

ASSOCIATED GOVERNMENTS OF
NORTHWEST COLORADO
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2024

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT DISCUSSION & ANALYSIS	3
FINANCIAL STATEMENTS	
Statement of Net Position and Governmental Fund Balance Sheet	6
Statement of Revenue, Expenditures and Change in fund Balances- Governmental and Statement of Activity	7
Reconciliation of the Statement of Revenues, Expenditures, and Change In the Fund Balances – Governmental Funds to the Statement of Activities	8
Notes to the Financial Statements	9
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures, and Change in Fund Balance Governmental Fund – Budget to Actual	15
REPORTS AND SCHEDULES REQUIRED BY OUTSIDE ENTITIES	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Performed in accordance with Government Auditing Standards	16
Independent Auditor’s Report on Compliance for Each Major Program and on Internal control Over Compliance Required by Uniform Guidance	18
Schedule of Expenditures of Federal Awards	20
Schedule of Findings and Questioned Costs	21
Summary Schedule of Prior Audit Findings	22



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Associated Governments of Northwest Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Associated Governments of Northwest Colorado, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Associated Governments of Northwest Colorado's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Associated Governments of Northwest Colorado, as of December 31, 2024 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Associated Governments of Northwest Colorado and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Associated Governments of Northwest Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Certified Public Accountants

- 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 Associated Governments of Northwest Colorado'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 Associated Governments of Northwest Colorado'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 budgetary comparison information on pages 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 Associated Governments of Northwest Colorado's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2025, on our consideration of Associated Governments of Northwest Colorado'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 Associated Governments of Northwest Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Associated Governments of Northwest Colorado's internal control over financial reporting and compliance.

Blair and Associates, P.C.

Cedaredge, Colorado
July 11, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the Associated Governments of Northwest Colorado's (the "Association") financial performance provides readers with an overall review of the financial activities of the Association for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Association's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the Association's financial performance.

FINANCIAL HIGHLIGHTS

- The Association's assets exceeded liabilities by \$592,327 on December 31, 2024
- Total Association's cash and investments increased by \$90,012 from 2023.

December 31, 2024, General Fund, balance is \$13,235 more than the previous year. The total fund balance is 17.0 percent of 2024 General Fund operating expenditures.

USING THIS ANNUAL REPORT

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

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

OVERVIEW OF THE ASSOCIATIONS FINANCIAL STATEMENTS

Government-wide Financial Statements

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

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

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

Fund Financial Statements

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government wide financial statements. However, unlike the government wide financial statement, governmental fund financial statements focus on near term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 through 14 of this report.

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

REPORTING THE ASSOCIATION AS A WHOLE

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

The following table provides a summary of the Association's net position for 2024 and 2023.

	Governmental Activities	
	2024	2023
Assets:		
Current and other assets	\$ 1,439,832	\$ 1,422,123
Restricted cash	19,110	352
Total Assets	1,458,942	1,422,475
Liabilities:		
Current and other liabilities	858,026	834,795
Long-term liabilities	8,589	10,140
Total Liabilities	866,615	844,935
Net Position:		
Restricted funds	19,110	352
Unrestricted funds	573,217	577,188
Total Net Position	\$ 592,327	\$ 577,540

A significant portion of the Association's position represents an unrestricted net position of \$573,217 that may be used to meet the ongoing obligations to patrons and creditors.

	Governmental Activities	
	2024	2023
Revenues:		
Programs revenues:		
Charges for services	\$ 200,075	\$ 197,551
Operating grants & contributions	3,311,671	3,412,135
Total Program Revenues	3,511,746	3,609,686
General revenues:		
Interest	13,255	10,866
Total Revenues	3,525,001	3,620,552
Expenses:		
General & administrative	348,700	286,814
Grant expense	352,262	170,872
Area Agency on Aging	2,809,252	3,108,028
Total Expenses	3,510,214	3,565,714
Increase (Decrease) in Net Position	\$ 14,787	\$ 54,838

Governmental Activities. Governmental activities increased the Association's net position by \$14,787 in 2024.

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

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUND

Information about the Association's governmental fund begins on page 8. This fund is accounted for using the accrual basis of accounting.

As of December 31, 2024, the total fund balance of the Association's governmental fund was \$600,916. Approximately 97 percent of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the Association. \$19,110 of the fund balance is restricted for Northwest Energy Grant expenditures. The Association had revenues of \$3,525,001 and expenditure of \$3,510,215.

GENERAL FUND BUDGETARY HIGHLIGHTS

	<u>2024 General Fund Budget</u>		
	Original & Final <u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
Revenue & other financing sources	\$ 3,518,856	\$ 3,525,001	\$ (6,145)
Expenditures & other financing uses	<u>3,504,565</u>	<u>3,511,765</u>	<u>7,201</u>
Ending Fund Balance	<u>\$ 14,291</u>	<u>\$ 13,236</u>	<u>\$ (1,056)</u>

Actual revenues and other financing sources were less than budgeted by \$6,145. This is partly because of an increase in EZ administration. grant revenue and a decrease in AAoA funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Long-term Debt. During the year ended December 31, 2024, the Association had compensated absences of \$8,589.

REQUESTS FOR INFORMATION

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

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2024

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 662,209	\$ -	\$ 662,209
Accounts receivable	745,965	-	745,965
Restricted Grant	19,110	-	19,110
Prepaid expense	31,658	-	31,658
TOTAL ASSETS	<u>\$ 1,458,942</u>	<u>-</u>	<u>1,458,942</u>
LIABILITIES			
Accounts payable	\$ 510	-	510
Accounts payable - Area Agency on Aging	698,830	-	698,830
Accrued expenses	7,167	-	7,167
Accrued Wages	7,762	-	7,762
Unearned revenue:			
AAoA Grant	31,658	-	31,658
Navigator Grant	52,989	-	52,989
NW Energy Grant	19,110	-	19,110
NCEI Marketing Grant	40,000	-	40,000
Long-term liabilities:			
Compensated absences	-	8,589	8,589
TOTAL LIABILITIES	<u>858,026</u>	<u>8,589</u>	<u>866,615</u>
FUND BALANCES AND Net Position			
Restricted for:			
Northwest Energy	19,110	(19,110)	-
Unassigned	550,148	(550,148)	-
TOTAL FUND BALANCES	<u>600,916</u>	<u>(600,916)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,458,942</u>		
NET POSITION			
Restricted:			
Partnership Planning Grant	\$ -	\$ 19,110	\$ 19,110
Unrestricted	-	573,217	573,217
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 592,327</u>	<u>\$ 592,327</u>

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

Fund balance per general fund balance sheet	\$ 600,916
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	-
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore is not included in the /General Fund	(8,589)
Net Position for governmental activities	<u>\$ 592,327</u>

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

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
Statement of Revenue, Expenditures, and Change in Fund Balances-Governmental
and Statement of Activities
For the Year Ended December 31, 2024

	General Fund	Adjustments (See Page 9)	Statement of Activities
EXPENDITURES/EXPENSES			
Administration Expenses	\$ 350,251	\$ (1,551)	\$ 348,700
Program Expenses	3,161,515	-	3,161,515
Total expenditures/expenses	<u>3,511,766</u>	<u>(1,551)</u>	<u>3,510,215</u>
PROGRAM REVENUES			
Charges for services	200,075	-	200,075
Other Grants	371,775	-	371,775
Other income	5,044	-	5,044
Area Agency on Aging	2,816,680	-	2,816,680
Net program revenues	<u>3,393,574</u>	<u>-</u>	<u>3,393,574</u>
GENERAL REVENUES			
Contributions	118,172	-	118,172
Interest income	13,255	-	13,255
Total general revenues	<u>131,427</u>	<u>-</u>	<u>131,427</u>
Excess of (expenditures) over revenues	13,236	1,551	
Change in Net Position			14,787
FUND BALANCE/NET POSITION			
Beginning of the year	587,680	(10,140)	577,540
End of the year	<u>\$ 600,916</u>	<u>\$ (8,589)</u>	<u>\$ 592,327</u>

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

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
 Reconciliation of the Statement of Revenues Expenditures,
 and Change in the Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2024

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

Excess of revenue over expenditures - general funds (page 8)	<u>\$ 13,236</u>
--	------------------

Governmental funds report capital outlay as expenditures. However, in the Statement of Activity the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

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

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

Decrease (Increase) in compensated absences	<u>1,551</u>
	<u>1,551</u>

Change in Net Position of governmental activities (page 8)	<u><u>\$ 14,787</u></u>
--	-------------------------

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

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

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

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded with a liability is incurred, regardless of the timing of related cash flow. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. As a rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2024

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

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

Governmental Funds

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

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

BUDGETS AND BUDGETARY ACCOUNTING

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

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

The details of the budget calendar are outlined below:

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

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2024

RISK OF LOSS

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

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CAPITAL ASSETS AND INFRASTRUCTURE

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

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

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

Equipment and furniture	3 to 5 years.
-------------------------	---------------

COMPENSATED ABSENCES

It is AGNC's policy to permit employees to accumulate unused annual vacation benefits. A liability is recorded for the unused accumulated annual leave (up to 80 hours with 5 years or less of service; 120 hours with service of 5 to 10 years; 160 hours for service of 11 to 14 years, and two hundred hours with service of 15 or more years. Part-time employees' vacation time is prorated based on their hours worked. On December 31, 2024, \$8,589 has been accrued.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

All receivables were considered collectible on December 31, 2024.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2024

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

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

NOTE 3 – CASH AND INVESTMENTS

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

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

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

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

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

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

Cash on hand	\$ 61
Cash deposits	<u>681,258</u>
Total Cash, Cash Equivalents, and Investments	<u>\$ 681,319</u>

Of the above amount \$19,110 is restricted for the Northwest Energy Grant.

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2024

NOTE 4 – CAPITAL ASSETS

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
Governmental activities:				
Capital assets being depreciated:				
Equipment and furniture	\$ 4,381	\$ -	\$ -	\$ 4,381
Total Depreciated Assets	4,381	-	-	4,381
Less accumulated depreciation	(4,381)	-	-	(4,381)
Governmental activities capital asset - net	\$ -	\$ -	\$ -	\$ -

Depreciation expense for the year ended December 31, 2024, was \$0.

NOTE 5 – LONG-TERM DEBT

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

	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024	Due within One Year
Compensated Absences	\$ 10,140	\$ -	\$ 1,551	\$ 8,589	\$ 8,589

NOTE 6 – GRANTS AND CONTRACTS

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

State of Colorado – Aging Program Advance

The Colorado Department of Health and Human Services, Aging and Adult Services Division, has made a permanent advance of Title III funds to the Area Agency on Aging program. The amount of funds held at the sub-recipient on December 31, 2024, is \$99,447.

NOTE 7 – CONTINGENCIES

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

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

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
NOTES OF THE FINANCIALS
December 31, 2024

NOTE 8 – FUND BALANCE

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

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

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

NOTE 9 – ACCOUNTS RECEIVABLE

At December 2024, AGNC had accounts receivable of \$745,965. Of this amount, \$698,830 is the October through December, 2024, AAOA contract amount, and \$47,135 represents the amount due from various programs.

NOTE 10 – SUBSEQUENT EVENTS

Management has reviewed subsequent events as of the date of the auditor’s report.

REQUIRED SUPPLEMENTARY INFORMATION

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
Statement of Revenues, Expenditures, and Change in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenue:			
Dues and fees	\$ 187,034	\$ 195,751	\$ 8,717
Federal grants AAoA	1,675,878	1,493,209	(182,669)
State grants AAoA	1,323,471	1,323,471	-
Enterprise Zone Admin.	93,973	118,172	24,199
Other Grant	224,000	371,775	147,775
ED Summit	6,500	4,324	(2,176)
Miscellaneous income	-	5,044	5,044
Interest income	8,000	13,255	5,255
Total Revenues	<u>3,518,856</u>	<u>3,525,001</u>	<u>6,145</u>
Expenditures:			
Administrative:			
Salaries	135,393	159,664	(24,271)
Payroll taxes and benefits	34,857	35,095	(238)
Marketing	16,500	25,866	(9,366)
Insurance	1,700	1,707	(7)
Office expense	22,730	43,342	(20,612)
Accounting and legal	6,200	7,220	(1,020)
Dues and fees	19,800	21,574	(1,774)
Conferences and travel	18,000	15,783	2,217
Professional services	40,000	40,000	-
Program Expenditures			
EDA-Partnership Planning	70,000	70,390	(390)
Mini-grants	50,000	60,759	(10,759)
Navigator Specialist	50,035	211,114	(161,079)
CEDS Implementation	40,000	10,000	30,000
Area Agency on Aging - State	1,675,878	1,485,781	190,097
Area Agency on Aging - Federal	1,323,471	1,323,471	-
Total Expenditures	<u>3,504,565</u>	<u>3,511,766</u>	<u>(7,201)</u>
Revenue and Other Financing Sources Over (Under) Expenditures	14,291	13,236	(1,056)
Fund Balance-Beginning of Year	-	587,680	587,680
Fund Balance-End of Year	<u>\$ 14,291</u>	<u>\$ 600,916</u>	<u>\$ 586,624</u>

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

OTHER REPORTS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Associated Governments of Northwest Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Associated Governments of Northwest Colorado, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Associated Governments of Northwest Colorado's basic financial statements, and have issued our report thereon dated July 11, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Associated Governments of Northwest Colorado'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 Associated Governments of Northwest Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Governments of Northwest Colorado's internal control.

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

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

Report on Compliance and Other Matters

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

To the Board of Directors
Associated Governments of Northwest Colorado
Page Two

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.

Blair and Associates, P.C.

Cedaredge, Colorado
July 11, 2025



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Board of Directors
Associated Governments of Northwest Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Associated Governments of Northwest Colorado'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 Associated Governments of Northwest Colorado's major federal programs for the year ended December 31, 2024. Associated Governments of Northwest Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Associated Governments of Northwest Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Associated Governments of Northwest Colorado 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 Associated Governments of Northwest Colorado'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 Associated Governments of Northwest Colorado'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 Associated Governments of Northwest Colorado'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Associated Governments of Northwest Colorado's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Associated Governments of Northwest Colorado'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 Associated Governments of Northwest Colorado'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 Associated Governments of Northwest Colorado'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.

Blair and Associates, P.C.

Cedaredge, Colorado
July 11, 2025

OTHER SCHEDULES

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assist Listing Number	Federal Expenditures
Major Programs:		
U.S. Department of Health and Human Services		
Passed through the Colorado Department of Human Services		
Aging Cluster		
<hr/>		
Special Programs for the Aging - Title III. Part B		
Grants for Supportive services and Senior Centers	* 93.044 x	\$ 482,222
Grants for Supportive services and Senior Centers-ARPA	* 93.044 x	120,987
		<hr/>
		603,209
Special Programs for the Aging - Title III. Part C		
Nutritional Services	* 93.045 x	518,988
Nutritional Services-ARPA	* 93.045 x	2,027
		<hr/>
		521,015
Nutritional Services Incentive Program	* 93.053 x	70,614
Aging Cluster Total		<hr/>
		1,194,838
Special Programs for the Aging - Title VII, Prevention of Elder Abuse, Neglect and Exploitation	93.041 x	2,102
Special Programs for the Aging - Title VII, Long-term Care Ombudsman Services for Older Individuals	93.042 x	20,151
		<hr/>
		20,151
Special Programs for the Aging - Title III. Part D Disease Prevention and Health Promotion Services	93.043 x	12,019
		<hr/>
		12,019
National Family Caregiver Support - Title III, Part E	93.052 x	114,713
National Family Caregiver Support - Title III, Part E-ARPA	93.052 x	368
		<hr/>
		115,081
HHS Medical Assistance Program	93.778 x	89,142
State Health Insurance Assistance Program	93.324 x	20,303
Money Follows the Person Rebalancing Demonstration	93.791 x	32,144
Total Other Programs		<hr/>
		290,942
Economic Adjustment Assistance- Partnership Planning	11.302	70,390
Total		<hr/>
		\$ 1,556,170

* Denotes Major Program

x Passed through to Mesa County Department of Human Services 100%

Note: The accompanying schedule of expenditures of federal awards includes the federal grant activity of Associated Governments of Northwest Colorado under programs of the federal government for the year ended December 31, 2024, and is presented on the accrual basis of accounting.

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

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

10% de minimums rule not used.

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
Schedule of Findings and Questioned Costs And
Prior Years Findings and Questioned Costs
For the Year Ended December 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: UNMODIFIED

Internal control over financial reporting:

Material weakness identified. NONE NOTED

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

Noncompliance material to financial
Statements noted? NONE NOTED

Federal Awards

Internal control over major programs:

Material weakness identified. NONE NOTED

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

Type of auditor’s report issued: UNMODIFIED

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

Identification of major program:

Aging Cluster (93.044; 93.045; 93.053) \$1,194,838

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

\$750,000

Auditee qualified as low risk auditee.

YES

ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO
Schedule of Findings and Questioned Costs And
Prior Years Findings and Questioned Costs
For the Year Ended December 31, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS
NONE NOTED

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
NONE NOTED

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
NONE NOTED