



**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**WITH REPORT OF**

**CERTIFIED PUBLIC ACCOUNTANTS**

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.**

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## **Independent Auditors' Report**

Board of Directors  
Region 9 Economic Development District of Southwest Colorado, Inc.  
Durango, Colorado

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Region 9 Economic Development District of Southwest Colorado Inc., as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Region 9 Economic Development District of Southwest Colorado Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Region 9 Economic Development District of Southwest Colorado Inc., as of September 30, 2023, and the respective changes in financial position and, where applicable, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Region 9 Economic Development District of Southwest Colorado Inc. 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.

#### ***Change in Accounting Principle***

As described in Note 1 to the financial statements, in fiscal year 2023, Region 9 Economic Development District of Southwest Colorado Inc. implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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

Region 9 Economic Development District of Southwest Colorado Inc.'s 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 Region 9 Economic Development District of Southwest Colorado Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

### ***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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Region 9 Economic Development District of Southwest Colorado Inc.'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 Region 9 Economic Development District of Southwest Colorado Inc.'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 and the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Region 9 Economic Development District of Southwest Colorado Inc.'s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 schedule expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2024 on our consideration of Region 9 Economic Development District of Southwest Colorado Inc.'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 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 Region 9 Economic Development District of Southwest Colorado Inc.'s internal control over financial reporting and compliance.

*HintonBurdick, PLLC*

Gilbert, Arizona  
April 16, 2024

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**Economic Development District of Southwest Colorado, Inc.**  
**Management's Discussion and Analysis**  
**September 30, 2023**

**OVERVIEW OF SELECTED FINANCIAL STATEMENTS**

**Statement of Net Position.** The statement of net position for the Region 9 Economic Development District of Southwest Colorado (Region 9 EDD), Inc. is divided into two categories, Governmental Activities and Business Type Activities (the proprietary funds). The difference between assets and liabilities is reported as *net position*. It provides information pertaining to the nature of Region 9 EDD's assets and liabilities. The statement also provides the basis for determining the overall financial health of Region 9 EDD including liquidity and financial flexibility. On September 30, 2023, total assets for Governmental Activities were \$2,789,279 and total assets for the Business-type Activities were \$11,639,631. Total liabilities for Governmental Activities are \$2,775,485 with the primary liability being notes payable of \$254,397 for Region 9 EDD's building. Another liability is the internal balance of \$2,196,565 owed to non-governmental funds. The total liabilities of the Business-type Activities are (\$215,337). USDA IRP and RMAP, and SBA notes payable are \$1,443,870. Net position for Governmental Activities is \$13,794. Net position for the Business-type Activities is \$11,854,968.

**Statement of Revenues, Expenses and Changes in Fund Balances – Governmental Funds.** The Governmental Funds include: The General Fund #100, Enterprise Zone Administration #600, Economic Development Administration (EDA) Planning programs #350 & #351, and the Community Technical Assistance Fund #355 (which includes the Technical Assistance program and other special projects). These funds are reported within the general fund for financial reporting purposes. The Southwest Colorado Council of Governments Fund #356 is reported as a separate special revenue fund. The statements of revenues, expenditures, and changes in fund balances measure the success of Region 9 EDD's governmental type operations and can be used to determine if intergovernmental grants and user fees are adequate to recover expenses. Total revenue for the fiscal year ended September 30, 2023, in the Governmental Funds was \$796,496 and total expenditures were (\$1,090,417) for a deficit of (\$293,921) of revenue under expenditures before other financing sources and uses. After other financing sources of \$313,500, the deficit of revenues under expenditures for 2023 was (\$267,668).

**Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.** The statement of revenues, expenses, and changes in fund net position includes the activities of the various loan programs. Total operating revenue in the Proprietary Funds for the fiscal year ended September 30, 2023, was \$910,007 and the total operating expenses were \$1,008,721 for an operating loss of (\$98,714). This operating loss was covered with funds from nonoperating revenues (expenses). Intergovernmental grants of \$1,839,722 and a gain on an equity position of \$862 generated income before transfers of \$1,741,870.

**Statement of Cash Flows – Proprietary Funds.** This statement reports the cash receipts, cash payments and net cash from operations, investments, intergovernmental grants, and related financial activities. On September 30, 2023, cash and cash equivalents were \$694,438, Sept. 30, 2022, \$935,169 and on Sept. 30, 2021, \$454,414.

## FINANCIAL ANALYSIS

A summary of the statement of net position is included in the following Table A. Increases or decreases in Region 9 EDD's net position are indicators of improving or deteriorating financial health. Region 9 EDD's primary and major assets are the notes receivable from the business loan program and cash on hand available for lending.

**TABLE A**

### Statement of Net Position

	<u>FY 2022</u>	<u>FY 2023</u>
Current and other assets	\$ 12,838,031	\$ 13,895,573
Capital assets, net	580,717	560,995
Total assets	<u>\$13,418,748</u>	<u>\$ 14,456,568</u>
Current liabilities	\$ 1,122,800	\$ 838,005
Long-term liabilities	1,825,668	1,722,143
Total liabilities	<u>2,948,468</u>	<u>2,560,148</u>
Net position:		
Invested in capital assets, net of related debt	319,556	306,598
Restricted	4,832,856	6,629,346
Unrestricted	5,317,868	4,960,476
Total net position	<u>10,470,280</u>	<u>11,896,420</u>
Total liabilities and net position	<u>\$ 13,418,748</u>	<u>\$ 14,456,568</u>

From October 1, 2022 to September 30, 2023 there was an increase in total assets of \$1,037,820 and an decrease in total liabilities of \$388,320.

### Revenues, Expenses and Changes in Fund Balance / Net Position

Table B summarizes activity in the Governmental Funds and Table C summarizes activity in the Proprietary Funds for FY2022 and FY2023

**TABLE B**

### Statements of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds

	<u>FY ended Sept. 30, 2022</u>	<u>FY ended Sept. 30, 2023</u>
Total revenues	\$ 387,505	\$ 796,496
Total expenditures	587,123	1,090,417
Excess (Deficit) of revenues over (under) expenditures	(199,618)	(293,921)
Other financing sources	36,953	313,500
Change in fund balance	(162,665)	19,579
Fund balance (deficit), beginning	(124,582)	(287,247)
Fund balance (deficit), ending	<u>\$ (287,247)</u>	<u>\$ (267,668)</u>

Table B shows an increase in revenue of \$408,991. Expenses increased by \$503,294 and other financing sources increased by \$276,547.

**TABLE C**  
**Statement of Activities –Business-Type Activities**

	<b>FY ended September 30, 2022</b>	<b>FY ended September 30, 2023</b>
Total operating revenues	\$ 759,761	\$ 910,007
Total operating expenses	878,204	1,008,721
Operating income (loss)	(118,443)	(98,714)
Non-operating revenues (expenses), Intergovernmental grant and change in fair value of assets held	3,332,458	1,840,584
Other financing sources (uses) Transfers out	(36,953)	(313,500)
Change in net position	3,177,062	1,428,370
Net position, beginning	7,277,194	10,454,256
Net position, ending	\$ 10,454,256	\$ 11,882,626

Table C shows an increase in operating revenues of \$150,246 and an increase in operating expenses of \$130,517. Non-operating revenues decreased by \$1,491,874 in 2023. Other financing sources (uses) increased (\$276,547). The ending net position increased by \$1,428,370, from the previous year for a total net position of \$11,882,626.

### **FINANCIAL HIGHLIGHTS**

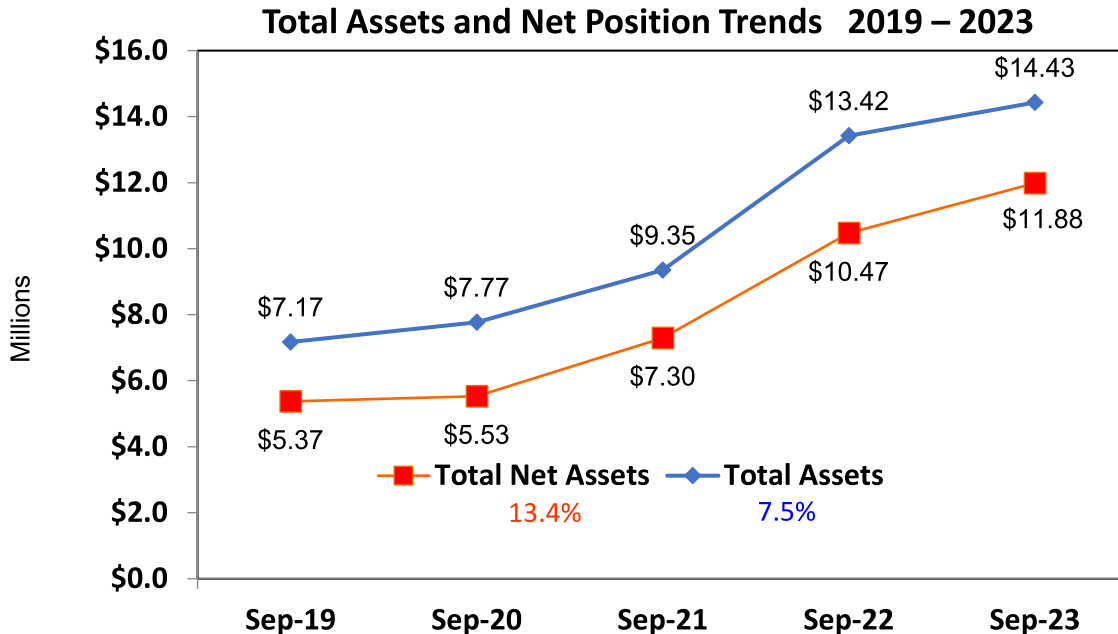
Region 9 EDD’s total (both Governmental and Business Type activities) net position on September 30, 2023, was \$11,896,420 including cash of \$2,722,318. The majority of assets are in the Business Type Activities in our loan program. Total Net Position increased by \$1,426,140 from the prior year.

The Governmental Funds had total revenues of \$796,496 and total expenditures of \$1,090,417 for revenue under expenditures of (\$293,921). By comparison, in the previous fiscal year, the Governmental Funds had total revenues of \$387,505 and total expenditures of \$587,123 resulting in revenue under expenses of (\$199,618). The comparison shows an increase of \$(94,303) in revenues under expenditures from the previous year. After other financing sources of \$313,500, the net change in fund balance increase to \$19,579.

For year 2023 the Proprietary Fund operating revenues of \$910,007 and operating expenses of \$1,008,721 resulted in an operating loss of (\$98,714). This loss was offset by Intergovernmental grants and other financing sources of \$1,840,584—for a change in net position after transfers of \$1,428,370 Compared to fiscal year 2022 the Proprietary Fund operating expenses of \$878,204 exceeded operating revenues of \$759,761 resulting in an operating loss of (\$118,443). Ending net position for 2022 was \$10,454,256 compared to 2021 \$7,277,194 and 2020 of \$5,502,754.

## MANAGEMENT’S DISCUSSION AND FINANCIAL ANALYSIS

The Net Position is the Total Assets less Liabilities. In FY 2023 Total Assets increased 7.5%. Total Net Assets increased by 13.4%. The total asset growth continues to be positive trend.



Preventing future declines and increasing unrestricted cash is important. Staff has successfully secured new lending capital sources as well as some funding that covers staff time. We are closely tracking our monthly loan goals to move towards sustainability. These measures of covering operating costs in addition to building our loan portfolio will help prevent future negative trends.

One factor that affects Region 9 EDD’s financial position are interest rates for loans and deposits as well as our loan portfolio stability. Another factor that contributes to Region 9 EDD’s Net Position is providing matching funds to programs that are not reimbursed. Region 9 EDD spent \$313,500 in FY23, compared to \$36,953 in FY2022, \$133,999 in FY2021; \$169,000 FY2020; and \$229,000 FY2019 for matching funds for the EDA Planning grant and other economic development initiatives. These activities are accounted for in Funds #350, #355 & #356. These funds also support other programs such as the local economic development groups and data publications.

The primary liabilities of Region 9 EDD are the building mortgage, the loans from the USDA for the Intermediary Re-lending Program (IRP) and the Rural Micro-Entrepreneur Assistance Program and the Small Business Administration for the SBA microloan program. The mortgage loan for the building was \$254,397 for FY23. The USDA notes payable for FY23 was \$1,134,474. Certificate of deposits totaling \$80,251 are pledged as security for the USDA IRP loans. One certificate of deposit for \$15,578 and a restricted bank account of \$12,064 are held as cash reserves for the USDA RMAP loans. A restricted bank account of \$37,562 is held as a cash reserve for the SBA loan #1 and \$45,037 is held as cash reserve for SBA loan #2.

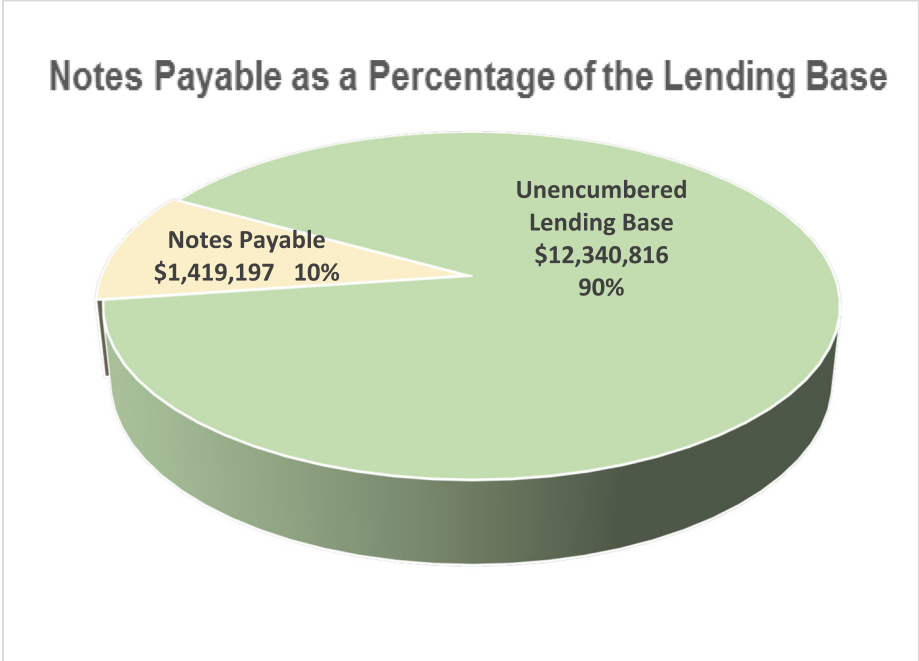
Region 9 EDD continues to support the efforts of Southwest Colorado Accelerator Program for Entrepreneurs (SCAPE) by investing in the Program’s companies and utilizing financial resources for development and operations. As of September 30, 2023, Region 9 EDD has investments of \$51,980 in companies through six SCAPE investment funds, rather than the individual companies

**FINANCIAL POLICY PRIORITIES**

A financial goal of Region 9 EDD is to grow the loan portfolio to a level that the interest received on the loans will pay for operational costs of the business loan programs as well as help pay for the governmental programs that Region 9 EDD administers. The current target was \$10 million with an annual goal of \$2 million a year. We are now working to reach \$13 million by the end of FY24. This compares to the current loan balance (after allowance for loan loss) on September 30, 2023, of \$10,795,936 million. Loan portfolio growth takes place as more intergovernmental grants are received and loans are repaid.

Another priority is to keep the amount of funds borrowed for the loan funds within an acceptable range. Region 9 EDD policy is that borrowed funds should not exceed 30% of the total Lending Base which is Notes Receivable; plus, unrestricted cash on hand to lend; plus, loan funds receivable.

<b>September 30, 2023</b>	
Gross Notes Receivable	\$ 11,249,513
Unrestricted Cash to Lend	\$ 2,431,826
Loan Funds Receivable	\$ 78,674
Lending Base	\$ 13,760,013
Less Notes Payable	<b>\$ 1,419,197</b>
Unencumbered Lending Base	\$ 12,340,816



Maintaining liquidity is an issue, especially in periods of high loan demand. Region 9 EDD relies on principal and interest payments on loans outstanding to cover operating costs and to provide liquid assets for additional loans. Region 9 EDD maintains an operating cash balance of \$100,000 in the primary bank account that is not included in the funds available for lending. We continue to seek funding diversity as we grow other programs.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** Region 9 EDD’s investments in capital assets as of September 30, 2023, is \$560,995 (net of accumulated depreciation) and detailed below.

	<u>Total Book Value of Capital Assets</u>	
	<b>2022</b>	<b>2023</b>
Software	\$ 0	\$ 0
Loan Software	3,130	1,260
Equipment	357	0
Furniture & Fixtures	4,587	2,839
Computers	7,198	3,788
Phone System	0	0
Tuff Shed	0	0
Building	565,445	553,108
<b>Total</b>	<b>\$580,717</b>	<b>\$560,995</b>

**Long-term & Short-term Debt.** For FY23, Region 9 EDD had a total debt for its business-type activities due to United States Department of Agriculture (USDA) loans of \$1,134,474. This amount is comprised of 7 notes payable to the USDA. Five notes are through USDA’s Intermediary re-lending program (IRP). The original amount for each note was \$250,000, borrowed at 1% amortized over a 30- year period. The sixth and seventh notes are through the Rural Microenterprise Assistance Program (RMAP). The original amount for the sixth note was \$281,047 and the original amount for the seventh note was \$300,000. Both RMAP notes are 2% amortized over a twenty-year term. In 2021 Region 9 received an SBA Loan and in 2022 Region 9 received a second SBA Loan as indicated below. All notes are secured by restricted cash, receivables, contract rights, and general intangibles. The borrowed funds were loaned to businesses and are part of the receivables used as security.

	Beginning	Additions /	Ending	Due Within
	Balance	Reductions	Balance	One Year
USDA (IRP-Note 1)	97,010	(9,313)	\$87,697	\$ 9,295
USDA (IRP-Note 2)	124,718	(9,036)	115,682	9,108
USDA (IRP-Note 3)	151,292	(8,771)	142,521	8,831
USDA (IRP-Note 4)	182,789	(8,785)	174,004	8,842
USDA (IRP- Note 5)	234,448	(7,905)	226,543	7,892
USDA (RMAP-Note 6)	140,697	(16,108)	124,589	16,475
USDA (RMAP-Note 7)	278,161	(14,723)	263,438	15,033
SBA Loan (Note 8)	219,907	(27,777)	192,130	27,090
SBA Loan (Note 9)	100,000	(7,407)	92,593	11,111
<b>Total Loans</b>	<b>1,529,022</b>	<b>(109,825)</b>	<b>1,419,197</b>	<b>113,677</b>

Total debt owed on loans payable decreased by \$109,825 during the current fiscal year. Regular annual IRP payments are made in January for notes 1 & 2 with the maturity dates in January 2033 and January 2035. The annual IRP payments for notes 3 & 4 are made in March with maturity dates in March 2039 and March 2041. The annual payments for the 5th IRP note are due October with the maturity date in October 2047. Payments on the RMAP notes are made monthly. The first RMAP note matures in December of 2030 and the second in September of 2038. The SBA loan payments are made monthly. The first SBA loan matures September 2030, and the second SBA loan matures January 2032.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Board of Directors and the management of Region 9 EDD considered many factors when they established the budget for FY24. Most important was anticipating the future need for cash flow for middle mile broadband construction and additional loan capital. Upcoming projects, loan funds, intergovernmental grant revenue, user fees and changes in operating costs are all evaluated and considered before a final budget is adopted. Because of Region 9 EDD's dependence on principal and interest payments to sustain its operating and loan activities, the 2023-2024 budget is dependent on client solvency and continued loan demand. Region 9 EDD continues to bring in new sources for lending capital to shift reliance from the CDBG program and also grants that will help cover administrative costs. We have also successfully integrated several programs previously under the Southwest Colorado Council of Governments.

This financial report is designed to provide our Board of Directors, funding partners and other interested parties with a general overview of Region 9 EDD's finances and demonstrate accountability for the money received. If you have any questions or need additional information please contact Laura Lewis Marchino, Executive Director, 970-247-9621 or [laura@region9edd.org](mailto:laura@region9edd.org).

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**BASIC FINANCIAL STATEMENTS**

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Statement of Net Position  
September 30, 2023**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments - unrestricted	\$ 2,027,880	\$ 503,946	\$ 2,531,826
Cash - restricted	-	190,492	190,492
Prepaid expenses	4,124	-	4,124
Accounts receivable	197,540	78,674	276,214
Notes receivable	-	10,795,936	10,795,936
Accrued interest receivable	-	45,001	45,001
Equity positions	-	51,980	51,980
Capital assets (net of accumulated depreciation)	559,735	1,260	560,995
Total assets	<u>2,789,279</u>	<u>11,667,289</u>	<u>14,456,568</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	273,366	137,359	410,725
Accrued expenses	27,281	19,745	47,026
Internal balances	2,196,565	(2,196,565)	-
Unused grant funds	-	380,254	380,254
Long-term liabilities			
Due or payable within one year	16,446	126,014	142,460
Due or payable after one year	261,827	1,317,856	1,579,683
Total liabilities	<u>2,775,485</u>	<u>(215,337)</u>	<u>2,560,148</u>
<b>Net Position</b>			
Net investment in capital assets	305,338	1,260	306,598
Restricted for revolving loans	-	6,629,346	6,629,346
Unrestricted	(291,544)	5,252,020	4,960,476
Total Net Position	<u>\$ 13,794</u>	<u>\$ 11,882,626</u>	<u>\$ 11,896,420</u>

The accompanying notes are an integral part of the financial statements.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT OF SOUTHWEST COLORADO, INC.**  
**Statement of Activities**  
**For the Year Ended September 30, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Governmental activities:						
Economic development	\$ 1,112,226	\$ 245,156	\$ 451,669	\$ (415,401)	\$ -	\$ (415,401)
Business-type activities:						
Revolving loans	1,008,721	910,007	1,839,722	-	1,741,008	1,741,008
Total primary government	<u>\$ 2,120,947</u>	<u>\$ 1,155,163</u>	<u>\$ 2,291,391</u>	<u>(415,401)</u>	<u>1,741,008</u>	<u>1,325,607</u>
General revenues:						
Earnings on investments				52,835	862	53,697
Miscellaneous				46,836	-	46,836
Transfers in (out)				313,500	(313,500)	-
Total general revenues & transfers				<u>413,171</u>	<u>(312,638)</u>	<u>100,533</u>
Change in net position				(2,230)	1,428,370	1,426,140
Net position - beginning				16,024	10,454,256	10,470,280
Net position - ending				<u>\$ 13,794</u>	<u>\$ 11,882,626</u>	<u>\$ 11,896,420</u>

The accompanying notes are an integral part of the financial statements.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.**

**Balance Sheet  
Governmental Funds  
September 30, 2023**

		<u>Major Special Revenue Fund</u>	
	<u>General Fund</u>	<u>Southwest Colorado Council of Governments Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash	\$ 122,830	\$ -	\$ 122,830
Investment in CSAFE	1,905,050	-	1,905,050
Prepaid expenses	4,124	-	4,124
Accounts and grants receivable	114,952	82,588	197,540
Total assets	<u>2,146,956</u>	<u>82,588</u>	<u>2,229,544</u>
<b>Liabilities</b>			
Accounts payable	52,207	-	52,207
Accrued expenses	23,866	3,415	27,281
Unearned grant revenue	162,306	58,853	221,159
Due to other funds	2,179,321	17,244	2,196,565
Total liabilities	<u>2,417,700</u>	<u>79,512</u>	<u>2,497,212</u>
<b>Fund Balances</b>			
Nonspendable	4,124	-	4,124
Unassigned	(274,868)	3,076	(271,792)
Total fund balance (deficit)	<u>(270,744)</u>	<u>3,076</u>	<u>(267,668)</u>
Total liabilities and fund balances	<u>\$ 2,146,956</u>	<u>\$ 82,588</u>	<u>\$ 2,229,544</u>

The accompanying notes are an integral part of the financial statements.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
September 30, 2023**

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Total governmental fund balance (deficit)	\$	(267,668)
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 712,513	
Accumulated depreciation	<u>(152,778)</u>	559,735

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Note payable	(254,397)	
Accrued compensated absences	<u>(23,876)</u>	(278,273)

Total net position - governmental activities	\$	<u><u>13,794</u></u>
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The accompanying notes are an integral part of the financial statements.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Statement of Revenues, Expenditures and Changes in  
Fund Balances - Governmental Funds  
For the Year Ended September 30, 2023**

	General Fund	Major Special Revenue Fund Southwest Colorado Council of Governments Fund	Governmental Funds
<b>Revenues</b>			
Grants	\$ 448,414	\$ 3,255	\$ 451,669
Dues assessed to member governments	167,705	-	167,705
Charges for services	13,716	63,735	77,451
Interest	52,835	-	52,835
Other revenues	46,836	-	46,836
Total revenues	<u>729,506</u>	<u>66,990</u>	<u>796,496</u>
<b>Expenditures</b>			
Economic development	766,884	305,317	1,072,201
Debt service:			
Principal	6,764	-	6,764
Interest	11,452	-	11,452
Total expenditures	<u>785,100</u>	<u>305,317</u>	<u>1,090,417</u>
Excess of revenues over (under) expenditures	(55,594)	(238,327)	(293,921)
<b>Other financing sources (uses)</b>			
Transfers in	313,500	240,000	553,500
Transfers out	(240,000)	-	(240,000)
Total other financing sources (uses)	<u>73,500</u>	<u>240,000</u>	<u>313,500</u>
Net change in fund balances	17,906	1,673	19,579
Fund balance (deficit), beginning	<u>(288,650)</u>	<u>1,403</u>	<u>(287,247)</u>
Fund balance (deficit), ending	<u>\$ (270,744)</u>	<u>\$ 3,076</u>	<u>\$ (267,668)</u>

The accompanying notes are an integral part of the financial statements.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended September 30, 2023**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	19,579
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>		
Capital outlay	\$	-
Depreciation expense	<u>(17,852)</u>	(17,852)
<p>Governmental funds report proceeds from issuance of debt as other financing sources and principal payments of debt as expenditures. However, in the statement of activities these amounts adjust the amount reported as a liability.</p>		
Principal payments on debt	<u>6,764</u>	6,764
<p>Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		<u>(10,721)</u>
Change in net position of governmental activities	<u>\$</u>	<u>(2,230)</u>

The accompanying notes are an integral part of the financial statements.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Statement of Net Position  
Proprietary Funds  
September 30, 2023**

	Business-type Activities - Enterprise Revolving Loan Funds				
	CDBG Revolving Loan Fund	Colorado Startup Loan Fund	Revolving Loan Fund	SBA Micro Loan Fund	Intermediary Re-lending Loan Fund
<b>Assets</b>					
Cash - unrestricted	\$ -	\$ 129,169	\$ -	\$ 96,602	\$ 65,526
Cash - restricted	-	-	-	82,599	107,893
Due from other funds	132,120	235,711	837,098	-	454,940
Grants and other receivables	-	-	47,299	3,717	-
Equity positions	-	-	51,980	-	-
Notes receivable, net	599,884	516,243	4,461,288	298,273	856,556
Accrued interest receivable	4,773	2,222	21,051	768	1,919
Capital assets, net	-	-	1,260	-	-
<b>Total assets</b>	<u>736,777</u>	<u>883,345</u>	<u>5,419,976</u>	<u>481,959</u>	<u>1,486,834</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	-	260	137,062	29	-
Accrued liabilities	509	1,991	14,923	-	510
Unused grant funds	-	380,254	-	-	-
Due to other funds	-	-	-	200,597	-
Long-term liabilities					
Portion due within one year	1,399	1,431	7,356	38,625	75,572
Portion due after one year	1,399	1,431	7,355	246,945	1,059,095
<b>Total liabilities</b>	<u>3,307</u>	<u>385,367</u>	<u>166,696</u>	<u>486,196</u>	<u>1,135,177</u>
<b>Net position</b>					
Net investment in capital assets	-	-	1,260	-	-
Restricted for revolving loans	733,470	497,978	-	(4,237)	351,657
Unrestricted	-	-	5,252,020	-	-
<b>Total net position</b>	<u>\$ 733,470</u>	<u>\$ 497,978</u>	<u>\$ 5,253,280</u>	<u>\$ (4,237)</u>	<u>\$ 351,657</u>

The accompanying notes are an integral part of the financial statements.

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Statewide EDA Revolving Loan Fund	EDA Revolving Fund	Combined Total
\$ 77,534	\$ 135,115	\$ 503,946
-	-	190,492
533,366	203,927	2,397,162
27,658	-	78,674
-	-	51,980
3,329,393	734,299	10,795,936
11,915	2,353	45,001
-	-	1,260
<u>3,979,866</u>	<u>1,075,694</u>	<u>14,064,451</u>
-	8	137,359
1,685	127	19,745
-	-	380,254
-	-	200,597
1,574	57	126,014
1,573	58	1,317,856
<u>4,832</u>	<u>250</u>	<u>2,181,825</u>
-	-	1,260
3,975,034	1,075,444	6,629,346
-	-	5,252,020
<u>\$ 3,975,034</u>	<u>\$ 1,075,444</u>	<u>\$ 11,882,626</u>

The accompanying notes are an integral part of the financial statements.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.**  
**Statement Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2023**

	Business-type Activities - Enterprise Revolving Loan Funds				
	CDBG Revolving Loan Fund	Colorado Startup Loan Fund	Revolving Loan Fund	SBA Micro Loan Fund	Intermediary Re-lending Loan Fund
<b>Operating revenues</b>					
Loan fees	\$ 3,632	\$ 11,270	\$ 21,837	\$ 2,820	\$ 1,177
Loan interest	42,980	21,342	267,447	17,984	57,685
Other revenues	-	71	197,100	1,915	1,396
Total operating revenues	<u>46,612</u>	<u>32,683</u>	<u>486,384</u>	<u>22,719</u>	<u>60,258</u>
<b>Operating expenses</b>					
Loan processing costs					
Purchased services	1,974	345	1,343	96	104
Credit reserve registration fees	850	8,165	12,715	1,410	1,140
Administration					
Salaries and benefits	82,926	76,772	347,759	22,744	8,353
Purchased services	11,630	11,311	36,426	12,086	1,240
Supplies and materials	3,756	4,011	16,906	2,228	438
Miscellaneous expenses	706	4,791	1,618	7,494	40
Contributions	-	-	30,000	-	-
Depreciation	-	-	1,870	-	-
Interest expense	-	-	-	-	19,301
Provision for loan loss	59,260	28,932	93,229	1,481	(6,885)
Total operating expenses	<u>161,102</u>	<u>134,327</u>	<u>541,866</u>	<u>47,539</u>	<u>23,731</u>
<b>Operating income (loss)</b>	(114,490)	(101,644)	(55,482)	(24,820)	36,527
<b>Non-operating revenues (expenses)</b>					
Intergovernmental grants	180,000	592,030	-	23,079	-
Gain on equity investment	-	-	862	-	-
Total non-operating revenues (expenses)	<u>180,000</u>	<u>592,030</u>	<u>862</u>	<u>23,079</u>	<u>-</u>
<b>Income (loss) before transfers</b>	65,510	490,386	(54,620)	(1,741)	36,527
Other financing sources (uses)					
Transfers out	-	-	(313,500)	-	-
Other financing sources (uses)	-	-	(313,500)	-	-
<b>Change in net position</b>	65,510	490,386	(368,120)	(1,741)	36,527
Total net position, beginning of year	<u>667,960</u>	<u>7,592</u>	<u>5,621,400</u>	<u>(2,496)</u>	<u>315,130</u>
<b>Total net position, end of year</b>	<u>\$ 733,470</u>	<u>\$ 497,978</u>	<u>\$ 5,253,280</u>	<u>\$ (4,237)</u>	<u>\$ 351,657</u>

The accompanying notes are an integral part of the financial statements.

Statewide EDA Revolving Loan Fund	EDA Revolving Fund	Combined Total
\$ 12,455	\$ 1,338	\$ 54,529
194,577	51,545	653,560
1,132	304	201,918
<u>208,164</u>	<u>53,187</u>	<u>910,007</u>
254	36	4,152
-	-	24,280
101,679	4,182	644,415
17,403	795	90,891
4,761	220	32,320
2,304	-	16,953
-	-	30,000
-	-	1,870
-	-	19,301
<u>(60,703)</u>	<u>29,225</u>	<u>144,539</u>
<u>65,698</u>	<u>34,458</u>	<u>1,008,721</u>
142,466	18,729	(98,714)
1,044,613	-	1,839,722
-	-	862
<u>1,044,613</u>	<u>-</u>	<u>1,840,584</u>
1,187,079	18,729	1,741,870
-	-	(313,500)
<u>-</u>	<u>-</u>	<u>(313,500)</u>
1,187,079	18,729	1,428,370
<u>2,787,955</u>	<u>1,056,715</u>	<u>10,454,256</u>
<u>\$ 3,975,034</u>	<u>\$ 1,075,444</u>	<u>\$ 11,882,626</u>

The accompanying notes are an integral part of the financial statements.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2023**

	Business-type Activities - Enterprise Revolving Loan Funds				
	CDBG Revolving Loan Fund	Colorado Startup Loan Fund	Revolving Loan Fund	SBA Micro Loan Fund	Intermediary Re-lending Loan Fund
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 3,632	\$ 11,341	\$ 213,785	\$ 1,018	\$ 2,573
Interest received	39,447	19,182	260,977	17,714	57,913
Cash paid to employees	(86,929)	(71,919)	(340,355)	(22,744)	(8,353)
Cash paid to suppliers	(18,986)	(28,381)	(98,449)	(22,781)	(2,909)
Net cash provided (used) by operating activities	<u>(62,836)</u>	<u>(69,777)</u>	<u>35,958</u>	<u>(26,793)</u>	<u>49,224</u>
<b>Cash flows from noncapital financing activities:</b>					
Intergovernmental grants	252,777	592,030	-	23,079	-
Change in accounts payable related to amounts held for other local governments	-	(678,230)	117,242	-	-
Payments on long-term liabilities	-	-	-	(35,185)	(74,639)
Proceeds/payments between funds	(138,919)	610,150	557,780	117,047	(178,830)
Interfund transfers	-	-	(313,500)	-	-
Net cash provided (used) by noncapital financing activities	<u>113,858</u>	<u>523,950</u>	<u>361,522</u>	<u>104,941</u>	<u>(253,469)</u>
<b>Cash flows from capital and related financing activities:</b>					
Payments of interest	-	-	-	-	(19,301)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,301)</u>
<b>Cash flows from investing activities:</b>					
Loans distributed	(180,000)	(561,000)	(1,311,878)	(141,000)	(50,000)
Loan payments received	128,978	25,825	914,398	128,267	230,961
Loan loss recoveries	-	-	-	-	-
Net cash provided (used) by investing activities	<u>(51,022)</u>	<u>(535,175)</u>	<u>(397,480)</u>	<u>(12,733)</u>	<u>180,961</u>
Net change in cash and cash equivalents	-	(81,002)	-	65,415	(42,585)
<b>Cash and cash equivalents, including restricted cash beginning of year</b>	<u>-</u>	<u>210,171</u>	<u>-</u>	<u>113,786</u>	<u>216,004</u>
<b>Cash and cash equivalents, including restricted cash end of year</b>	<u>\$ -</u>	<u>\$ 129,169</u>	<u>\$ -</u>	<u>\$ 179,201</u>	<u>\$ 173,419</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Net operating income (loss)	\$ (114,490)	\$ (101,644)	\$ (55,482)	\$ (24,820)	\$ 36,527
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Loan allowance recoveries	-	-	-	-	-
Provision for loan loss	59,260	28,932	93,229	1,481	(6,885)
Depreciation expense	-	-	1,870	-	-
Interest expense	-	-	-	-	19,301
Changes in operating assets and liabilities:					
(Increase)/decrease in receivables	-	-	(5,152)	(3,717)	-
(Increase) decrease in accrued interest	(3,533)	(2,160)	(6,470)	(270)	228
Increase/(decrease) in payables	(70)	242	559	29	-
Increase/(decrease) in accrued liabilities & deposits	(4,003)	4,853	7,404	504	53
Net cash provided (used) by operating activities	<u>\$ (62,836)</u>	<u>\$ (69,777)</u>	<u>\$ 35,958</u>	<u>\$ (26,793)</u>	<u>\$ 49,224</u>

The accompanying notes are an integral part of the financial statements.

Statewide EDA Revolving Loan Fund	EDA Revolving Fund	Combined Total
\$ 13,587	\$ 1,642	\$ 247,578
188,134	50,707	634,074
(101,679)	(4,182)	(636,161)
(26,447)	(1,969)	(199,922)
<u>73,595</u>	<u>46,198</u>	<u>45,569</u>
1,016,955	-	1,884,841
-	-	(560,988)
-	-	(109,824)
(1,113,040)	(199,466)	(345,278)
-	-	(313,500)
<u>(96,085)</u>	<u>(199,466)</u>	<u>555,251</u>
-	-	(19,301)
-	-	(19,301)
(674,172)	(50,000)	(2,968,050)
514,749	175,435	2,118,613
27,187	-	27,187
<u>(132,236)</u>	<u>125,435</u>	<u>(822,250)</u>
(154,726)	(27,833)	(240,731)
232,260	162,948	935,169
<u>\$ 77,534</u>	<u>\$ 135,115</u>	<u>\$ 694,438</u>
\$ 142,466	\$ 18,729	\$ (98,714)
27,658	-	27,658
(60,703)	29,225	144,539
-	-	1,870
-	-	19,301
(27,658)	-	(36,527)
(6,443)	(838)	(19,486)
-	8	768
(1,725)	(926)	6,160
<u>\$ 73,595</u>	<u>\$ 46,198</u>	<u>\$ 45,569</u>

The accompanying notes are an integral part of the financial statements.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

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**Note 1. Summary of Significant Accounting Policies**

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**Reporting Entity**

Region 9 Economic Development District of Southwest Colorado, Inc. (the District), is a not-for-profit corporation formed by local governments in Southwest Colorado in 1989 to provide economic development programs to Southwest Colorado and operates solely for the purpose of administering development grants.

The financial statements of the District have been prepared under accounting standards established by the Governmental Accounting Standards Board. The District was created by governmental entities; those governmental entities control a majority of the District's officers and the District can be dissolved by the governments that created it. Under guidance provided by the Governmental Accounting Standards Board, the District is to be considered a government for determination of the accounting standards applicable to its financial statements. However, since the District is not itself a governmental entity, some Colorado statutes applicable to governmental entities are not applicable to the District. Specifically, Colorado's Public Deposit Protection Act and budget statutes which are generally applicable to governmental entities in Colorado are not applicable to the District. The significant accounting policies applied are described below to enhance the usefulness of the financial statements to the reader.

**Government-Wide and Fund Financial Statements**

The government-wide statements include the statement of net position and the statement of activities, which display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District has adopted an informal indirect expense allocation plan rather than employ a formal indirect cost rate proposal (ICRP). These indirect expense allocations are reflected in the expenditures of the District's fund financial statements. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The fund financial statements provide information about the District's funds. Separate statements for each fund category (governmental and proprietary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party received and gives up essentially equal values. Nonoperating revenues, such as subsidies, grants, and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

**Southwest Colorado Council of Governments Fund** is used to account for activities related to the operation of Southwest Colorado Council of Governments.

Proprietary funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. All of the District's proprietary funds are enterprise funds.

The District's major proprietary funds are as follows:

**CDBG Revolving Loan Fund** – used to account for collecting, disbursing and administering federal funds received in a Community Development Block Grant passed through the State of Colorado for the purpose of providing loans to qualified businesses in the region. There have been seven of these grants awarded since 1995. The eighth contract was awarded August 13, 2019 and was active in this reporting period.

**Colorado Startup Loan Fund** – used to account for collecting, disbursing, and administering state funds received from the Colorado Office of Economic Development and International Trade for the purpose of providing loans and grants to small businesses and to conduct outreach and marketing for the Colorado Startup Loan Fund.

**Revolving Loan Fund** – used to account for disbursing, collecting and administering loans that are considered “revolved” or that were originally made in a grant that has been closed.

**SBA Micro Loan Fund** – used to account for collecting, disbursing, and administering federal funds received from the United States Small Business Administration for the purpose of providing loans to qualified businesses in the rural areas of the state.

**Intermediary Re-lending Loan Fund** – used to account for collecting, disbursing, and administering federal funds received from a USDA loan for the purpose of providing loans to qualified businesses in the region.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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**Statewide EDA Revolving Loan Fund** – used to account for disbursing, collecting and administering federal funds from the Economic Development Administration for the purpose of providing loans to qualified businesses in the state.

**EDA Revolving Loan Fund** - used to account for disbursing, collecting and administering federal funds from the Economic Development Administration for the purpose of providing loans to qualified businesses in the region.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-reciprocal transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants, donations, and interest are considered to be susceptible to accrual. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

***Deposits and Investments***

The District’s cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition for purposes of this note and the statement of cash flows.

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to” or “due from other funds. All trade accounts receivable in the

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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proprietary funds are shown net of an allowance for uncollectible accounts.

***Equity Positions***

Equity positions consist of securities issued by private companies; may be subject to restrictions on their resale; and are generally illiquid. Purchase of these equity positions are made primarily for the purpose of promoting economic development in conjunction with the District's mission. Secondly, the District seeks to realize appreciation and ultimately a gain on the sale of these positions. These equity positions are valued at cost, as adjusted for estimated impairment (if applicable). Gains, and losses not previously recognized through impairment, are recognized upon sale or liquidation of the equity position.

***Notes Receivable***

All notes receivable are shown net of an allowance for uncollectible loans. Loan payments past due more than 30 days are considered delinquent. Accrual of interest ceases when the loan is written off. The allowance for uncollectible loans is an estimate computed by grading each outstanding loan and applying percentages to each grade. Percentages are based on historical write-offs for similar loans. The allowance for uncollectible loans is reduced for each loan that is registered in the Colorado Credit Reserve Program. This program is a pooled insurance type program whereby each participating lender establishes a reserve account to cover losses on the loans it registers under the program. The District pays a registration fee into the reserve account each time a loan is registered. Registered small business loans qualify for a state funded match in the reserve account. Loan losses are covered by the program up to the total amount in the reserve account.

***Real Property Held for Sale***

The District occasionally holds real property that is acquired through foreclosure on collateralized notes receivable that default. The property is recorded at estimated fair value at the date of foreclosure and is subsequently adjusted for estimated impairment (if applicable). Gains, and losses not previously recognized through impairment, are recognized upon sale or liquidation of the property.

***Restricted Assets***

Certain assets of the District are classified as restricted assets because their use is restricted by grant agreements.

***Capital Assets***

Capital assets, which include; property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
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Notes to the Financial Statements  
September 30, 2023**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Equipment	5 years

***Compensated Absences***

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level when paid.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any items that qualify for reporting in this category.

***Fund Balance***

Generally, fund balance represents the difference between the current assets and current liabilities. The District reports as restricted those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Fund balance related to prepaid expenses is not in spendable form and is reported as nonspendable fund balance. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods. Assignment and commitment indicate management's intent to set aside resources for specific purposes. The District's policy with regard to the order of spending is to spend the restricted funds first, if available, followed by committed funds, assigned funds, and finally, unassigned funds. The Board commits funds by resolution and assigns funds by motion. The same level of action is required to remove a commitment or assignment of funds.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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*Net Position*

Net position represents the difference between assets and liabilities. Net position invested in capital assets net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferred amount. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditor, grantors, or laws or regulations of governments. All other net position is reported as unrestricted.

*Leases and Subscription-Based Information Technology Arrangements*

Lessee: The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements when applicable. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

Lessor: The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements when applicable. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
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**Note 1. Summary of Significant Accounting Policies, Continued**

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Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-based information technology arrangements: The District recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements when applicable. The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more. The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement.

***Interfund Activity***

Flow of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources and (uses) in governmental funds and in proprietary funds.

***Income Taxes***

The District has received an Internal Revenue Service exemption from federal income taxes under Internal Revenue Code section 501(c)(6). The District adopted accounting requirements that prescribe when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns, including the position that the District continues to qualify to be treated as a tax-exempt entity for both federal and state income tax purposes. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained.

Based on that evaluation, if it were more than 50% probable that a material amount of income tax would be imposed at the entity level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying balance sheet along with any interest and penalties that would result from that assessment. When the District has unrelated business income, the federal Exempt Organization Business Income Tax Return (Form 990T) would be subject to examination by the Internal Revenue Service for three years after filing. Should any penalties and interest be incurred, they would be recognized as administration expenses.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

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**Note 1. Summary of Significant Accounting Policies, Continued**

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*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 at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

*Budgetary Information*

The District, a not-for-profit corporation, is not required to adopt an annual budget or to appropriate funds and is not subject to the Colorado state budget law. A budget to actual comparison is presented for those funds required to be reported by general accepted accounting principles.

*Subsequent Events*

Management has evaluated subsequent events through April 16, 2024, the date which the financial statements were available to be issued.

*New Pronouncements*

For the year ended September 30, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The District had no SBITAs as of September 30, 2023.

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**Note 2. Reconciliation of Government-Wide and Fund Financial Statements**

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The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. These differences primarily result from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.**  
**Notes to the Financial Statements**  
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**Note 3. Deposits and Investments**

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A summary of cash and investments as shown on the statement of net position follows:

Cash on hand	\$ 99
Cash in bank	721,340
Certificates of deposit	95,829
CSAFE investment pool	<u>1,905,050</u>
Total cash and investments	<u>\$ 2,722,318</u>

**Deposits**

*Custodial Credit Risk*

For deposits this is the risk that in the event of a bank failure, the District's deposit may not be returned to it. The District allocates its deposits to various financial institutions to mitigate this risk. As of September 30, 2023, the District's bank balances were fully insured by FDIC coverage.

**Investments**

At September 30, 2023, the District had \$1,905,050 invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is structured to be a stable value investment pool to meet the investment needs of local governments in Colorado. The State Securities Commission administers and enforces all State statutes governing the Trust. CSAFE seeks to maintain, but does not guarantee, a net asset value at \$1.00 per share. CSAFE may invest in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, AAAM rated money market funds, approved Colorado Banks and highly rated commercial paper. A designated custodial bank serves as custodian for CSAFE's investment portfolio and serves as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. As of September 30, 2023 the public entity investment pool, CSAFE, was rated AAAMmf by Fitch Ratings. Prior to being rated by Fitch Ratings beginning in February 2022, the Cash Fund was rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investment in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the provisions of the Colorado Public Deposit Protection Act (PDPA) which requires that the District's investment portfolio maturities do not exceed five years from the time of purchase.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

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**Note 3. Deposits and Investments, Continued**

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**Credit risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy allows for investments meeting defined rating and risk rating as follows:

- Obligations of the United States and certain U.S. government agency securities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain international agency securities
- Certain mutual funds

**Fair value measurements**

Governmental Accounting Standards Board Statement No. 72 (GASB 72) *Fair Value Measurement and Application* establishes a hierarchy of inputs to valuation techniques used to measure fair value and requires disclosures to be made about investment fair value measurements, the level of fair value hierarchy, and valuation techniques. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not hold any investments in 2023 that are measured at fair value.

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**Note 4. Restricted Assets**

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The District reported restricted cash of \$190,492 in the Intermediary Re-lending Loan Fund and the SBA Micro Loan Fund. These funds were pledged by the Board of Directors as collateral for local loan programs. Of this balance \$80,251 is applicable to IRP, \$27,642 is applicable to RMAP and \$82,599 is applicable to SBA.

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**Note 5. Notes Receivable**

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Notes receivable represent loans made by the District to qualifying local businesses. The loans' proceeds were funded with a Community Development Block Grant, an Economic Development Administration Fund Grant, two SBA Loans, a Colorado Startup Loan Fund grant and seven USDA Intermediary Re-lending Loans. Loans are typically collateralized by real or tangible property (second or next available position on deed of trust) and personal guaranties. The notes receivable are recorded in their respective Revolving Loan Funds. Collections of principal and interest are deposited back into the program to be utilized for additional loans and administrative expenses.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

**Note 5. Notes Receivable, Continued**

Notes receivable balances and related allowances at September 30, 2023 have been reported as follows:

	CDBG Revolving Loan Fund	Colorado Startup Loan Fund	Revolving Loan Fund	SBA Micro Loan Fund	Intermediary Re-lending Fund	Statewide EDA Revolving Loan Fund	EDA Revolving Loan Fund	Totals
Notes receivable	\$ 684,867	\$ 545,175	\$ 4,649,101	\$ 307,697	\$ 872,072	\$ 3,413,003	\$ 777,598	\$ 11,249,513
Allowance for losses on uncollectible loans	<u>(84,983)</u>	<u>(28,932)</u>	<u>(187,813)</u>	<u>(9,424)</u>	<u>(15,516)</u>	<u>(83,610)</u>	<u>(43,299)</u>	<u>(453,577)</u>
Notes, net of allowance	<u>\$ 599,884</u>	<u>\$ 516,243</u>	<u>\$ 4,461,288</u>	<u>\$ 298,273</u>	<u>\$ 856,556</u>	<u>\$ 3,329,393</u>	<u>\$ 734,299</u>	<u>\$ 10,795,936</u>

A summary of note receivable activity for the year follows:

Balance at beginning of year	\$ 633,845	\$ 10,000	\$ 4,270,443	\$ 294,964	\$ 1,053,033	\$ 3,280,767	\$ 922,451	\$ 10,465,503
Loans disbursed	180,000	561,000	1,311,878	141,000	50,000	674,172	50,000	2,968,050
Loans charged off	-	-	(18,822)	-	-	(27,187)	(19,418)	(65,427)
Principal collections	<u>(128,978)</u>	<u>(25,825)</u>	<u>(914,398)</u>	<u>(128,267)</u>	<u>(230,961)</u>	<u>(514,749)</u>	<u>(175,435)</u>	<u>(2,118,613)</u>
Balance at end of year	<u>\$ 684,867</u>	<u>\$ 545,175</u>	<u>\$ 4,649,101</u>	<u>\$ 307,697</u>	<u>\$ 872,072</u>	<u>\$ 3,413,003</u>	<u>\$ 777,598</u>	<u>\$ 11,249,513</u>

An analysis of the change in the allowance for uncollectible loans is as follows:

Balance at beginning of year	\$ 25,723	\$ -	\$ 113,406	\$ 7,943	\$ 22,401	\$ 144,313	\$ 33,492	\$ 347,278
Loans charged off	-	-	(18,822)	-	-	(27,187)	(19,418)	(65,427)
Recoveries	-	-	-	-	-	27,187	-	27,187
Loan loss reserve adjustment	<u>59,260</u>	<u>28,932</u>	<u>93,229</u>	<u>1,481</u>	<u>(6,885)</u>	<u>(60,703)</u>	<u>29,225</u>	<u>144,539</u>
Balance at end of year	<u>\$ 84,983</u>	<u>\$ 28,932</u>	<u>\$ 187,813</u>	<u>\$ 9,424</u>	<u>\$ 15,516</u>	<u>\$ 83,610</u>	<u>\$ 43,299</u>	<u>\$ 453,577</u>

**Note 6. Equity Positions and Real Property Held for Sale**

At September 30, 2023 the District had no real property held for sale.

The equity positions were comprised of the following:

SCAPE Investment Fund \$ 51,980

The investment in the SCAPE Investment Fund represents amounts held by this investment fund at September 30, 2023 that have been or will be invested in small, closely-held startups.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
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**Note 7. Capital Assets**

The following table summarizes the changes to capital assets for governmental activities during the year.

<b>Governmental Activities:</b>	<b>Balance 9/30/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 9/30/2023</b>
Capital assets, being depreciated:				
Buildings	\$ 616,849	\$ -	\$ -	\$ 616,849
Equipment	95,664	-	-	95,664
Total capital assets, being depreciated	<u>712,513</u>	<u>-</u>	<u>-</u>	<u>712,513</u>
Less accumulated depreciation for:				
Buildings	(51,404)	(12,337)	-	(63,741)
Equipment	(83,522)	(5,515)	-	(89,037)
Total accumulated depreciation	<u>(134,926)</u>	<u>(17,852)</u>	<u>-</u>	<u>(152,778)</u>
Total capital assets, being depreciated, net	<u>577,587</u>	<u>(17,852)</u>	<u>-</u>	<u>559,735</u>
Governmental activities capital assets, net	<u>\$ 577,587</u>	<u>\$ (17,852)</u>	<u>\$ -</u>	<u>\$ 559,735</u>

Depreciation expense was charged to the functions/programs of the District as follows:

<b>Governmental Activities:</b>	
Economic Development	<u>\$ 17,852</u>
Total depreciation expense - governmental activities	<u>\$ 17,852</u>

The following table summarizes the changes to capital assets for business-type activities during the year.

<b>Business Type Activities:</b>	<b>Balance 9/30/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 9/30/2023</b>
Capital assets being depreciated:				
Equipment	\$ 15,850	\$ -	\$ -	\$ 15,850
Total capital assets, being depreciated	<u>15,850</u>	<u>-</u>	<u>-</u>	<u>15,850</u>
Less accumulated depreciation for:				
Equipment	(12,720)	(1,870)	-	(14,590)
Total accumulated depreciation	<u>(12,720)</u>	<u>(1,870)</u>	<u>-</u>	<u>(14,590)</u>
Total capital assets, being depreciated, net	<u>3,130</u>	<u>(1,870)</u>	<u>-</u>	<u>1,260</u>
Business-type activities capital assets, net	<u>\$ 3,130</u>	<u>\$ (1,870)</u>	<u>\$ -</u>	<u>\$ 1,260</u>

Depreciation expense was charged to the functions/programs of the District as follows:

<b>Business-Type Activities:</b>	
Administration	<u>\$ 1,870</u>
Total depreciation expense - business-type activities	<u>\$ 1,870</u>

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

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**Note 8. Long-Term Liabilities**

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At September 30, 2023, the District had borrowed \$250,000 under each of five loans from the United States Department of Agriculture (USDA) through its intermediary re-lending program. A sixth loan of \$281,047 is through the USDA's Rural Micro-entrepreneur Assistance Program. A seventh loan of \$300,000 is also through the USDA's Rural Micro-entrepreneur Assistance Program. An eighth loan of \$250,000 is through the Small Business Administration (SBA). A ninth loan of \$300,000 is through the SBA. The five \$250,000 notes bear interest at 1%, the \$281,047 and \$300,000 notes bear interest at 2%, the \$250,000 SBA note bears interest at 0.375% and the \$300,000 SBA note bears interest at 1.25%. All are secured by restricted cash, receivables, contract rights, and general intangibles. Each of the USDA \$250,000 notes carries thirty-year payment terms. The \$281,047 and the \$300,000 notes carry a twenty-year payment term. The SBA \$250,000 note carries a ten-year payment term. The SBA \$300,000 note carries a ten-year payment term. The USDA \$250,000 notes' final payments are due in January 2033, January 2035, March 2038, March 2041, and October 2047. The \$281,047 note's final payment is due in December 2030. The \$300,000 note's final payment is due in November 2040. The SBA \$250,000 note's final payment is due September 2031. The SBA \$300,000 note's final payment is due January 2032.

As of September 30, 2023, the District had drawn down \$100,000 of the available \$300,000 funds on the ninth loan, administered by SBA.

During the year ended September 30, 2018, the District borrowed \$607,500 from 1st Southwest Bank to finance the purchase of its office building. The note bears interest at 4.375% per annum and is secured by the District's office building. The note requires monthly principal and interest payments of \$1,383 through July 2053. During the year ended September 30, 2023 principal payment totaling \$6,764 were made.

The District has a \$500,000 line of credit from The Dolores State Bank. \$0 is outstanding at September 30, 2023. The line of credit bears interest at .25% less than the Wall Street Journal prime rate. Unpaid principal and interest are due on November 16, 2023.

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**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

**Note 8. Long-Term Liabilities, Continued**

The following is a summary of changes in long-term obligations for the year ended September 30, 2023:

	Balance 9/30/2022	Additions	Retirements	Balance 9/30/2023	Current Portion
<b>Governmental Activities:</b>					
<i>Direct Borrowings and Direct Placements:</i>					
1st Southwest Bank	\$ 261,161	\$ -	\$ (6,764)	\$ 254,397	\$ 4,508
Compensated absences	13,155	10,721	-	23,876	11,938
Total Governmental activity					
Long-term liabilities	<u>\$ 274,316</u>	<u>\$ 10,721</u>	<u>\$ (6,764)</u>	<u>\$ 278,273</u>	<u>\$ 16,446</u>
<b>Business-Type Activities:</b>					
<i>Direct Borrowings and Direct Placements:</i>					
USDA (Note 1)	\$ 97,010	\$ -	\$ (9,313)	\$ 87,697	\$ 9,295
USDA (Note 2)	124,718	-	(9,036)	115,682	9,108
USDA (Note 3)	151,292	-	(8,771)	142,521	8,831
USDA (Note 4)	182,789	-	(8,785)	174,004	8,842
USDA (Note 5)	234,448	-	(7,905)	226,543	7,892
USDA (RMAP) (Note 6)	140,697	-	(16,108)	124,589	16,475
USDA (RMAP) (Note 7)	278,161	-	(14,723)	263,438	15,033
SBA Loan (Note 8)	219,907	-	(27,777)	192,130	27,090
SBA Loan (Note 9)	100,000	-	(7,407)	92,593	11,111
Total loans payable	1,529,022	-	(109,825)	1,419,197	113,677
Compensated absences	22,330	2,343	-	24,673	12,337
Total Business-type activity					
Long-term liabilities	<u>\$ 1,551,352</u>	<u>\$ 2,343</u>	<u>\$ (109,825)</u>	<u>\$ 1,443,870</u>	<u>\$ 126,014</u>

Debt service requirements to maturity on the notes are as follows:

Years ending September 30,	Business-Type Activities		Governmental Activities	
	Direct Borrowings / Direct Placements		Direct Borrowings / Direct Placements	
	Principal	Interest	Principal	Interest
2024	113,772	15,964	4,508	12,091
2025	114,987	14,749	4,746	11,853
2026	116,130	13,606	4,960	11,639
2027	117,443	12,293	5,185	11,414
2028	118,356	11,380	5,388	11,211
2029-2033	443,266	39,600	30,973	52,023
2034-2038	259,408	18,544	38,650	44,346
2039-2043	85,241	4,939	48,232	34,764
2044-2048	50,594	1,569	60,178	22,818
2049-2053	-	-	51,577	7,664
	<u>\$ 1,419,197</u>	<u>\$ 132,644</u>	<u>\$ 254,397</u>	<u>\$ 219,823</u>

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

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**Note 9. Retirement Plan**

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On October 29, 1998 the District adopted a SIMPLE retirement account plan. All employees with annual compensation greater than \$5,000 are eligible to participate. Participants may elect to voluntarily contribute up to \$13,500 of their compensation to the plan annually. The District matches dollar for dollar employee pre-tax contributions in an amount up to 3% of the employee's compensation. Employee and employer contributions are fully vested at all times. The District's total contribution to the plan for the year ended September 30, 2023 was \$20,750.

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**Note 10. Risk of Loss**

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The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There have been no reductions in insurance coverages provided to the District and there have been no settlements exceeding insurance coverage.

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**Note 11. Interfund Receivables, Payables and Transfers**

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As of September 30, 2023, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ -	\$ 2,179,321
Southwest Colorado Council of Governments Fund	-	17,244
CDBG Revolving Loan Fund	132,120	-
Colorado Startup Loan Fund	235,711	-
Revolving Loan Fund	837,098	-
SBA Micro Loan Fund	-	200,597
Intermediary Re-lending Loan Fund	454,940	-
Statewide Revolving Loan Fund	533,366	-
EDA Revolving Loan Fund	203,927	-
	\$ 2,397,162	\$ 2,397,162

The inter-fund due to / from balances result from the fact that the general fund maintains the bank account that records deposits and disbursements of the other funds.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Financial Statements  
September 30, 2023**

**Note 11. Interfund Receivables, Payables and Transfers, Continued**

Interfund transfers for the year ended September 30, 2023 were as follows:

	Transfers out:		
Transfers In:	General Fund	Revolving Loan Fund	Total
General Fund	\$ -	\$ 313,500	\$ 313,500
Southwest Colorado Council of Governments Fund	240,000	-	240,000
	\$ 240,000	\$ 313,500	\$ 553,500

The purpose of the transfers is to transfer surplus funds to the General Fund to meet operating requirements. In addition, notes receivable may be transferred between funds as restrictions are lifted or changed.

**Note 12. Contingent Liabilities**

The District participates in federally assisted grant and loan programs which are subject to program compliance audits by the grantors, lenders, or their representatives. Not all of the audits of the programs included in the year ended September 30, 2023 have been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**Note 13. Statutory Compliance**

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 that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

The District is not a direct tax supported entity; therefore, management believes that it is not subject to the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT OF SOUTHWEST COLORADO, INC.**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental				
Dues assessed to member governments	\$ 167,706	\$ 167,706	\$ 167,705	\$ (1)
Grant revenues	441,158	441,158	448,414	7,256
Charges for services	17,500	17,500	13,716	(3,784)
Local sources				
Interest revenue	1,000	1,000	52,835	51,835
Miscellaneous	31,500	31,500	46,836	15,336
Total revenues	<u>658,864</u>	<u>658,864</u>	<u>729,506</u>	<u>70,642</u>
<b>Expenditures</b>				
Economic development:				
Administration	640,383	1,022,883	766,884	255,999
Debt Service:				
Principal	-	-	6,764	(6,764)
Interest	12,000	12,000	11,452	548
Total expenditures	<u>652,383</u>	<u>1,034,883</u>	<u>785,100</u>	<u>249,783</u>
Excess (deficiency) of revenues over (under) expenditures	6,481	(376,019)	(55,594)	320,425
Other financing sources (uses):				
Transfers in	25,000	25,000	313,500	288,500
Transfer out	(15,000)	(15,000)	(240,000)	(225,000)
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>73,500</u>	<u>63,500</u>
Net change in fund balance	16,481	(366,019)	17,906	383,925
Fund balance, beginning of year	<u>(288,650)</u>	<u>(288,650)</u>	<u>(288,650)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (272,169)</u>	<u>\$ (654,669)</u>	<u>\$ (270,744)</u>	<u>\$ 383,925</u>

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT OF SOUTHWEST COLORADO, INC.**  
**Southwest Colorado Council of Governments Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended September 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental				
Grant revenues	\$ 28,100	\$ 28,100	\$ 3,255	\$ (24,845)
Charges for services	5,700	5,700	63,735	58,035
Total revenues	<u>33,800</u>	<u>33,800</u>	<u>66,990</u>	<u>33,190</u>
<b>Expenditures</b>				
Economic development:				
Administration	168,051	324,051	305,317	18,734
Total expenditures	<u>168,051</u>	<u>324,051</u>	<u>305,317</u>	<u>18,734</u>
Excess (deficiency) of revenues over (under) expenditures	(134,251)	(290,251)	(238,327)	51,924
Other financing sources (uses):				
Transfers in	135,000	135,000	240,000	105,000
Total other financing sources (uses)	<u>135,000</u>	<u>135,000</u>	<u>240,000</u>	<u>105,000</u>
Net change in fund balance	749	(155,251)	1,673	156,924
Fund balance, beginning of year	<u>1,403</u>	<u>1,403</u>	<u>1,403</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,152</u>	<u>\$ (153,848)</u>	<u>\$ 3,076</u>	<u>\$ 156,924</u>

**SINGLE AUDIT SECTION**



**Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Region 9 Economic Development District of Southwest Colorado, 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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Region 9 Economic Development District of Southwest Colorado, Inc.(the District), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 16, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*HintonBurdick, PLLC*

HintonBurdick, PLLC  
Gilbert, Arizona  
April 16, 2024



**Independent Auditors' Report on  
Compliance for Each Major Federal Program and  
Report on Internal Control Over Compliance  
In Accordance with the Uniform Guidance**

Board of Directors  
Region 9 Economic Development District of Southwest Colorado, Inc.

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

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

We have audited Region 9 Economic Development District of Southwest Colorado, 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 9 Economic Development District of Southwest Colorado, Inc.'s major federal programs for the year ended September 30, 2023. Region 9 Economic Development District of Southwest Colorado, 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 9 Economic Development District of Southwest Colorado, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Region 9 Economic Development District of Southwest Colorado, 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 9 Economic Development District of Southwest Colorado, 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 9 Economic Development District of Southwest Colorado, 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 9 Economic Development District of Southwest Colorado, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Region 9 Economic Development District of Southwest Colorado, Inc.'s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Region 9 Economic Development District of Southwest Colorado, 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 9 Economic Development District of Southwest Colorado, 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 9 Economic Development District of Southwest Colorado, 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 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.

*HintonBurdick, PLLC*

Gilbert, Arizona

April 16, 2024

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2021**

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**Section I - Summary of Auditor's Results**

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Financial Statements

Type of auditor's report issued: Unmodified  
 Internal control over financial reporting:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified?  yes  no

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal Control over major programs:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified?  yes  no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516?  yes  no

Identification of major programs.

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
11.307	Economic Development Cluster
10.767	Intermediary Relending Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  yes  no

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Schedule of Findings and Questioned Costs, Continued  
For the Year Ended September 30, 2023**

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**Section II - Financial Statement Findings**

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No financial statement findings noted.

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**Section III - Federal Award Findings and Questioned Costs**

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No federal award findings or questioned costs noted.

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**Section IV - Summary Schedule of Prior Audit Findings**

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No prior year federal award findings or questioned costs reported.

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2023**

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Identifying Number</u>	<u>Total Federal Expenditures</u>
<b>U.S. Department of Commerce</b>			
Economic Development Support for Planning Organizations	11.302		\$ 70,000
<b>Economic Development Cluster:</b>			
Economic Development Assistance for Statewide EDA Loan Fund	11.307		4,209,742
COVID-19-Economic Development Assistance for COVID Revolving Loan Fund	11.307		436,636
Economic Development Assistance Revolving Loan Fund	11.307		407,071
Total Economic Development Cluster			<u>5,053,449</u>
Total U.S. Department of Commerce			<u>5,123,449</u>
<b>U.S. Department of Agriculture</b>			
Intermediary Relending Program	10.767		790,256
Rural Microentrepreneur Assistance Program-Loan Program	10.870		418,858
Rural Community Development Initiative Grant	10.446		92,710
Total U.S. Department of Agriculture			<u>1,301,824</u>
<b>U.S. Department of Housing and Urban Development</b>			
<b>Passed through the Colorado Department of Local Affairs:</b>			
Community Development Block Grant Contract 8	14.228	unknown	180,000
Total U.S. Department of Housing and Urban Development			<u>180,000</u>
<b>U.S. Small Business Administration and Microloan</b>			
<b>Direct Program</b>			
Microloan Program Technical Assistance Grant	59.046		23,079
Microloan Program	59.046		219,907
Microloan Program	59.046		100,000
Total U.S. Department of Transportation			<u>342,986</u>
Total expenditures of federal awards			<u>\$ 6,948,259</u>

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2023**

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**Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Region 9 Economic Development District of Southwest Colorado, Inc. under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations Region 9 Economic Development District of Southwest Colorado, Inc., it is not intended to and does not present the financial position, changes in net position, or cash flows of Region 9 Economic Development District of Southwest Colorado, Inc.

**Basis of Accounting**

This accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Expenditures reported for the Economic Development Association Revolving Loan Fund grant, ALN 11.307, are calculated according to formula. Loan balances outstanding at the end of the year that were expended in prior years are included in this calculation.

**Indirect Cost Rate**

The District utilizes the ten percent de minimis cost rate allowed by Uniform Guidance.

**U.S. Department of Commerce Federal Awards**

Amounts reported on the Schedule of Expenditures of Federal Awards for the U.S. Department of Commerce Economic Development Association Revolving Loan Fund are calculated according to the following program-required formula:

Balance of EDA revolving loan fund loans	\$	441,892
Cash and investments held by the fund		349,861
Administrative expenses		2,871
Loan losses		19,518
		814,142
Federal share		50.00%
Amount reported on the Schedule of Expenditures of Federal Awards	\$	407,071

**REGION 9 ECONOMIC DEVELOPMENT DISTRICT  
OF SOUTHWEST COLORADO, INC.  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2023**

**Federal Awards Expended for Loan or Loan Guarantee Programs**

Balances of loans and loan guarantee programs outstanding as of September 30, 2023 for loans described in 2 CFR section 200.502(b) are as follows:

<u>ALN</u>	<u>Program Name</u>	<u>9/30/22 Balance</u>	<u>FY 23 Loans</u>	<u>SEFA</u>
10.767	Rural Development - Intermediary Relending Program	\$ 790,256	\$ -	\$ 790,256

September 30, 2023 balance is \$746,447

<u>ALN</u>	<u>Program Name</u>	<u>9/30/22 Balance</u>	<u>FY 23 Loans</u>	<u>SEFA</u>
10.870	Rural Development - Microentrepreneur Assistance Program	\$ 418,858	\$ -	\$ 418,858

September 30, 2023 balance is \$388,027

<u>ALN</u>	<u>Program Name</u>	<u>9/30/22 Balance</u>	<u>FY 23 Loans</u>	<u>SEFA</u>
59.046	Small Business Administration-Microloan Program	\$ 219,907	\$ -	\$ 219,907

September 30, 2023 balance is \$192,130

<u>ALN</u>	<u>Program Name</u>	<u>9/30/22 Balance</u>	<u>FY 23 Loans</u>	<u>SEFA</u>
59.046	Small Business Administration-Microloan Program	\$ 100,000	\$ -	\$ 100,000

September 30, 2023 balance is \$92,593

**Subrecipients:**

The District had no subrecipients for fiscal year 2023.