



North Front Range Transportation & Air Quality Planning Council

FINANCIAL STATEMENTS

December 31, 2017

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

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NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

Listing of Council Members

As of December 31,2017

Representative	Member Entity Represented
Kevin Ross – Chair	Town of Eaton
Tom Donnelly – Vice Chair	Larimer County
Jennifer Baker	Town of Berthoud
John Morris	City of Evans
Gerry Horak –Past Chair	City of Fort Collins
Rob Casseday	City of Greeley
Troy Mellon	Town of Johnstown
Paula Cochran	Town of LaSalle
Dave Clark	City of Loveland
Linda Measner	Town of Milliken
Don Brookshire	Town of Severance
Aaron Pearson	Town of Timnath
Sean Conway	Weld County
Kristie Melendez	Town of Windsor
Chris Colclasure	Air Quality Control Commission
Kathy Gilliland	Transportation Commission

Listing of Staff Members

As of December 31, 2017

Name	Position
Suzette Mallette	Interim Executive Director
Shane Armstrong	Vanpool Services Coordinator
Barbara Bills	Administrative Specialist
Ryan Dusil	Transportation Planner
David Himot	Planning Intern
Alex Gordon	Transportation Planner II/Mobility Coordinator
Crystal Hedberg	Finance Director
Rebekah Karasko	Regional Transportation Planning Director
Medora Kealey	Transportation Planner
Merideth Kimsey	Accounting Clerk II/ NTD Reporter
Sarah Martin	Transportation Planner
Rena Steffen	Administrative Director



Independent Auditor's Report

To the Planning Council
North Front Range Transportation & Air Quality Planning Council
Fort Collins, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the North Front Range Transportation & Air Quality Planning Council (the Council) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the North Front Range Transportation & Air Quality Planning Council as of December 31, 2017, 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.

Other Matters

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 4 through 10 and 30 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The listing of council members and staff members, and the proprietary fund budgetary comparison statement are presented for purposes of additional analysis and are not a required part of the financial statements.

The proprietary fund budgetary comparison statement 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the proprietary fund budgetary comparison statement is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The listing of council members and staff members has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2018 on our consideration of North Front Range Transportation & Air Quality Planning Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 North Front Range Transportation & Air Quality Planning Council's internal control over financial reporting or on compliance.



Fort Collins, CO
May 21, 2018

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

The North Front Range Transportation & Air Quality Planning Council (the Council or MPO) offers the readers of the Council's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2017. The management's discussion and analysis is intended to be read in conjunction with the Council's financial statements beginning on page 11.

Financial Highlights

Our primary sources of transportation planning and program operating revenues were as follows for calendar year 2017:

Consolidated Planning Grant (CPG) Federal Funding	\$ 697,848
Surface Transportation Program (STP Metro) Federal Funding	42,158
Section 5310 Federal Funding	27,000
State Planning & Research Grant-Federal Funding	133
Other Intergovernmental Income	39,879
Local Match - Member Entities	240,841

Business-type Activities

VanGo™ Operating Fares	\$ 599,166
Fort Collins Program Revenue	658,152
FASTER-State Funding	294,256

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Combined Government-Wide and Fund Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Council's finances using the accrual basis of accounting, the basis of accounting used by most private-sector businesses.

The statement of net position presents information on all of the Council's assets and liabilities, with the difference between the two reported as net position. Ordinarily, over time, increases and decreases in net position would provide an indication of whether the Council's financial position is improving or deteriorating. Since the Council primarily operates on a cost reimbursement basis, meaning revenues should equal expenditures at year end for all federal funding contract activities, any increases or decreases in net assets is primarily comprised of the total value in our capital assets and non-federal programs, as opposed to being reflective of whether the financial position of the Council is improving or deteriorating.

The statement of activities presents information reflecting how the Council's net position has changed during the fiscal year just ended. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

The government-wide financial statements can be found beginning on page 11 of this report

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Council is comprised of one governmental fund and one proprietary fund, the General fund and VanGo™, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Council uses an enterprise fund to account for the VanGo™ vanpooling program.

The fund financial statements can be found beginning on page 13 of this report.

Governmental Funds

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

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

The basic governmental fund financial statements can be found beginning on page 13 of this report.

Notes to the Financial Statements

The notes to the financial statements are considered an integral part of the basic financial statements and 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 beginning on page 20 of this report.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Government-Wide Financial Analysis

Assets exceed liabilities by \$4,523,431 at the close of the year. Of this figure, \$702,436 represents the net investment in capital assets. The Council uses these capital assets to provide services to the public; consequently, these assets are not available for future spending.

The following is a condensed comparative summary of the Council's net position at December 31:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and Other Assets	\$ 702,881	\$ 673,699	\$ 3,289,188	\$ 2,784,022	\$ 3,992,069	\$ 3,457,721
Capital Assets, Net	58,468	53,506	643,968	660,974	702,436	714,480
Total Assets	<u>761,349</u>	<u>727,205</u>	<u>3,933,156</u>	<u>3,444,996</u>	<u>4,694,505</u>	<u>4,172,201</u>
Current and Other Liabilities	80,854	35,443	55,598	49,891	136,452	85,334
Unearned Revenues	-	-	22,335	10,494	22,335	10,494
Long-term Liabilities	11,460	39,144	827	5,008	12,287	44,152
Total Liabilities	<u>92,314</u>	<u>74,587</u>	<u>78,760</u>	<u>65,393</u>	<u>171,074</u>	<u>139,980</u>
Net Position						
Net Investment in Capital Assets	58,468	53,506	643,968	660,974	702,436	714,480
Restricted for Grants	-	-	-	25,247	-	25,247
Unrestricted	610,567	599,112	3,210,428	2,693,382	3,820,995	3,292,494
Total Net Position	<u>\$ 669,035</u>	<u>\$ 652,618</u>	<u>\$ 3,854,396</u>	<u>\$ 3,379,603</u>	<u>\$ 4,523,431</u>	<u>\$ 4,032,221</u>

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Changes in Net Position

The following table reflects a condensed summary of activities and changes in net position.

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
VanGo™ Vanpool Fares	\$ -	\$ -	\$ 599,166	\$ 614,139	\$ 599,166	\$ 614,139
Total Charge for Services	-	-	599,166	614,139	599,166	614,139
Grant Revenue - Federal	767,139	712,022	-	-	767,139	712,022
Grant Revenue - Local Match	240,841	289,215	-	-	240,841	289,215
Program Revenues	39,879	31,968	658,152	710,617	698,031	742,585
Total Operating Grants and Contributions	1,047,859	1,033,205	658,152	710,617	1,706,011	1,743,822
Grant Revenue- Capital Contributions	-	-	294,256	108,656	294,256	108,656
Total Capital Grants and Contributions	-	-	294,256	108,656	294,256	108,656
Earnings on investments	4,993	1,958	20,866	10,920	25,859	12,878
Miscellaneous Revenues	191	2,160	86,822	30,458	87,013	32,618
Gain on Sale of Capital Assets	2,075	-	73,942	102,394	76,017	102,394
Total General Revenues	7,259	4,118	181,630	143,772	188,888	147,890
Total Revenues	1,055,118	1,037,323	1,733,204	1,577,184	2,788,322	2,614,507
Expenditures:						
Payroll Expense	740,352	698,724	137,549	177,887	877,901	876,611
Fleet Expense	2,962	3,041	581,138	456,422	584,100	459,463
Office Expense	127,682	107,923	95,143	89,473	222,825	197,396
Consultant & Professional	96,578	79,792	8,340	14,480	104,918	94,272
Other Program Expense	44,933	47,819	43,203	42,458	88,136	90,277
Travel/Conference/Training	26,148	14,769	4,275	7,361	30,423	22,130
Interest Expense	46	-	-	-	46	-
Depreciation	-	-	388,763	323,425	388,763	323,425
Total Expenditures	1,038,701	952,068	1,258,411	1,111,506	2,297,112	2,063,574
Change in Net Position	16,417	85,255	474,793	465,678	491,210	550,933
Net Position - Beginning of Year	652,618	567,363	3,379,603	2,913,925	4,032,221	3,481,288
Net Position - End of Year	\$ 669,035	\$ 652,618	\$ 3,854,396	\$ 3,379,603	\$ 4,523,431	\$ 4,032,221

The above condensed summary of the Councils governmental and business type activities for the period ended December 31, 2017 reflects net position increasing by \$491,210 (12.2%). The prior period is also included for comparative purposes.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Governmental activities. Governmental activities increased the Council's net position by \$16,417 accounting for 3.34% of the Council's \$491,210 overall increase in net position. Major variations are due to the following;

- Federal grant revenues increased by \$55,117 in 2017 which was mostly due to increased reimbursement for out of state training. Reimbursements increased for payroll since all staff positions were filled for the majority of 2017. All federal grants are reimbursement type grants requiring the expenditure to be incurred before payment from the grant is received. Local match revenue decreased by \$48,374 based on budgeted requirements. Local match funds received not required for matching grant revenue is used to fund the governmental operating reserve.
- Governmental activities expenditures had an increase of \$86,633 largely due to an increase in rent based on the terms of a new rental lease beginning in 2017 and an increase in consulting costs due to staff training.

Business-type activities. Business-type activities (VanGo™ van pools program) increased the Council's net position by \$474,793 accounting for 96.66% of the Council's \$491,210 increase in net position. Major variations are due to the following:

- Vanpool Fares decreased by \$14,973 due to a continued decrease in ridership. The program received \$294,256 of State grant funds for the purchase of thirteen vans.
- Business-type activities expenses totaled \$1,258,411 an increase of \$146,905 compared to 2016. The majority of this increase was due to reimbursing FTA for vans sold and increased depreciation due to the purchase of the new vans. FTA requires for any asset purchased with FTA funds and sold for more than \$5,000, the proceeds less a \$500 administrative fee is returned to FTA.

General Fund Budgetary Highlights

The Council's budget presented in the financial statements is for its calendar year (January-December). January-September is from the 2017 UPWP budget and October-December is from the 2018 UPWP budget. It should be noted that a federal fiscal year budget (October-September) is federally required for its Unified Planning Work Program (UPWP) and that the Council cannot expend more than is budgeted in the UPWP, without amendments to the UPWP and related funding contracts.

Budgetary highlights for 2017 included the disposition of thirteen vans. During 2017, the VanGo™ vanpool program added one new route and cancelled seven routes resulting in a decrease of six routes. The program maintained the occupancy rate at 90% for the remaining routes. When compared with the prior year, operating revenue decreased by 2.4% during 2017. This decrease is due to multiple factors including continued low fuel costs and increased alternatives such as Bustang and FLEX.

Capital Asset and Debt Administration

Capital Assets

The Council's investment in capital assets at December 31, 2017 amounts to \$702,436 (net of accumulated depreciation). This investment in capital assets includes motor vehicles, office equipment and leasehold improvements

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

The capital assets purchased during the year were as follows:

• Vans (13)	\$ 371,757
• Computer Server	14,226
• Permanent Bike/Ped Counters	10,360
	<u>\$ 396,343</u>

Capital assets are classified as follows (net of depreciation):

	Governmental Activities		Business-type Activities		Total Government	
	2017	2016	2017	2016	2017	2016
Motor Vehicles	\$ -	\$ -	\$ 630,358	\$ 638,291	\$ 630,358	\$ 638,291
Office Equipment & Software	29,111	15,762	13,610	22,683	42,721	38,445
Leasehold Improvement	29,357	37,744	-	-	29,357	37,744
	\$ 58,468	\$ 53,506	\$ 643,968	\$ 660,974	\$ 702,436	\$ 714,480

Additional information on the Council's capital assets can be found in Note 1 on pages 20-24 and Note 7 on page 28 of this report.

Long-term Liabilities

At December 31, 2017, the Council had \$55,612 of long term liabilities. The long-term liabilities of the Council represent accrued compensated absences as follows:

	Governmental Activities	Business-type Activities	Total Government
Accrued Compensated Absences	\$ 50,379	\$ 5,233	\$ 55,612

Economic Factors and Next Year's Tasks (Budget)

Over the past several years, funding levels for transportation in Colorado has been stagnant or decreased. Coupled with steady growth in population and employment along the Front Range, declining resources have led to a transportation funding crisis. The Planning Council continues to rely primarily on federal transportation-related grants and CDOT's FY2018 budget indicates federal funding is being reduced, both for projects and for planning. On December 4, 2015, President Obama signed the Fixing America's Surface Transportation (FAST) Act – a five-year transportation funding bill. The bill provides limited increases in funding; however, it also added new discretionary funding for freight and highway improvements.

Many regional communities are having difficulty sustaining roadway maintenance. Bridges and other transportation facilities are in a state of disrepair, and transit services are unable to meet current demand.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Traffic congestion and crashes continue to increase. Significant efforts must be made to address these problems.

The VanGo™ Program offers the region's residents a safe, clean, reliable, cost efficient means of commuting outside the region, while removing single occupancy vehicles from congested corridors improving the region's air quality.

Accomplishments expected during 2018 include:

- Ongoing implementation of 2017 Coordinated Public Transit/Human Services Transportation Plan
- Approve FY2019-2022 Transportation Improvement Program (TIP)
- Develop and approve FY2020-2023 TIP
- Approve FY 2022-2023 Call for Projects
- Complete update of the Regional Travel Demand Model
- Complete Freight Northern Colorado Plan
- Complete one Air Quality Ozone State Improvement Plan (SIP) for 70ppb.
- Maintain the VanGo™ vanpooling program
- Provide public outreach on air quality issues, particularly ozone, through partnerships with the Regional Air Quality Council and the Colorado Department of Public Health Air Pollution Control Division
- Perform data collection and analysis in support of planning functions
- Prepare Congestion Management Plan (CMP)
- Prepare 2045 Regional Transit Plan (RTE)
- Prepare and substantially complete the 2045 Regional Transportation Plan (RTP)
- Adoption and incorporation of National Performance Measures
- Monitoring and implementation of FAST Act

Requests for Information

This financial report is designed to provide federal and state oversight agencies, taxpayers, and creditors with a general overview of the Council's finances and to demonstrate the Council's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Crystal Hedberg, Finance Director, North Front Range Transportation & Air Quality Planning Council, 419 Canyon Avenue, Suite 300, Fort Collins, Colorado 80521, or by phone at (970) 416-2638, or by e-mail at chedberg@nfrmpo.org.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

STATEMENT OF NET POSITION

December 31, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents (Note 2)	\$ 84,433	\$ 209,296	\$ 293,729
Investments (Note 2)	464,910	2,313,997	2,778,907
Due from Other Governments	28,212	743,459	771,671
Grants Receivable	146,358	-	146,358
Prepaid Items	1,404	-	1,404
Internal Balances	(22,436)	22,436	-
Capital Assets, Net (Note 7)	58,468	643,968	702,436
	<u>761,349</u>	<u>3,933,156</u>	<u>4,694,505</u>
Total Assets			
<u>LIABILITIES AND NET POSITION</u>			
LIABILITIES			
Accounts Payable and Accrued Liabilities	41,935	51,192	93,126
Unearned Revenue	-	22,335	22,335
Accumulated Leave - due in one year or less	38,919	4,406	43,325
Long-term Liabilities:			
Accumulated Leave - due in more than one year (Note 8)	11,460	827	12,287
	<u>92,314</u>	<u>78,760</u>	<u>171,074</u>
Total Liabilities			
NET POSITION			
Net Investment in Capital Assets	58,468	643,968	702,436
Unrestricted	610,567	3,210,428	3,820,995
Total Net Position	<u>\$ 669,035</u>	<u>\$ 3,854,396</u>	<u>\$ 4,523,431</u>

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

Functions/Programs	Program Revenue				Net (Expenses) Revenue and Changes in Net Assets Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 1,038,701	\$ -	\$ 1,047,859	\$ -	\$ 9,158	\$ -	\$ 9,158
Total Governmental Activities	<u>1,038,701</u>	<u>-</u>	<u>1,047,859</u>	<u>-</u>	<u>9,158</u>	<u>-</u>	<u>9,158</u>
Business-type Activities:							
VanGo™	1,258,411	599,166	658,152	294,256	-	293,163	293,163
Total Business-type Activities	<u>1,258,411</u>	<u>599,166</u>	<u>658,152</u>	<u>294,256</u>	<u>-</u>	<u>293,163</u>	<u>293,163</u>
Total Primary Government	<u>\$ 2,297,112</u>	<u>\$ 599,166</u>	<u>\$ 1,706,011</u>	<u>\$ 294,256</u>	<u>9,158</u>	<u>293,163</u>	<u>302,321</u>
General Revenues							
Unrestricted Investment Earnings					4,993	20,866	25,859
Miscellaneous Revenues					191	86,822	87,013
Gain on Sale of Property					2,075	73,942	76,017
Total General Revenues					<u>7,259</u>	<u>181,630</u>	<u>188,889</u>
Change in Net Position					16,417	474,793	491,210
Net position -Beginning					652,618	3,379,603	4,032,221
Net position -Ending					<u>\$ 669,035</u>	<u>\$ 3,854,396</u>	<u>\$ 4,523,431</u>

The accompanying notes are an integral part of the financial statements

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

GOVERNMENTAL FUND BALANCE SHEET

December 31, 2017

	General Fund
	<hr/>
<u>ASSETS</u>	
Cash and Cash Equivalents (Note 2)	\$ 84,433
Investments (Note 2)	464,910
Due from Other Governments	28,212
Grants Receivable	146,358
Prepaid Items	1,404
Due From Other Funds	<hr/> 11,947
 Total Assets	 <hr/> <hr/> \$ 737,264
 <u>LIABILITIES AND NET POSITION</u>	
LIABILITIES	
Accounts Payable and Accrued Liabilities	\$ 41,935
Advances from Other Funds	<hr/> 34,383
 Total Liabilities	 <hr/> 76,318
 FUND BALANCE	
Nonspendable Prepaid Items	1,404
Unassigned	<hr/> 659,542
 Total Fund Balance	 <hr/> 660,946
 Total Liabilities and Fund Balance	 <hr/> <hr/> \$ 737,264

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION

December 31, 2017

Adjustments to reconcile the governmental fund balance sheet to the statement of net position are as follows:

Fund Balance per General Fund (see page 13)	\$ 660,946
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund balance sheet:	
Total Capital Assets, net	58,468
Some Liabilities are not due and payable in the current period and therefore are not reported in the governmental fund balance sheet:	
Accumulated Leave	<u>(50,379)</u>
Net Position (see page 11)	<u><u>\$ 669,035</u></u>

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

**STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE**

Year Ended December 31, 2017

	General Fund
REVENUE	
Operating Grants and Contributions	
Grant Revenue - Federal	\$ 767,139
Grant Revenue - Local Match	240,841
Other Intergovernmental Revenue	39,879
Earnings on Investments	4,993
Miscellaneous	191
	1,053,043
Total Revenues	1,053,043
 EXPENDITURES/EXPENSES	
General Government	
Payroll Expense	729,117
Office Expense	108,058
Consultant and Professional Services	96,578
Other Program Expense	44,933
Travel / Conference / Training	26,148
Capital Outlay - Purchased Assets	24,586
Fleet Expense	2,962
Interest Expense	46
Total Expenditures/ Expenses	1,032,428
Excess of revenues over expenditures	20,615
 OTHER FINANCING SOURCES	
Proceeds on Sale of Property	2,075
	22,690
 FUND BALANCE/ NET POSITION	
Beginning of the Year	638,256
End of the Year	\$ 660,946

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE TO THE
STATEMENT OF ACTIVITIES

Year Ended December 31, 2017

Adjustments to reconcile the statement of governmental fund revenues, expenditures and changes in fund balance to the statement of activities are as follows:

Changes in Fund Balance - General Fund (see page 15) \$ 22,690

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

Capital Outlay - Purchased Assets	24,586	
Depreciation	<u>(19,624)</u>	
Total		4,962

Some 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

Compensated Absences	(11,235)
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Change in Net Position (see page 12)	<u>\$ 16,417</u>
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NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

PROPRIETARY FUND STATEMENT OF NET POSITION

December 31, 2017

	<u>VanGo</u>
<u>ASSETS</u>	
Cash and Cash Equivalents (Note 2)	\$ 209,296
Investments (Note 2)	2,313,997
Receivables	743,459
Advances to Other Funds	<u>34,383</u>
Total Current Assets	3,301,134
Capital Assets, Net (Note 7)	<u>643,968</u>
Total Assets	<u>3,945,103</u>
 <u>LIABILITIES AND NET POSITION</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	51,192
Unearned Revenue	22,335
Due to Other Funds	11,947
Accumulated Leave - due in less than one year	<u>4,406</u>
Total Current Liabilities	89,880
Long-term Liabilities	
Accumulated Leave - due in more than one year (Note 8)	<u>827</u>
Total Liabilities	<u>90,707</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	643,968
Unrestricted	<u>3,210,428</u>
Total Net Position	<u>\$ 3,854,396</u>

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

STATEMENT OF PROPRIETARY FUND REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended December 31, 2017

	VanGo™
OPERATING REVENUES	
Charges for services	\$ 599,166
Other Program Revenues	658,152
Total Operating Revenues	1,257,318
OPERATING EXPENSES	
Payroll Expense	137,549
Fleet Expense	581,138
Office Expense	95,143
Consultant and Professional Services	8,340
Other Program Expense	43,203
Travel / Conference / Training	4,275
Depreciation	388,763
Total Operating Expenses	1,258,411
Operating Loss	(1,093)
NONOPERATING REVENUES	
Other Revenue	86,822
Earnings on Investments	20,866
Gain on Sale of Property	73,942
Total Nonoperating Revenues	181,629
Income Before Other Revenues	180,537
Capital Contributions (Grant)	294,256
Change in Net Position	474,793
Beginning of the Year	3,379,603
End of the Year	\$ 3,854,396

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2017

	<u>VanGo™</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received From Customers	\$ 1,224,394
Cash Paid to Suppliers and Vendors	(730,798)
Cash paid to Employees	(137,324)
Net Cash from Operating Activities	<u>356,271</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Other Nonoperating Revenues	86,822
Changes in Interfund Receivable/Payable	(24,281)
Net Cash Flows From Non Capital and Related Financing Activities	<u>62,541</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Contributions (Grant)	402,912
Proceeds from Disposition of Capital Assets	73,942
Purchase of Capital Assets	(371,756)
Net Cash Flows From Capital and Related Financing Activities	<u>105,098</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	20,866
Purchase of Investments	(797,644)
Net Cash Flows from Investing Activities	<u>(776,778)</u>
Net Change in Cash and Cash Equivalents	(252,869)
Cash and Cash Equivalents - Beginning of Year	462,165
Cash and Cash Equivalents - End of year	<u><u>\$ 209,296</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES;	
Operating Income	\$ (1,093)
Adjustment to Reconcile Operating Income to Net Cash Flows from Operating Activities;	
Depreciation	388,763
Changes in Assets and Liabilities	
Receivables	(44,766)
Accounts Payable and Accrued Liabilities	1,301
Unearned revenue	11,841
Accrued Compensated Absences	225
	<u><u>\$ 356,271</u></u>

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) applicable to governmental units, and standards adopted by the Governmental Accounting Standards Board (GASB). A summary of the North Front Range Transportation & Air Quality Planning Council's (Council) significant accounting policies consistently applied in the preparation of these financial statements follows:

A. Reporting Entity

The Council was established in 1988 for the purpose of promoting regional transportation and transportation-related air quality planning, cooperation and coordination among federal, state and local governments and between levels of government within the geographical area defined by the boundaries of the North Front Range Metropolitan Planning Organization (MPO). The Council is a voluntary association of local governments designated by the Governor as this region's MPO. The MPO's Council representatives are appointed by municipal and county legislative bodies which form the metropolitan area. Member entities include Fort Collins, Greeley, Loveland, Evans, Eaton, Severance, Windsor, Garden City, LaSalle, Berthoud, Johnstown, Milliken, Timnath, Larimer County, and Weld County. The Colorado Transportation Commission's and the Colorado Department of Public Health and Environment's Air Pollution Control Division representatives are also voting members of the Council.

The Council follows GASB accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. Based on this criteria, there are no other organizations that would be considered a component unit of the Council.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net position and the Statement of Activities) report information on all of the activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely primarily 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 associated with a specific function or segment. Program revenues include; 1) charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment, and other items not properly included among program revenues are reported instead as general revenues.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
Notes to the Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Under the modified accrual basis of accounting, as used in governmental fund financial statements, revenues are recognized when they are both measurable and available. Grants and similar items are recognized when they are both measurable and available. Revenues are considered to be "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Revenues are considered to be "available" when they are collectible within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal year. For this purpose, the Council considers revenues to be available if they are collectible within 60 days of the current fiscal year, except intergovernmental revenue which is considered "available" when an agreement is executed. Expenditures are recognized 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.

Under the modified accrual basis of accounting, as used in governmental fund financial statements, acquisition costs of capital assets are recorded as expenditures at the time of purchase and depreciation is not recognized on these capital assets. The Council applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted not position is available.

The Council presents the following major governmental fund:

The General Fund is the primary operating fund. It accounts for all general operating financial resources of the Council. There are no resources required to be accounted for in another fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Council reports the following major proprietary fund:

The VanGo™ Fund is used to account for the operations of the MPO's vanpooling program. This program provides vans for use in commuter services. Each van is required to maintain at least five riders. The participants are charged a monthly fee for the service.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
Notes to the Financial Statements

D. Budget and Budgetary Accounting

Appropriated budgets are established for all funds of the Council

The Council follows these procedures in establishing any budgetary data reflected in the financial statements:

1. During the months of February through March, a proposed budget, referred to as the Unified Planning Work Program, or "UPWP," for the fiscal year commencing the following October 1 is prepared with coordination from the Technical Advisory Committee, the Finance Committee, transit providers, and MPO staff, along with input from Colorado Department of Transportation's Division of Transportation Development and Region 4 representatives. The budget includes task scopes of work, proposed expenditures and the means of financing them.
2. Notice of the budget agenda item is published in three regional newspapers designating the meetings in which the budget will be discussed and then adopted.
3. Prior to October 1, the UPWP is adopted by formal resolution. The UPWP is generally adopted by Council action at its May meeting but no later than the June meeting.
4. Expenditures may not exceed the UPWP budgeted totals. Any revisions that alter the total budgeted expenditures of any tasks must be approved by the Council or by means of an administrative amendment, and be formally incorporated into an amended UPWP.

The Council's annual fiscal year budget is based on two fiscal year budgets. January-September is based on the 2017 UPWP budget and October-December is based on the 2018 UPWP budget.

E. Cash and Cash Equivalents

The Council considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

F. Investments

The Council has investments in a local government investment pool, which are valued at net asset value.

G. Receivables

Grants receivable are expressed net of any allowances for doubtful accounts. Unbilled expenditure reimbursement revenues are accrued as of year-end and included with grants receivable. All receivables are expected to be collected within 60 days except intergovernmental funds which are subject to an executed agreement.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items. The prepaid balances, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
Notes to the Financial Statements

I. Capital Assets

Capital assets are reported at historical cost, net of accumulated depreciation, in the Governmental Funds Balance Sheet / Statement of Net Position. Capital assets are defined by the Council as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of at least three years.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method, mid-year convention, with estimated useful lives as follows:

Office Furniture & Equipment.....	3-5 years
Leasehold Improvements	5 years
Motor Vehicles.....	3-5 years

J. Interfund Receivables/Payables and Advances

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds: (i.e. the not-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

K. Accumulated Leave

The Council allows employees to accumulate unused vacation pay and to defer overtime pay by accumulating compensatory leave up to maximum limits. A percentage, based on years of service, of accumulated sick pay is allowed to be paid into a retirement health savings plan at a discounted rate. The liability associated with these benefits is reported in the Statement of Net Position.

L. Revenue Recognition

Generally, most of the expenditure activity incurred by the Council is on a cost reimbursement basis through federal grant and local match funding streams. Reimbursement invoices are submitted to Colorado Department of Transportation on a monthly basis for the prior month’s net expenditures and recorded as revenue on the date invoiced. Local member entities are billed on an annual basis and the amounts are recorded as a liability when paid. Each month the required match amount is recorded as revenue with a reduction to the liability.

Operating revenues for the VanGO™ program are billed monthly to the participants.

M. 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, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
Notes to the Financial Statements

N. Fund Balance and Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. There were no restrictions imposed on net position.

Unrestricted Net Position - This category represents the net position of the MPO, which is not restricted for any project or other purpose. A deficit will require future funding.

The Council applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the MPO is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Council. The Council is the highest level of decision making authority for the MPO. Commitments may be established, modified, or rescinded only through resolutions approved by the Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes.

Unassigned - all other spendable amounts.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
Notes to the Financial Statements

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

The Council's bank accounts at year-end were entirely covered by federal depository insurance or by collateral held by the Council's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust. For the General Fund, the bank balances with the financial institutions were \$89,676 of which all was covered by federal depository insurance. The bank balances for the VanGo™ fund were \$211,936 of which all was covered by federal depository insurance.

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

At December 31, 2017 the balance in the Colorado Local Government Liquid Asset Trust ("COLOTRUST"), a Colorado local government investment pool trust was \$2,778,907. The investment pools are routinely monitored by the Colorado division of Securities with regard to operations and investments. As of December 31, 2017, COLOTRUST was rated "AAAm" by Standard & Poor's, a nationally recognized statistical rating organization. The "AAAm" rating signifies excellent safety of invested principal value and limited exposure to loss.

A money market account with Public Service Credit Union Trust was closed during 2017 and the proceeds were invested in the Colorado Local Government Liquid Asset Trust.

As of December 31, 2017, the Council had cash and cash equivalents and investment balances as follows:

	Governmental Activities	Business-type Activities	Total
Cash on hand	\$ 75	\$ -	\$ 75
Bank deposits	84,358	209,296	293,654
Local government investment pool	464,910	2,313,997	2,778,907
Total	\$ 549,343	\$ 2,523,293	\$ 3,072,636

NOTE 3: TABOR AMENDMENT

In November 1992, Colorado voters passed Section 20, Article X of the Colorado Constitution, 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 all local governments. Management has obtained a written legal opinion that states the organization is not a local government subject to TABOR.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
Notes to the Financial Statements

NOTE 4: RISK MANAGEMENT

Property, Liability, and Workers Compensation

The Council is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool operating as a common risk management and insurance program for member entities. As a member, an annual contribution is paid to CIRSA for property, casualty, and Workers' Compensation insurance coverage. The intergovernmental agreements for the formation of CIRSA provides that the pool will be self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insurance retention, which is determined each policy year.

Coverage under this membership includes Property, Liability, Crime, Public Officials Errors and Omissions Liability, and Workers' Compensation. Settled claims resulting from these risks have not exceeded insurance coverage since inception.

Employee Health and Illness

Under an Intergovernmental Services Agreement with the City of Fort Collins (City), the Council provides its permanent employees with comprehensive major medical benefits. The provided plan is a Preferred Provider Option (PPO City Plan). The City's Benefits Fund is utilized to finance and account for medical risks of loss. Stop-loss coverage of \$120,000 per occurrence is retained by the City as excess risk coverage. To date, there have been no claims on behalf of Council employees that have exceeded the stop-loss limit. The contributions were as follows:

	<u>Government Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Employer	\$ 59,012	\$ 67,807	\$ 18,120	\$ 15,469	\$ 77,132	\$ 83,276
Employee	18,748	21,493	4,511	4,142	23,259	25,635

NOTE 5: RETIREMENT PLANS

Money Purchase Plan

The Council offers all its permanent, classified employees a defined contribution money purchase plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate 30 days from the date of employment. The plan requires both employer and employees to contribute amounts ranging from 3% to 7.5% (depending on job classification) of base salary each pay period. Contributions made by the Council are not taxable to the employee until they are withdrawn. Employee contributions are made with pre-tax dollars, and the earnings on Council and employee contributions are not taxed until withdrawn. Employees are fully vested upon initial participation in the plan. Plan provisions and contribution requirements are established and may be amended by Council. The Plan is administered by ICMA Retirement Corporation.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
Notes to the Financial Statements

Council and employee contributions to the plan during 2017 and 2016 were:

	Government Activities		Business-type Activities		Total Government	
	2016	2017	2016	2017	2016	2017
Employer	\$ 38,556	\$ 42,607	\$ 10,291	\$ 7,400	\$ 48,847	\$ 50,007
Employee	19,442	20,636	4,413	3,241	23,855	23,877

Deferred Compensation Plan

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets under this plan are not considered property of the Council and are held by a second party administrator for the exclusive benefit of the plan participants and their beneficiaries. The Council has little administrative involvement and does not perform the investing function for this plan. Therefore, these assets are not included as part of the financial statements of the Council. The Council does not contribute to this plan.

NOTE 6: CONCENTRATION

Approximately 73% of the organization's total revenue of its general fund is from FHWA and FTA grants administered through Colorado Department of Transportation. Approximately 3% of the organization's total revenue is from the City of Fort Collins in accordance with a funding exchange for FTA Section 5310 funds.

Approximately 35% of the organization's total revenue of the VanGo™ fund is from charges for services. Approximately 35% of the organization's total revenue of the VanGo™ fund is from the City of Fort Collins in accordance with a funding exchange for FTA Section 5307 funds.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
Notes to the Financial Statements

NOTE 7: CAPITAL ASSETS

A summary of changes to capital assets for the year ended December 31, 2017 follows:

	<u>1/1/2017</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>12/31/2017</u> <u>Balance</u>
Governmental activities					
<u>Capital Assets Being Depreciated</u>					
Fleet Equipment	\$ 29,470	\$ -	\$ 19,200	\$ (10,270)	\$ -
Office Equipment	82,237	24,586	24,412	-	82,411
Leasehold Improvements	41,938	-	-	-	41,938
Government activities Capital Assets being Depreciated	<u>153,645</u>	<u>24,586</u>	<u>43,612</u>	<u>(10,270)</u>	<u>124,349</u>
<u>Accumulated Depreciation</u>					
Fleet Equipment	29,470	-	19,200	(10,270)	-
Office Equipment	66,475	11,236	24,412	-	53,299
Leasehold Improvements	4,194	8,388	-	-	12,582
Total Accumulated Depreciation	<u>100,139</u>	<u>19,624</u>	<u>43,612</u>	<u>(10,270)</u>	<u>65,881</u>
Governmental Activities Capital Assets, Net	<u>\$ 53,506</u>	<u>\$ 4,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,468</u>
Business-type activities					
<u>Capital Assets Being Depreciated</u>					
Fleet Equipment	\$ 1,961,823	\$ 371,756	\$ 304,100	\$ 10,270	\$2,039,749
Office Equipment	27,220	-	-	-	27,220
Business-type activities Capital Assets being Depreciated	<u>1,989,043</u>	<u>371,756</u>	<u>304,100</u>	<u>10,270</u>	<u>2,066,969</u>
<u>Accumulated Depreciation</u>					
Fleet Equipment	1,323,531	379,690	304,100	10,270	1,409,391
Office Equipment	4,537	9,073	-	-	13,610
Total Accumulated Depreciation	<u>1,328,068</u>	<u>388,763</u>	<u>304,100</u>	<u>10,270</u>	<u>1,423,001</u>
Business-type Activities Capital Assets, Net	<u>\$ 660,975</u>	<u>\$ (17,007)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 643,968</u>

Depreciation expenses for governmental activities has been allocated to general government for \$19,624.

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
Notes to the Financial Statements

NOTE 8: LONG-TERM LIABILITIES

A summary of changes in long term liabilities for the year ended December 31, 2017 follows:

	<u>1/1/2017</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2017</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Accumulated Leave	\$ 39,144	\$ 55,468	\$ 44,233	\$ 50,379	\$ 38,919
Total Long-Term Liabilities	<u>\$ 39,144</u>	<u>\$ 55,468</u>	<u>\$ 44,233</u>	<u>\$ 50,379</u>	<u>\$ 38,919</u>
Business-type Activities					
Accumulated Leave	\$ 5,008	\$ 12,154	\$ 11,929	\$ 5,233	\$ 4,406
Total Long-Term Liabilities	<u>\$ 5,008</u>	<u>\$ 12,154</u>	<u>\$ 11,929</u>	<u>\$ 5,233</u>	<u>\$ 4,406</u>

NOTE 9: OPERATING LEASES

The Council leases office facilities. This lease expires February 28, 2022.

Total costs for the office space was \$149,558 for the year ended December 31, 2017. The business-type activities had no operating leases as of December 31, 2017.

The future minimum lease payments for these leases are as follows:

<u>Year Ending December 31:</u>	<u>Office</u>
2018	\$ 156,834
2019	159,675
2020	162,601
2021	165,616
2022	27,687
	<u>\$ 672,413</u>

NOTE 10: SUBSEQUENT EVENTS

In January of 2018, the Executive Director's contract was terminated resulting in a severance payment per the terms of the contract. A determination, using the Uniform Guidance, was made by staff and confirmed by the Colorado Department of Transportation that this expenditure is an allowable expense under our grants with them as part of indirect costs.



NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

Required Supplementary Information

December 31, 2017

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

GOVERNMENTAL FUNDS BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES					
Grant Revenue - Federal	\$ 1,014,200	\$ 265,844	\$ 1,280,044	\$ 767,139	\$ (512,905)
Grant Revenue - Local Match	238,192	47,759	285,951	240,841	(45,110)
Other Intergovernmental Revenue	25,881	2,692	28,573	39,879	11,306
Earnings on Investments	-	-	-	4,993	4,993
Miscellaneous	-	-	-	191	191
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,278,273	316,295	1,594,568	1,053,043	(541,525)
EXPENDITURES					
Payroll Expense	959,500	108,472	1,067,972	729,117	338,855
Fleet Expense	3,500	250	3,750	2,962	788
Office Expense	32,590	44,888	77,478	108,058	(30,580)
Consultant and Professional Services	114,675	179,920	294,595	96,578	198,017
Other Program Expense	47,944	12,533	60,477	44,933	15,544
Travel/Conf/Training	35,064	(1,725)	33,339	26,148	7,191
Interest Expense	-	-	-	46	(46)
Capital Outlay - Purchases	85,000	(15,422)	69,578	24,586	44,992
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,278,273	328,916	1,607,189	1,032,428	574,761
Excess (Deficiency) of Revenue over Expenditures	-	(12,621)	(12,621)	20,615	(1,116,286)
OTHER FINANCING SOURCES					
Proceeds on Sale of Property	-	-	-	2,075	(2,075)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>\$ (12,621)</u>	<u>\$ (12,621)</u>	<u>\$ 22,690</u>	<u>\$ 35,311</u>
FUND BALANCE / NET POSITION, Beginning of the Year			<u>638,256</u>	<u>638,256</u>	<u>-</u>
FUND BALANCE / NET POSITION, End of the Year			<u>\$ 625,635</u>	<u>\$ 660,946</u>	<u>\$ 35,311</u>

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL
Notes to the Required Supplementary Information

NOTE 1: BUDGETARY INFORMATION

The budget for the general fund is adopted on the modified accrual basis where capital outlays are treated as expenditures and depreciation is not budgeted. The operating budget includes proposed expenditures and the means of financing them. The Council must approve changes in the general fund's budget. (See Note I for additional budgetary information).



NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

Supplementary Information

December 31, 2017

NORTH FRONT RANGE TRANSPORTATION & AIR QUALITY PLANNING COUNCIL

PROPRIETY FUND BUDGET COMPARISON STATEMENT
Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating Revenues					
Charges for Service	\$ 840,978	\$ (56,494)	\$ 784,484	\$ 599,166	\$ (185,318)
Other Program Revenues	418,759	(64,792)	353,967	658,152	304,185
Total Operating Revenues	<u>1,259,737</u>	<u>(121,286)</u>	<u>1,138,451</u>	<u>1,257,318</u>	<u>118,867</u>
OPERATING EXPENSES					
Payroll Expense	277,200	(30,675)	246,525	137,549	108,976
Fleet Expense	671,519	(48,880)	622,639	581,138	41,501
Office Expense	202,800	(30,190)	172,610	95,143	77,467
Consultant and Professional Services	51,000	(10,550)	40,450	8,340	32,110
Other Program Expense	66,380	(4,345)	62,035	43,203	18,832
Travel/Conference/Training	4,300	(12)	4,288	4,275	13
Capital Purchases	437,000	(109,250)	327,750	371,756	(44,006)
Total Operating Expenses	<u>1,710,199</u>	<u>(233,902)</u>	<u>1,476,297</u>	<u>1,241,404</u>	<u>234,893</u>
Operating Income	<u>(450,462)</u>	<u>112,616</u>	<u>(337,846)</u>	<u>15,914</u>	<u>(116,026)</u>
NONOPERATING REVENUES (EXPENSES)					
Other Revenue				86,822	(86,822)
Grant Revenue - State	240,000	(60,000)	180,000	294,256	(114,256)
Earnings on Investment	-	-	-	20,866	(20,866)
Gain on Sale of Capital Assets	85,000	-	85,000	73,942	(10,192)
Total Nonoperating Revenues (Expenses)	<u>325,000</u>	<u>(60,000)</u>	<u>245,000</u>	<u>475,886</u>	<u>(232,136)</u>
Change in Net Position - Budgetary Basis	(125,462)	52,616	(94,096)	491,800	(348,162)
Reconciliation to GAAP Basis					
Capital Outlay				371,756	
Depreciation	-	-	-	(388,763)	-
Change in Net Position - GAAP Basis				474,793	
Net Position - Beginning of the Year				3,379,603	3,379,603
Net Position - End of the Year				<u>\$ 3,854,396</u>	<u>\$ 3,031,441</u>



Federal Awards Reports in Accordance
with the Uniform Guidance
December 31, 2017

**North Front Range
Transportation & Air Quality
Planning Council**

North Front Range Transportation & Air Quality Planning Council

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December 31, 2017

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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 Planning Council
North Front Range Transportation & Air Quality Planning Council
Fort Collins, Colorado

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and each major fund of North Front Range Transportation & Air Quality Planning Council (the Council) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Council’s basic financial statements and have issued our report thereon dated May 21, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Council’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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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 determination of financial statement amounts. 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 result 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fort Collins, Colorado
May 21, 2018



Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Planning Council
North Front Range Transportation & Air Quality Planning Council
Fort Collins, Colorado

Report on Compliance for the Major Federal Program

We have audited the North Front Range Transportation & Air Quality Planning Council’s (the Council) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Council’s major federal program for the year ended December 31, 2017. The Council’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on the compliance for the Council’s major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Council’s compliance.

Opinion on the Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement 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 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 and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

The Council's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The Council's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, and each major fund of the North Front Range Transportation & Air Quality Planning Council as of and for the year ended December 31, 2017, and have issued our report thereon dated May 21, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fort Collins, Colorado
May 21, 2018

North Front Range Transportation & Air Quality Planning Council
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures
<u>U.S. Department of Transportation</u>			
Passed through Colorado Department of Transportation			
<i>Highway Planning and Construction Cluster:</i>			
Highway Planning and Construction	20.205	17-HTD-ZL-00081	\$ 525,585
Highway Planning and Construction	20.205	18-HTD-ZL-00053	172,264
Highway Planning and Construction	20.205	16-HTD-ZL-00164-M0002	34,916
Highway Planning and Construction	20.205	18-HTD-ZL-00054	7,241
Highway Planning and Construction	20.205	18-HTD-ZL-00139	133
Total Highway Planning and Construction Cluster			<u>740,139</u>
 <i>Transit Services Programs Cluster:</i>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	17-HTR-ZL-00140	27,000
Total Transit Services Programs Cluster			<u>27,000</u>
Total U.S. Department of Transportation			<u>767,139</u>
Total Federal Financial Assistance			<u>\$ 767,139</u>

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the North Front Range Transportation & Air Quality Planning Council (the Council) under programs of the federal government for the year ended December 31, 2017. The information 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). Because the schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Council.

Note B - Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note C - Significant Accounting Policies

The Council has not elected to use the 10% de minimis cost rate.

North Front Range Transportation & Air Quality Planning Council
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2017

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal controls over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
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 Uniform Guidance 2 CFR 200.516	No
Identification of major programs:	
<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Highway Planning and Construction (Federal-Aid Highway Program)	20.205
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	No

North Front Range Transportation & Air Quality Planning Council
Schedule of Findings and Questioned Costs
Year Ended December 31, 2017

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

2017-001 U.S. Department of Transportation Passed-through Colorado Department of Transportation 17-HTD-ZL-00081; 18-HTD-ZL-00053; 16-HTD-ZL-00164-M0002; 18-HTD-ZL-00054 CFDA #20.205 Highway Planning and Construction

**Allowable Activities and Allowable Costs
Significant Deficiency in Internal Controls over Compliance**

Criteria: The Uniform Guidance, Section 200.303 *Internal Controls*, requires the non-Federal entity to establish and maintain effective internal controls over Federal awards that provide reasonable assurance that awards are being managed in compliance with Federal statutes, regulations and the terms and conditions of the Federal award.

As described in the 2017 compliance supplement, Part 3 includes the requirements of 2 CFR part 200, subpart F. We consider factors such as the Council’s internal controls and the internal controls over compliance requirements and tests as prescribed in 2 CFR part 200, subpart F.

Condition: We reviewed 60 timesheets which included time charged to the Federal program. We noted in our testing that 3 out of the 60 timesheets had no indication of approval prior to being submitted to Colorado Department of Transportation for reimbursement.

Cause: Due to insufficient controls over the allowable activities and allowable costs approval process, the controls are not operating as designed to prevent, detect and correct errors in a timely manner.

Effect: Failure to properly review and approve wages charged to the grant may result in disallowed activities and/or costs.

Questioned Costs: None reported.

Context/Sampling: A non-statistical sample of 60 out of 237 timesheets charged to the Federal program.

Repeat Finding from Prior Years: No

Recommendation: We recommend that the Council review its process for reviewing and approving timesheets prior to submitting them for reimbursement. The Council needs to exercise judgment in determining the most appropriate and cost effective internal control in a given environment or circumstance to provide reasonable assurance for compliance with Federal program requirements. With that, we also recommend that cross-training within the department occur so that when key staff over the timesheet approval process are gone, others will be able to perform their responsibilities.

Views of Responsible Officials: Management agrees with the finding.



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Kathy Gilliland
Transportation Commission*

MPO Staff

*Suzette Mallette
Interim Executive Director
Becky Karasko
Regional Transportation Planning
Director
Rena Steffen
Administrative Director
Crystal Hedberg
Finance Director*

Corrective Action Plan

Finding 2017-001

Federal Agency Name: U.S. Department of Transportation
Program Name: Highway Planning and Construction
Grants: Consolidated Planning Grant and Surface Transportation Program-Metro Grant
CFDA #: 20.205

Finding Summary:

Eide Bailly LLP reviewed a non-statistical sample of 60 out of 237 timesheets charged to the Consolidated Planning Grant and the Surface Transportation Program-Metro Grant. It was noted that 3 out of the 60 timesheets sampled had no indication of approval prior to being submitted to Colorado Department of Transportation for reimbursement.

Responsible Individuals:

Crystal Hedberg, Finance Director

Corrective Action Plan:

A Financial Policy Statement will be written and approved by the Finance Committee indicating any supervisor who is unavailable to approve payroll will designate an appropriate staff member to complete the task before payroll is submitted. The Executive Director's timesheet will be emailed to both the Chair and Vice Chair of the Planning Council for approval. Only one approval via email is required.

Anticipated Completion Date: May 17, 2018