

REGION 10 LEAGUE FOR ECONOMIC  
ASSISTANCE AND PLANNING, INC.

FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2022

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Region 10 League for Economic Assistance and Planning, Inc.

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the accompanying financial statements of the business-type activities of the Region 10 League for Economic Assistance and Planning, Inc. (the Organization), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Organizations'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 business-type activities of Region 10 League for Economic Assistance and Planning, Inc., as of June 30, 2022, and the respective changes in financial position, and, cash flows thereof 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Organizations's 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.

***Auditor's 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 auditor's 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material



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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 generally accepted auditing standards 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 the Organization's 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 the Organization's 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 on pages 4 - 6 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. The accompanying



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budgetary comparison schedule and 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and 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*, we have also issued our report dated February 21, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's 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 Organization's internal control over financial reporting and compliance.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Chadwick, Steinkirchner, Davis & Co., P.C.  
February 21, 2023

**Region 10 League for Economic Assistance and Planning, Inc.**  
**Management's Discussion and Analysis (Unaudited)**  
**As of and for the fiscal year ending June 30, 2022**

Region 10 League of Economic Assistance and Planning, Inc. (Region 10) is pleased to offer the readers of the Region 10 financial statements this narrative overview of financial statements for the fiscal year ending June 30, 2022. The financial statements for Region 10 are comprised of the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows.

**Financial Highlights**

During the fiscal year ending June 30, 2022, the organization engaged in activities to forward services to seniors, businesses and communities that had financial impact:

As we look back on the last year, the organization had continued growth in all areas of service:

- With access to new grant funds, the Small Business Resource Center and Business Loan Fund expanded staff and opened a new office in the Gunnison area. The Business Loan Fund continued to experience demand for business starts and expansion. and now manages over \$3 million in loans to businesses in the region. In addition, construction began for a new business incubator project in Olathe (with grant funds awarded in the previous year) and anticipates opening in spring 2023. New staff will be hired for the project.
- The Area Agency on Aging began new services that are more individually based consumer directed services, including home based care, meal delivery, and expansion of senior volunteer services to respond to contractor staffing challenges, particularly in more remote communities, and is expecting to see potential increase in demand for these services.
- The implementation of Region 10's Broadband Blueprint approved in 2015 continues to have significant financial impact. The project currently has operational equipment in fourteen community Carrier Neutral Locations and utilizes over 600 miles of fiber assets, with plans and committed grant funds for significant expansion in the next year. As noted in previous statements, while operations are expected to cash flow with a positive margin, the project does not plan to recover previous capital investments, which will reflect as an overall negative margin with depreciation expenses.

The organization is anticipating another year of growth, including expansion of the primary office in Montrose, and addition of new staff for projects with additional grant funds.

**Discussion and Analysis**

**Statement of Net Position:** The Statement of Net Position provides information on the assets and liabilities for the organization. (The difference between assets and liabilities is reported as *net position*.) The statement also provides the basis for determining the overall financial health of Region 10 including liquidity and financial flexibility. As of June 30, 2022, total assets were \$16,255,337. A significant portion of the assets is related to the broadband project. Other major assets for the organization are the facility, equipment and loans receivable. Total liabilities for the organization were \$2,279,681. Liabilities for the organization include notes payable to the Small Business Administration and amounts due for general operations. Overall, the difference between the assets and liabilities results in positive net position of \$13,975,656. A summary of the statement of net position is included as Table A below. Region 10's net position (the difference between assets and liabilities) is one way to measure the

financial health of Region 10. The net position did decrease as the organization assumed additional debt to begin construction on the Cascade building, which will be completed (and added to assets in FY 23), and the impact as the organization begins depreciation of the broadband infrastructure.

**TABLE A**

**Statement of Net position**

	<u><b>FY2021</b></u>	<u><b>FY 2022</b></u>
Current assets	\$ 2,692,271	\$ 2,771,258
Non-current/Restricted assets	<u>13,639,508</u>	<u>13,484,079</u>
Total assets	<u>\$ 16,331,779</u>	<u>\$ 16,255,337</u>
Current liabilities	\$ 1,017,418	\$ 753,827
Long-term liabilities	<u>740,650</u>	<u>1,525,854</u>
Total liabilities	<u>\$ 1,758,068</u>	<u>\$ 2,279,681</u>
Net position:		
Net investment in capital assets	\$ 11,760,380	\$ 10,930,505
Unrestricted	<u>2,813,331</u>	<u>3,045,151</u>
Total net position	<u>\$ 14,573,711</u>	<u>\$ 13,975,656</u>

**Statement of Revenues, Expenses and Changes in Net Position:** Region 10 offers several enterprise type services including: Small Business Resource Center and Business Loan Fund, Area Agency on Aging and Community Living Services, Enterprise Zone Business Tax Credits and Contribution Projects, Regional Transit and Transportation Planning and Support, Economic Planning Partnership and Regional Broadband services. Regional services are funded primarily through grants, member assessments, and other operating income and contributions. For the fiscal year ending on June 30, 2022, total operating revenues were \$4,484,260. With total operating expenses of \$5,075,608, the overall result was a net decrease of \$591,348 from operations. Combined with other interest income and expense, the change in overall net position for the year was \$(598,055). The decrease in net position is related to depreciation from the broadband assets (as described in the broadband statement in “Financial Highlights” section), and overall grants (including broadband capital grants) were less in FY 22. Table B below summarize the revenues, expenses, and changes in net position for FY 2022 compared to FY 2021.

**TABLE B**

**Statement of Revenues, Expenses and Changes in Net Position**

	<u><b>FY ended</b></u> <u><b>June 30, 2021</b></u>	<u><b>FY ended</b></u> <u><b>June 30, 2022</b></u>
Total operating revenues	\$ 8,034,840	\$ 4,484,260
Total operating expenditures	<u>6,552,594</u>	<u>5,075,608</u>
Excess (deficit) of revenues over (under) expenditures	1,482,246	(591,348)
Other revenues (expenses)*	<u>(8,572)</u>	<u>(6,707)</u>
Change in net position	1,473,674	(598,055)
Net position, beginning	<u>13,100,037</u>	<u>14,573,711</u>
Net position, ending	<u>\$ 14,573,711</u>	<u>\$ 13,975,656</u>

\*Primarily interest related revenues/expenses

**Statement of Cash Flows:** The statement of cash flows presents information concerning Region 10's cash receipts and cash payments during the year. The statement reports the cash receipts, cash payments and net cash from operations, investments, intergovernmental grants, and related financial activities. On June 30, 2022, cash and cash equivalents were \$2,230,727. A significant portion of the cash on hand is related to capital in the business loan program.

### **Budget Considerations**

Region 10 operates a number of programs, with the primary services listed below:

- Community Living Services/Area Agency on Aging
- Small Business Resources/Business Loan Fund
- Enterprise Zone Tax Credit Programs
- Gunnison Valley Transportation Planning Region
- Economic Planning Partnerships/Community Development
- Regional Broadband Access

As mentioned earlier, in the coming year, the organization is also planning to add a new business incubator to the programs under Small Business Resources.

Region 10's financial goal is to continue steady growth and continued net positive operations in each of the areas of service. Each of the services are budgeted to have a minimum of direct service breakeven point, and most of the services also support the administrative services, which is allocated to each of the service areas. Over the past few years, there have been significant service increases with program expansion for small business services and regional economic development support, which is expected to continue during the ongoing recovery efforts. The regional broadband project will continue to have a significant impact on the organization with continued expansion. The program directors strive to develop and deliver services that meet the current needs of our region, including the rapid response to the pandemic and resulting economic downturn. The various program needs and resulting budget impacts are considered by the staff and Board of Directors to direct the organizational budgets and subsequent financial reviews.

### **CONTACT REGION 10**

This financial report is designed to provide our board of directors, funding partners and other interested parties with the general overview of Region 10's finances and demonstrates accountability for the money it receives. If you have any questions concerning this report or need additional information please contact Michelle Haynes, Executive Director at (970)249-2436 x 3122 or [MHaynes@Region10.net](mailto:MHaynes@Region10.net).

Region 10 League for Economic Assistance and Planning, Inc.

STATEMENT OF NET POSITION

June 30, 2022

ASSETS

Current assets

Cash	\$ 2,046,229
Accounts receivable	
Current portion of loans	617,723
Grants	666,011
Other	49,965
Prepaid expenses and deposits	9,053
Total current assets	<u>3,388,981</u>

Restricted cash, SBA loans	184,498
Loans, net of allowance, less current portion	1,751,353
Capital assets, net of accumulated depreciation	<u>10,930,505</u>
Total assets	<u>16,255,337</u>

LIABILITIES

Current liabilities

Accounts payable	384,594
Accrued expenses	78,739
Unearned revenue	78,095
Current portion of long-term debt	212,399
Total current liabilities	<u>753,827</u>

Long-term debt, less current portion	<u>1,525,854</u>
Total liabilities	<u>2,279,681</u>

NET POSITION

Net investment in capital assets	10,930,505
Unrestricted	<u>3,045,151</u>
Total net position	<u>\$ 13,975,656</u>

The accompanying notes are an integral part of this statement.

Region 10 League for Economic Assistance and Planning, Inc.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year ended June 30, 2022

Operating revenue		
Grants	\$	3,742,374
Loan and related income		202,711
Enterprise Zone		53,669
Regional Broadband		210,203
Miscellaneous income		113,534
Member dues		161,769
		<u>4,484,260</u>
Operating expenses		
Program services		
Area Agency on Aging		2,174,979
Community services		14,155
Regional Broadband		1,131,505
Business loan fund		1,300,232
Transportation		37,570
Enterprise Center		51,963
General and administrative		365,204
		<u>5,075,608</u>
	Operating income (loss)	(591,348)
Non-operating revenues (expenses)		
Investment income		120
Interest expense		(6,827)
	Total non-operating revenues (expenses)	<u>(6,707)</u>
	Change in net position	(598,055)
Net position at beginning of year		<u>14,573,711</u>
Net position at end of year	\$	<u><u>13,975,656</u></u>

The accompanying notes are an integral part of this statement.

Region 10 League for Economic Assistance and Planning, Inc.

STATEMENT OF CASH FLOWS

Year ended June 30, 2022

Cash flows from operating activities:	
Cash received from program activities	\$ 371,036
Cash received from grants	4,316,519
Cash received from loan payments	137,241
Cash paid out for loans	(302,200)
Cash received from members	137,409
Cash paid to employees	(1,072,847)
Cash paid to suppliers	(3,472,391)
Net cash provided (used) by operating activities	<u>114,767</u>
Cash flows from capital and related financing activities:	
Acquisition or construction of capital assets	(14,002)
Debt issuance proceeds	1,010,000
Interest paid	(6,827)
Payments on long-term debt	(118,513)
Net cash provided (used) by capital and related financing activities	<u>870,658</u>
Cash flows from investing activities:	
Interest received	120
Net cash provided (used) by investing activities	<u>120</u>
Net increase (decrease) in cash	985,545
Cash at beginning of year	1,245,182
Cash at end of year	<u><u>\$ 2,230,727</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
Operating income	\$ (591,348)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	843,877
Bad debts expense	28,800
(Increase) decrease in grants receivable	363,942
(Increase) decrease in other receivable	1,122
(Increase) decrease in prepaid expenses	3,207
(Increase) decrease in loans receivable	(164,959)
Increase (decrease) in accounts payable	(389,112)
Increase (decrease) in unearned revenue	(24,360)
Increase (decrease) in accrued expenses	43,598
Net cash provided (used) by operating activities	<u><u>\$ 114,767</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Region 10 League for Economic Assistance and Planning, Inc.'s (the League's) significant accounting policies applied in the preparation of the accompanying financial statements follows:

1. Organization

The League is a governmental not-for-profit corporation established in 1972 and serves as an alliance of government and business. The members of the League include county and municipal governments within Delta, Gunnison, Hinsdale, Montrose, Ouray and San Miguel Counties. The League is governed by a board of directors with representation from member jurisdictions and private sector appointees of each County's Board of Commissioners.

**Programs**

**Area Agency on Aging**

The Area Agency on Aging Division provides financial assistance to local organizations responsible for the delivery of services to seniors throughout the six county areas. Typical services provided include nutrition, transportation, legal, dental, homemaker, information and referral and ombudsman services. The division contracts with a variety of senior services organizations and administers state and federal funds to help these organizations improve the quality of life for seniors in the six county areas.

**Community Services**

The Community Services Division includes the Enterprise Zone tax credit programs Region 10 administers on behalf of the state, as well as specific grant-driven community technical assistance projects, resource development studies, and other special investigative studies that Region 10 conducts from time to time to support economic development and planning in the region.

**Transportation**

The Transportation Division includes all programs related to transportation planning and development. The Gunnison Valley Transportation Region program prioritizes roadway and transit projects in the region for the Colorado Department of Transportation and produces a 30-year comprehensive plan that is updated every five years.

**Regional Broadband**

The Regional Broadband Program operates a regional fiber network and connection to community location to provide middle mile access to reliable and affordable broadband service.

**Business Loan Fund**

Region 10 operates six specific business loan funds in the Business Loan Fund Division, based on the requirements of the various sources of capital for each fund. These monies are loaned to qualifying small

Region 10 League for Economic Assistance and Planning, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

businesses, communities and other entities at competitive rates in order to foster economic development and job growth throughout the region.

Small Business Development Center

Region 10 serves as the office for Colorado's West Central Small Business Development Center (SBDC), providing business assistance programs to small business owners by combining the resources of federal, state, and local organizations to meet the specialized and complex needs of the small business community.

2. Reporting Entity

The reporting entity of the League includes those activities and functions over which the League is considered to be financially accountable. The League's financial statements include the accounts and operations of all of the League's functions. The League is the primary government and does not include any component units using the criteria set forth in generally accepted accounting principles.

The League is a special-purpose government engaged only in a business-type activity. For this type of government, only enterprise fund financial statements are presented.

3. Basis of Presentation – Fund Accounting

The accounts of the League are organized and operated on a fund basis. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to those applicable to businesses in the private sector.

GASB Statement No. 34 sets forth minimum criteria for the determination of major funds to be presented in the financial statements. Since the operations of the League are accounted for on a fund basis in a single enterprise fund, it is the only fund presented.

Enterprise funds may be used to account for operations (a) that are financed and operated in a manner similar to business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

4. Basis of Accounting

Basis of accounting refers to when revenues or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Proprietary (enterprise) funds are presented on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of a fund are included on the statements of net position. Net position is categorized as net investment in capital assets; restricted for debt service and emergencies; and unrestricted. Fund operating statements present increases (e.g., revenues and contributions) and decreases (e.g., expenses) in net

Region 10 League for Economic Assistance and Planning, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

position. Proprietary funds are presented on an accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. The League uses the accrual basis of accounting. When both restricted and unrestricted resources are available for use, it is the League's policy to use restricted resources first.

Operating revenues and expenses for enterprise funds are those that result from providing services and producing and delivering goods and/or services within the scope of the enterprise operation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Revenues from grants are recognized in the year in which all eligibility requirements have been satisfied.

5. Cash and Cash Equivalents

For purposes of the statement of cash flows, the League considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

6. Allowance for Doubtful Accounts

The allowance for loan losses is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. The allowance is increased by provisions charged to bad debt expense and reduced by net charge-off. The League reviews specific problem loans and looks at other factors in determining the adequacy of the allowance balance.

7. Membership Revenue Recognition

Membership revenue is recognized when paid by members and earned by the League via services and benefits available and provided.

8. Property and Equipment

Property and equipment is stated at cost or estimated fair value if donated. Depreciation is computed using the straight-line method based upon the estimated useful lives of the assets as follows:

Building and Improvements	25 years
Equipment	5-20 years

Property and equipment costing \$2,000 or more and having an estimated useful life of over one year is capitalized. Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred.

Depreciation expense for the year ended June 30, 2022 was \$843,877.

9. Income Taxes

The League is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

10. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

11. Cost Allocations

Administrative and space costs are allocated to programs on the basis of costs directly incurred for those programs.

12. Small Business Administration Loan Funds

The Small Business Administration (SBA) Loan Fund contracts require the League to hold the funds in separate bank accounts. At June 30, 2022 the League had four accounts open in compliance with the contract requirements. The SBA contracts also require a 15% reserve for losses on outstanding loans. At June 30, 2022 the cash reserves held by the League for SBA accounts exceeded the required \$150,000.

13. Risk Management

The League purchases commercial insurance to manage its risk of loss for all manners of risk (i.e., liability, malpractice, workers compensation, etc.). There have been no reductions in insurance coverage or settlements exceeding insurance coverage for the past three years.

14. Net Position

The net position of the League is classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the current balances of any outstanding borrowing used to finance the purchase or construction of those assets. Restricted amounts are non-capital assets that must be used for a particular purpose, as specified by creditors, grantors or contributors external to the League. The League currently has no restricted balances. Unrestricted balances are those that do not meet the definition of net investment in capital assets or restricted.

**NOTE B – DEPOSITS**

Cash Deposits

The League's deposits are governed by Colorado statute. 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. Amounts on deposit in excess of federal insurance levels 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The Colorado Divisions of Banking 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.

Region 10 League for Economic Assistance and Planning, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

**NOTE B – DEPOSITS – CONTINUED**

At June 30, 2022 the League’s cash deposits had a carrying value as follows:

Cash in banks \$ 2,230,727

Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2022, the carrying amount of the League's deposits was \$2,230,727 and the bank balance was \$2,326,094. Of that balance, \$622,410 was covered by FDIC insurance and \$1,703,684 was collateralized.

**NOTE C – PROPERTY AND EQUIPMENT**

At June 30, 2022 capital assets (property, plant, and equipment) transactions and balances include the following:

	<u>June 30,</u> <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u> <u>2022</u>
Capital assets, not being depreciated				
Land	\$ 86,457	\$ –	\$ –	\$ 86,457
Construction in progress	<u>–</u>	<u>12,974</u>	<u>–</u>	<u>12,974</u>
Total assets not being depreciated	<u>86,457</u>	<u>12,974</u>	<u>–</u>	<u>99,431</u>
Capital assets being depreciated				
Infrastructure IRU	10,965,616	1,029	–	10,966,645
Buildings	1,003,674	–	–	1,003,674
Equipment	<u>1,619,572</u>	<u>–</u>	<u>–</u>	<u>1,619,572</u>
Total capital assets being depreciated	13,588,862	–	–	13,589,891
Less accumulated depreciation				
Infrastructure IRU	(1,331,515)	(587,418)	–	(1,918,933)
Buildings	(77,342)	(25,092)	–	(102,434)
Equipment	<u>(506,082)</u>	<u>(231,368)</u>	<u>–</u>	<u>(737,450)</u>
Total accumulated depreciation	<u>(1,914,939)</u>	<u>(843,878)</u>	<u>–</u>	<u>(2,758,817)</u>
Total capital assets being depreciated, net	<u>11,673,923</u>	<u>(842,849)</u>	<u>–</u>	<u>10,831,074</u>
Total capital assets, net	<u>\$11,760,380</u>	<u>\$ (829,875)</u>	<u>\$ –</u>	<u>\$10,930,505</u>

Region 10 League for Economic Assistance and Planning, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

**NOTE D – LONG-TERM DEBT**

Long-term liabilities activities for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Notes Payable	<u>\$ 846,766</u>	<u>\$ 1,010,000</u>	<u>\$ 118,513</u>	<u>\$ 1,738,253</u>	<u>\$ 212,399</u>

The League's long-term debt is as follows:

Note payable from Alpine Bank in the original amount of \$510,000, due in monthly installments of \$5,125 including interest at 3.75% The note matures on May 4, 2032.	\$ 508,266
Note payable from the Small Business Administration in the original amount Of \$500,000, due in monthly installments of \$4,630 including interest at 0.0% The note matures in March 2031.	494,444
Note payable from the Small Business Administration in the original amount of \$300,000, due in monthly installments of \$2,778, including interest at 0.0%. The note matures in April 2029.	263,889
Note payable from the Small Business Administration in the original amount of \$200,000, due in monthly installments of \$1,912, including interest at 0.625%. The note matures in July 2028.	112,573
Note payable from the Small Business Administration in the original amount of \$500,000, due in monthly installments of \$5,148, including interest at 0.63%. The note matures in August 2029.	<u>359,081</u>
	1,738,253
Amount due within one year	<u>(212,399)</u>
	<u>\$ 1,525,854</u>

The aggregate maturities of Region 10's long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 212,399	\$ 23,657	\$ 236,056
2024	214,950	21,235	236,185
2025	217,667	18,518	236,185
2026	220,419	15,766	236,185
2027	223,253	12,933	236,186
2028-2032	<u>649,565</u>	<u>27,477</u>	<u>677,042</u>
	<u>\$ 1,738,253</u>	<u>\$ 119,586</u>	<u>\$ 1,857,839</u>

Region 10 League for Economic Assistance and Planning, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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**NOTE D – LONG-TERM DEBT – CONTINUED**

Interest expense for the year ended June 30, 2022 was \$7,730.

**NOTE E – LOANS RECEIVABLE**

The composition of loans is as follows at June 30, 2022:

CDBG revolving loan funds	\$ 805,261
Recycle revolving loan funds	405,840
Rural BLF Statewide Collaboration Project loan fund	94,710
SBA revolving loan funds	<u>1,241,991</u>
	2,547,802
Less allowance for loan losses	<u>(178,726)</u>
	<u>\$ 2,369,076</u>

The above loans, primarily secured by real estate, consist of loans made with varying interest rates, 3.25% to 9.5% (depending on the loan program used by the borrower and the League), and maturities of 12 months to 120 months (again depending on the program used). Payments on the notes are due on a monthly basis.

**NOTE F – PENSION PLAN**

Region 10 sponsors a defined contribution pension plan under the provisions of Section 401(a) of the Internal Revenue Code. Region 10 mandates that all eligible employees contribute 3% of their yearly salary, and Region 10 contributes a matching 3%.

Region 10 also offers a voluntary defined contribution plan under the provisions of Section 457 of the Internal Revenue Code. All employees are eligible to contribute starting eight weeks from their date of hire. Region 10 contributes at a 1:1 ratio up to a maximum of 2% of each eligible employee's salary.

Both the 401(a) and the 457 pension plans are administered by CCOERA. Contributions to the 401(a) plan for the year ended June 30, 2022 were \$29,898 from the employees and \$29,898 from the League. Contributions to the 457 plan for the year ended June 30, 2022 were \$84,229 from the employees and \$15,452 from the League.

**NOTE G – BROADBAND INDEFEASIBLE RIGHT OF USE**

Region 10 has memorandums of understandings (MOU) with several of the local governments within its boundaries to partner together to fund the costs of broadband infrastructure in the region. In exchange for the costs that Regional 10 has paid, it has retained an indefeasible right of use (IRU) of a portion of the fiber optic strands that have been installed. Region 10 has also purchased IRUs from other partners and organizations. The specific projects are guided by the MOUs and are not always the same from partner to

Region 10 League for Economic Assistance and Planning, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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**NOTE G – BROADBAND INDEFEASIBLE RIGHT OF USE – CONTINUED**

partner, but many of Region 10's agreements are for 20 years. The costs of the infrastructure that Region 10 has contributed to the project have been capitalized as Broadband Infrastructure and are being amortized over the life of IRU in accordance with each projects MOU.

**NOTE H – COMMITMENTS**

*Grants* - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal governments. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the League expects such amounts, if any, to be immaterial.

*Line of Credit* – Region 10 has a line of credit agreement dated June 11, 2018 with a bank of \$150,000 that was used in remodeling the newly purchased building. There was a balance on the account of \$0 as of June 30, 2022. The line bears interest at the JP Morgan Chase prime lending rate (currently 3.25%) with a maturity date of June 19, 2023. The line is collateralized by real property.

**SUPPLEMENTARY INFORMATION**

Region 10 League for Economic Assistance and Planning, Inc.

SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

Year ended June 30, 2022

	Budgeted		Variance Favorable (Unfavorable)
	Original and Final	Actual	
Operating revenue			
Grants	\$ 4,021,885	\$ 3,742,374	\$ (279,511)
Loan income	172,640	202,711	30,071
Enterprize Zone	22,000	53,669	31,669
Regional Broadband	360,000	210,203	(149,797)
Miscellaneous income	128,850	113,534	(15,316)
Member dues and assessments	102,000	161,769	59,769
	<u>4,807,375</u>	<u>4,484,260</u>	<u>(323,115)</u>
Operating expenses			
Program services			
Area Agency on Aging	2,169,899	2,174,979	(5,080)
Community services	682,077	14,155	667,922
Regional Broadband	936,250	1,131,505	(195,255)
Business loan fund	1,017,299	1,300,232	(282,933)
Transportation	38,579	37,570	1,009
Enterprise Center	-	51,963	(51,963)
General and administrative	429,884	365,204	64,680
	<u>5,273,988</u>	<u>5,075,608</u>	<u>198,380</u>
Operating income (loss)	(466,613)	(591,348)	(124,735)
Non-operating revenues (expenses)			
Investment income	-	120	120
Interest expense	-	(6,827)	(6,827)
	<u>-</u>	<u>(6,707)</u>	<u>(6,707)</u>
Change in net position	<u>\$ (466,613)</u>	<u>(598,055)</u>	<u>\$ (131,442)</u>
Net position at the beginning of year		<u>14,573,711</u>	
Net position at end of year		<u>\$ 13,975,656</u>	

SINGLE AUDIT SECTION

Region 10 League for Economic Assistance and Planning, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program Title	Federal Agency Number	Pass-through Entity Identifying Number	FY 2022 Amount of Award Expended
U.S. DEPARTMENT OF AGRICULTURE			
Direct			
Rural Innovation Stronger Economy	10.755		\$ 24,682
U.S. DEPARTMENT OF COMMERCE			
Direct			
Economic Development Support for Planning Organizations	11.302		70,000
Economic Adjustment Assistance - COVID-19	11.307		158,208
Total U.S. Department of Commerce			228,208
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Montrose County, Colorado			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	F-18CDB18615	197,780
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Colorado Department of Transportation State Planning and Research			
	20.515	P.O. # 411028462	29,149
U.S. DEPARTMENT OF THE TREASURY			
Passed through State of Colorado			
Coronavirus Relief Fund - COVID-19	21.019	CTGG1 2021-0158	547,732
U.S. SMALL BUSINESS ADMINISTRATION			
Passed through Colorado Office of Economic Development and International Trade			
Small Business Development Centers	59.037	POGG1,EDAA, 2022000002603	231,715
Direct			
Microloan Program	59.046		1,521,165
Total U.S. Small Business Administration			1,752,880

(continued)

Region 10 League for Economic Assistance and Planning, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program Title	Federal Agency Number	Pass-through Entity Identifying Number	FY 2022 Amount of Award Expended
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Colorado Department of Human Services			
Special Programs for the Aging, Title VII, Ch3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		1,190
Special Programs for the Aging, Title VII, Ch2-Long Term Care Ombudsman Services for Older Individuals	93.042		4,757
Special Programs for the Aging, Title III, Part D - Disease Prevention and Health Promotion Services	93.043		23,238
Special Programs for the Aging, Title III, Part B - Grants for Supportive Services and Senior Centers	93.044		202,983
Special Programs for the Aging, Title III, Part C - Nutrition Services	93.045		508,884
National Family Caregiver Support, Title III, Part E	93.052		149,656
Nutrition Services Incentive Program	93.053		38,547
Passed through Colorado Department of Regulatory Agencies, Division of Insurance			
Medicare Enrollment Assistance Program	93.071	POGG1,SFAA, 202100003237	31,612
Total U.S. Department of Health and Human Services			960,867
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			
Direct			
Retired and Senior Volunteer Program	94.002		189,343
Total federal award expended			\$ 3,905,959
Clusters			
Economic Development Cluster			
Economic Adjustment Assistance	11.307		\$ 158,208
Aging Cluster			
Special Programs for the Aging, Title III, Part B	93.044		\$ 202,983
Special Programs for the Aging, Title III, Part C	93.045		508,884
Nutrition Services Incentive Program	93.053		38,547
Total Aging Cluster			\$ 750,414
			(continued)

Region 10 League for Economic Assistance and Planning, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2022

Program Title	Assistance Number	2022 Amount Provided to Sub-recipients
Federal awards to sub-recipients are as follows:		
Special Programs for the Aging, Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 78,510
Special Program for the Aging, Title III, Part C - Nutrition Services	93.045	440,322
Nutrition Services Incentive Program	93.053	<u>87,512</u>
Total federal awards provided to sub-recipients		<u><u>\$ 606,344</u></u>

Region 10 League for Economic Assistance and Planning, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

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**NOTE A – GENERAL**

The accompanying schedule of expenditures of federal awards includes the amount of federal grants expended by Region 10 League for Economic Assistance and Planning, Inc., during the year ended June 30, 2022. The information in the 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*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

**NOTE B – BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting.

**NOTE C – INDIRECT COST RATE**

Region 10 has elected to use the 10% de minimis rate for selected grants including, SBA, USDA, EDA (CARES), and RSVP.

**NOTE D – LOAN GUARANTEE PROGRAM**

As of June 30, 2022, the Organization had loans outstanding with the SBA Microloan program of \$1,241,992.



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*

To the Board of Directors  
Region 10 League for Economic Assistance and Planning, Inc.

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 Region 10 League for Economic Assistance and Planning, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Region 10 League for Economic Assistance and Planning, Inc.'s basic financial statements, and have issued our report thereon dated February 21, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Region 10 League for Economic Assistance and Planning, Inc.'s 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 Region 10 League for Economic Assistance and Planning Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Region 10 League for Economic Assistance and Planning Inc.'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.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Region 10 League for Economic Assistance and Planning Inc.'s 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



Board of Directors  
Region 10 League for Economic Assistance and Planning, Inc.

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Chadwick, Steinkirchner, Davis & Co., P.C.  
February 21, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE

To the Board of Directors  
Region 10 League for Economic Assistance and Planning, Inc.

**Report on Compliance for Each Major Federal Program**

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

We have audited Region 10 League for Economic Assistance and Planning, Inc.'s 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 each of Region 10 League for Economic Assistance and Planning, Inc.'s major federal programs for the year ended June 30, 2022. Region 10 League for Economic Assistance and Planning, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Region 10 League for Economic Assistance and Planning, Inc. 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 June 30, 2022.

***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; 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).<sup>j</sup> Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Region 10 League for Economic Assistance and Planning, Inc. 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 Region 10 League for Economic Assistance and Planning Inc.'s 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 Region 10 League for Economic Assistance and Planning Inc.'s federal programs.

***Auditor's 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 Region 10 League for Economic Assistance and Planning Inc.'s compliance based on



To the Board of Directors  
Region 10 League for Economic Assistance and Planning, Inc.

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 generally accepted auditing standards, *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 Region 10 League for Economic Assistance and Planning Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Region 10 League for Economic Assistance and Planning Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Region 10 League for Economic Assistance and Planning Inc.'s 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 Region 10 League for Economic Assistance and Planning Inc.'s 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 Auditor's 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



To the Board of Directors  
Region 10 League for Economic Assistance and Planning, Inc.

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.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Chadwick, Steinkirchner, Davis & Co., P.C.  
February 21, 2023

Region 10 League for Economic Assistance and Planning, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:		<u>Unmodified Opinion</u>		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/>	none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <input checked="" type="checkbox"/>	no

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/>	none reported

Type of auditor's report issued on compliance for major programs:		<u>Unmodified Opinion</u>		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____	yes	_____ <input checked="" type="checkbox"/>	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	---

59.046 _____	SBA Microloan Program _____
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Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000			
Auditee qualified as low-risk auditee?	_____ <input checked="" type="checkbox"/>	yes	_____	no

Region 10 League for Economic Assistance and Planning, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2022

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SECTION II – FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

There are no finding required to be reported under Generally Accepted Government Auditing Standards.

SECTION III – FINDINGS AND QUESTIONED COSTS UNDER THE UNIFORM GUIDANCE

There were no findings or questioned costs noted under the Uniform Guidance.

Region 10 League for Economic Assistance and Planning, Inc.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2022

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There were no prior-year findings or questioned costs noted that were reportable under the Uniform Guidance criteria.