on page 9 of the financial statements.

NOTE 3 – CASH AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102% of the uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations secured by first lien mortgages on real property located in the state. PDPA allows the institutions to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

AGNC's bank accounts and certificates of deposits at the end of the year were entirely covered by FDIC.

State statutes authorize AGNC to invest in obligations of the U.S. Treasury and U.S. agencies, obligation of the State of Colorado or of any county, school, authority, and certain towns and cities, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

AGNC's investment policy is not more restrictive than State statutes. AGNC's investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a mean of limiting exposure to fair value arising from increase interest rates.

A summary of cash and investments on the balance sheet are as follows:

Cash on hand	\$ 61
Cash deposits	<u>345,749</u>
Total Cash, Cash Equivalents, and Investments	<u>\$345,810</u>

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2020

NOTE 4 – CAPITAL ASSETS

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
Governmental activities: Capital assets being depreciated:				
Equipment and furniture	\$ 4,381	\$ -	\$ -	\$ 4,381
Total Depreciated Assets	4,381	-	-	4,381
Less accumulated depreciation	(4,381)	0	-	(4,381)
Governmental activities capital asset - net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for the year ended December 31, 2020, was \$0.

NOTE 5 – LONG-TERM DEBT

The following is a summary of changes in long-term debt:

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due within One Year
Compensated Absences	<u>\$ 6,001</u>	<u>\$ 846</u>	<u>\$ -</u>	<u>\$ 6,847</u>	<u>\$ 6,847</u>

NOTE 6 – GRANTS AND CONTRACTS

Grants – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although AGNC expects such amounts, if any, to be immaterial.

State of Colorado – Aging Program Advance

The Colorado Department of Health and Human Services, Aging and Adult Services Division, has made a permanent advance of Title III funds to the Area Agency on Aging program. Proportionate amounts of the advance are held at the sub-recipients level for the same purpose. The composition of the advance at AGNC and the sub-recipient level on December 31, 2020, is \$79,730. Of this amount, all has been forward to sub-recipients.

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2020

NOTE 7 – CONTINGENCIES

In November 1992, Colorado voters amended article X of the Colorado constitution by adding Section 20, commonly known as the Taxpayer’s Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations, which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. The amendment also requires reserves be established for declared emergencies, with 3% of fiscal year spending.

AGNC does not believe the provision of this Statute applies to them, as they do not have authority to levy taxes.

NOTE 8 – FUND BALANCE

Beginning with the fiscal year 2010, AGNC implemented GASB statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on governments fund balances more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form, such as prepaid expenses, or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers, such as grantors, bondholders, or higher levels of government, through constitutional provisions or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by government itself, using its highest level of decision-making authority. For funds to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraints.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official that the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

Restricted funds are considered to be spent first, followed by assigned and unassigned, for expenditures for which any fund balance could be used.

NOTE 9 – ACCOUNTS RECEIVABLE

At December 2020, AGNC had accounts receivable of \$592,167. Of this amount, \$546,144 is the November and December AAOA contract amount, and \$46,023 represents the amount due from various programs.

NOTE 10 – SUBSEQUENT EVENTS

On December 31, 2020, AGNC had entered into an agreement with the U.S. Department of Commerce and, State of Colorado Department of Local Affairs and Dixie College, Utah. The grant was made to conduct a feasibility study on the potential of utilizing coal for other products. The applicants will partner with key stakeholders to help each county (1) collaborate at a regional level across AOG boundaries to advance economic diversification and innovation, and (2) produce a step-by-step

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2020

NOTE 10 – SUBSEQUENT EVENTS-continued

process for individual counties to maximize the potential of their available resources. This project will be unique to the coal communities in Colorado and Utah. It will provide a roadmap for innovation and diversification within coal-related industries and innovation generally.

The total contract is for \$400,000 of which the U.S. Department of Commerce is providing \$200,000 and the Department of Local Affairs is covering \$100,000, and the Rural Public Policy & Land, a department of Dixie College, Utah, \$100,000.

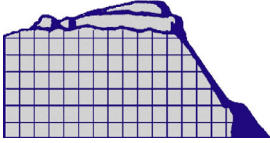
REQUIRED SUPPLEMENTARY INFORMATION

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
Statement of Revenues, Expenditures, and Change in Fund Balance
Budget and Actual
For the Year Ended December 31, 2020

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Dues and fees	\$ 201,880	\$ 198,471	\$ (3,409)
State grants AAoA	1,480,218	1,376,345	(103,873)
Federal grants AAoA	1,751,576	1,939,335	187,759
Enterprise Zone Admin.	39,500	56,852	17,352
Other Grant	131,484	136,783	5,299
ED Summit Sponsorship	5,000	-	(5,000)
Dinosaur Welcome Center	79,380	31,708	(47,672)
Interest income	1,200	937	(263)
Total Revenues	<u>3,690,238</u>	<u>3,740,431</u>	<u>50,193</u>
Expenditures:			
Administrative:			
Salaries	151,500	130,038	21,462
Payroll taxes and benefits	24,796	18,330	6,466
Insurance	1,150	1,564	(414)
Office expense	22,050	6,214	15,836
Accounting and legal	6,500	7,185	(685)
Dues and fees	19,800	17,582	2,218
Conferences and travel	15,500	4,399	11,101
Professional services	40,000	40,000	-
Program Expenditures			
Dinosaur Welcome Center	76,743	30,005	46,738
EDA-Coal to Products	46,728	56,375	(9,647)
EDA-Partnership Planning	52,500	38,592	13,908
Mini-grants	38,092	33,092	5,000
Area Agency on Aging - State	1,480,218	1,376,345	103,873
Area Agency on Aging - Federal	1,751,576	1,939,335	(187,759)
Total Expenditures	<u>3,727,152</u>	<u>3,699,056</u>	<u>28,096</u>
Revenue and Other Financing Sources Over (Under) Expenditures	<u>(36,915)</u>	41,375	78,290
Fund Balance-Beginning of Year	-	327,063	327,063
Fund Balance-End of Year	<u>\$ (36,915)</u>	<u>\$ 368,438</u>	<u>\$ 405,353</u>

The notes to the financial statement are an integral part of this statement.

OTHER REPORTS



Paul D. Miller CPA, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S 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
Associated Governments of Northwest Colorado
Rifle, CO

I 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, the major fund, and the aggregate remaining fund information of Associated Governments of Northwest Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Associated Governments of Northwest Colorado's basic financial statements, and have issued my report thereon dated May 31, 2021.

Internal Control over Financial Reporting

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Associated Governments of Northwest Colorado's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

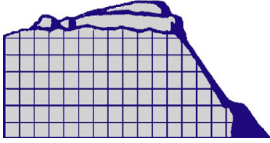
Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

Paul D. Miller, CPA, LLC

Grand Junction, CO

May 31, 2021



Paul D. Miller CPA, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB COMPLIANCE SUPPLEMENT

Board of Directors
Associated Governments of Northwest Colorado
Rifle, CO

Report on Compliance for Each Major Federal Program

I have audited Associated Governments of Northwest Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Associated Governments of Northwest Colorado's major federal programs for the year ended December 31, 2020. Associated Governments of Northwest Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Associated Governments of Northwest Colorado's compliance.

Opinion on Each Major Federal Program

In my opinion, Associated Governments of Northwest Colorado complied, in all material respects, with the types of 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, 2020.

Report on Internal Control over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.

Paul D. Miller, CPA, LLC

Grand Junction, CO

May 31, 2021

OTHER SCHEDULES

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
Major Programs:		
U.S. Department of Health and Human services		
Passed through the Colorado Department of Human Services		
Aging Cluster		
<u>Special Programs for the Aging - Title III. Part B</u>		
Grants for Supportive services and Senior Centers	* 93.044	\$ 373,236
Grants for Supportive services and Senior Centers-CARES	* 93.044	135,135
		<u>508,371</u>
<u>Special Programs for the Aging - Title III. Part C</u>		
Nutritional Services	* 93.045	692,439
Nutritional Services-CARES	* 93.045	305,020
		<u>997,459</u>
Nutritional Services Incentive Program	* 93.053	132,930
Aging Cluster Total		<u>1,638,760</u>
Special Programs for the Aging - Title VII,		
Prevention of Elder Abuse, Neglect and Exploitation	93.041	3,822
Special Programs for the Aging - Title VII,		
Long-term Care Ombudsman Services for Older Individuals	93.042	22,207
Long-term Care Ombudsman Services for Older Individuals-CARES	93.042	14,607
		<u>36,814</u>
Special Programs for the Aging - Title III. Part D		
Disease Prevention and Health Promotion Services	93.043	15,263
National Family Caregiver Support - Title III, Part E		
National Family Caregiver Support - Title III, Part E-CARES	93.052	101,961
	93.052	75,207
		<u>177,168</u>
Total Other Programs		<u>233,067</u>
State Health Insurance Assistance Program	93.324	8,750
Money Follows the Person Rebalancing Demonstration	93.791	58,727
U.S. Department of Commerce		
Economic Adjustment Assistance	11.307	21,000
Economic Adjustment Assistance- Coal to Product	11.307	30,881
		<u>51,881</u>
Economic Adjustment Assistance- Partnership Planning	11.302	38,592
Total		<u>\$ 2,029,777</u>

* Denotes Major Program

Note: The accompanying schedule of expenditures of federal awards includes the federal grant activity of Associated Governments of Northwest Colorado under programs of the federal government for the year ended December 31, 2019, and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

10% de minimus rule not used.

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
 Schedule of Findings and Questioned Costs And
 Prior Years Findings and Questioned Costs
 For the Year Ended December 31, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: UNMODIFIED

Internal control over financial reporting:

Material weakness identified. NONE NOTED

Significant deficiency identified that is not considered material weaknesses? NONE NOTED

Noncompliance material to financial Statements noted? NONE NOTED

Federal Awards

Internal control over major programs:

Material weakness identified. NONE NOTED

Significant deficiency identified that is not considered material weaknesses? NONE NOTED

Type of auditor’s report issued: UNMODIFIED

Any auditing findings that are required to be reported in accordance with the Uniform Guidance NONE NOTED

Identification of major program:

Aging Cluster (93.044; 93.045; 93.053) \$1,638,760

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

\$750,000

Auditee qualified as low risk auditee.

YES

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
Schedule of Findings and Questioned Costs And
Prior Years Findings and Questioned Costs
For the Year Ended December 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE NOTED

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE NOTED

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

NONE NOTED