

**AGENDA**  
**FINANCE AND BUDGET COMMITTEE**  
**WEDNESDAY, November 17, 2021**  
**5:40 p.m. – 6:15 p.m.**  
**VIDEO/WEB CONFERENCE**  
**Denver, CO**

1. Call to Order

**CONSENT AGENDA**

2. Move to Adopt the Consent Agenda
  - i. Approve October 20, 2021 minutes  
(Attachment A)

**ACTION ITEMS**

3. Discussion of a resolution authorizing the DRCOG Executive Director to execute an amendment to the contract with Enterprise Rent-A-Car Company of Pittsburgh, extending the contract termination date to June 30, 2022, with no other changes to the existing contract.  
(Attachment B) Steve Erickson, Director, Communications and Marketing
4. Discussion of a resolution authorizing the Executive Director to negotiate and execute a contract with The Sanborn Map Company, Inc. (Sanborn) in an amount not to exceed \$730,000 and Nearmap in an amount not to exceed \$450,000 for 2022 and 2023 aerial imagery and related products and services and to collect payment from all participating parties for the products and services purchased.  
(Attachment C) Brad Calvert, Director, Regional Planning and Development
5. Discussion of a resolution authorizing the Executive Director to amend the existing Complete Streets Toolkit consultant contract in a total authorization amount not to exceed \$160,000 to conduct initial implementation activities associated with DRCOG's Regional Complete Streets Toolkit.  
(Attachment D) Ron Papsdorf, Director, Transportation Planning and Operations

**INFORMATION ITEMS**

6. Presentation of the DRCOG six-month 2021 Audit.  
(Attachment E) Jenny Dock, Director, Administration and Finance; and CliftonLarsonAllen

Persons in need of auxiliary aids or services, such as interpretation services or assisted listening devices, are asked to contact DRCOG at least 48 hours in advance of the meeting by calling (303) 480-6701.



**ADMINISTRATIVE ITEMS**

5. Report of the Chair
6. Report of the Executive Director
7. Other Matters by Members
8. **Next Meeting – December 15, 2021**
9. Adjourn



SUMMARY  
FINANCE AND BUDGET COMMITTEE  
Wednesday, October 20, 2021  
**Note: Meeting held virtually via Microsoft Teams**

Present:

Wynne Shaw, Chair	Lone Tree
Alison Coombs	Aurora
Claire Levy	Boulder County
Deborah Mulvey	Castle Pines
Nicholas Williams	Denver County
George Teal	Douglas County
Jim Dale	Golden
Tracy Kraft-Tharp	Jefferson County
Ashley Stolzmann	Louisville
Jessica Sandgren	Thornton

Others Present: Doug Rex, Executive Director; Steve Conklin, Edgewater; Tim Howard, Superior; and DRCOG staff.

Chair Shaw called the meeting to order at 5:46 p.m. with a quorum present.

Move to Adopt the Consent Agenda

Director Sandgren **moved** to adopt the consent agenda. The motion was **seconded** and **passed** unanimously.

Items on the consent agenda included:

- Minutes of the September 15, 2021 Meeting

Select representative to the Nominating Committee

Executive Director Rex presented this item to the committee. The Nominating Committee consists of member representatives from the Performance & Engagement Committee, the Finance & Budget Committee, the Board, a member selected by the Board Chair, the Immediate Past Chair of the Board, and a Board member representing the City and County of Denver. At the January meeting each year, the Nominating Committee shall present to the Board nominations for Executive Committee members to be elected at the February meeting.

Director Teal **moved** to select Jessica Sandgren of the Finance & Budget Committee to the Nominating Committee. The motion was **seconded** and **passed** unanimously.

Discussion of a resolution authorizing the Executive Director to accept federal funds in the amount of \$315,020 for the period of October 15, 2021 through September 30, 2022 to promote COVID-19 vaccinations for older adults and their caregivers.

## Finance and Budget Committee Meeting Summary

October 20, 2021

Page 2

Jayla Sanchez-Warren provided a brief overview of the fund distributions to the committee. The Administration for Community Living (ACL) is the federal oversight agency for Older Americans Act monies. The ACL has allocated funds to the states for the purpose of helping older adults and their caregivers obtain COVID-19 vaccinations. The grant was issued to Colorado's State Unit on Aging (SUA), which was directed to distribute the funds to the Area Agencies on Aging for purposes of disseminating credible information about COVID-19 vaccines, arranging or providing accessible transportation to COVID-19 vaccination sites, assisting with reminders for individuals' second vaccination appointment, and related support. DRCOG is allocated approximately \$315K in a cost reimbursement contract with the SUA. Activities planned may include targeted outreach to communities with lower vaccination rates, education surrounding booster shots, and funding transportation to vaccination sites. The funds are available for approximately one year starting October 15, 2021 through September 30, 2022.

Director Teal **moved** to adopt Resolution No. 20, 2021, authorizing the Executive Director to accept federal funds in the amount of \$315,020 for the period of October 15, 2021 through September 30, 2022 to promote COVID-19 vaccinations for older adults and their caregivers. The motion was **seconded** and **passed** unanimously.

### Report of Chair

Chair Shaw expressed her gratitude to Director Coombs for providing the Finance & Budget Report at the Board meeting

### Report of Executive Director

ED Rex wanted to inform members of the committee that auditors will be present at the next meeting to present their findings from the most recent six-month audit that was performed.

### Other Matters by Members

There were no other matters by members.

### Next Meeting

The next meeting is scheduled for November 17, 2021

The meeting adjourned at 5:59 p.m.

**ATTACH B**

To: Chair and Members of the Finance and Budget Committee

From: Douglas W. Rex, Executive Director  
303-480-6701 or [drex@drcog.org](mailto:drex@drcog.org)

Meeting Date	Agenda Category	Agenda Item #
November 17, 2021	Action	3

**SUBJECT**

This action authorizes the DRCOG Executive Director to execute an amendment to the contract with Enterprise Rent-A-Car Company of Pittsburgh, extending the contract termination date to June 30, 2022, with no other changes to the existing contract.

**PROPOSED ACTION/RECOMMENDATIONS**

DRCOG staff recommends authorizing the Executive Director to execute a contract amendment with Enterprise Rent-A-Car Company of Pittsburgh, extending the contract termination date to June 30, 2022, with no other changes to the existing contract.

**ACTION BY OTHERS**

N/A

**SUMMARY**

DRCOG's Way to Go program markets vanpooling as a commute option to help reduce traffic congestion and reduce vehicle miles of travel in the Denver region. In order to provide vanpool services to commuters, it is necessary for DRCOG to contract with a firm to lease vans to vanpool groups, provide administrative services, and serve as the direct reporter of vanpool data to the National Transit Database (NTD). DRCOG currently contracts with Enterprise Rent-A-Car Company of Pittsburgh to provide these services, but the contract terminates on December 31, 2021, with no authorization for renewal of the contract or extension of the termination date.

It is necessary for DRCOG to extend the existing vanpool services agreement with Enterprise Rent-A-Car of Pittsburgh until June 30, 2022, with no other changes in the existing agreement, to allow adequate time to issue an RFP and evaluate proposals from vanpool providers for vanpool services in 2022 and beyond, and to align the vanpool services agreement with DRCOG's fiscal year.

**PREVIOUS DISCUSSIONS/ACTIONS**

N/A

**PROPOSED MOTION**

Move to approve a resolution authorizing the DRCOG Executive Director to execute an amendment to the contract with Enterprise Rent-A-Car Company of Pittsburgh, extending the contract termination date to June 30, 2022, with no other changes to the existing contract.

**ATTACHMENT**

Draft resolution

#### ADDITIONAL INFORMATION

If you need additional information, please contact Douglas W. Rex, Executive Director, at 303-480-6701 or [drex@drcog.org](mailto:drex@drcog.org); or Steve Erickson, Communications and Marketing Director, at 303-480-6716 or [serickson@drcog.org](mailto:serickson@drcog.org).



DENVER REGIONAL COUNCIL OF GOVERNMENTS

STATE OF COLORADO

FINANCE AND BUDGET COMMITTEE                      RESOLUTION NO. \_\_\_\_\_, 2021

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT TO THE CONTRACT WITH ENTERPRISE RENT-A-CAR COMPANY OF PITTSBURGH, EXTENDING THE CONTRACT TERMINATION DATE TO JUNE 30, 2022, WITH NO OTHER CHANGES TO THE EXISTING CONTRACT.

WHEREAS, DRCOG's Way to Go program markets vanpooling as a commute option to help reduce traffic congestion and reduce vehicle miles of travel in the Denver region; and

WHEREAS, it is necessary for DRCOG to contract with a firm to lease vans to vanpool groups, provide administrative services, and serve as the direct reporter of vanpool data to the National Transit Database (NTD); and

WHEREAS, Enterprise Rent-A-Car Company of Pittsburgh currently holds a contract with DRCOG to provide vanpool services, which will terminate on December 31, 2021.

WHEREAS, it is necessary for DRCOG to extend the existing vanpool services agreement with Enterprise Rent-A-Car of Pittsburgh until June 30, 2022, with no other changes in the existing agreement, to allow time to issue an RFP and evaluate proposals for vanpool services in 2022 and beyond, and to align the vanpool services agreement with DRCOG's fiscal year

NOW, THEREFORE, BE IT RESOLVED that the Finance and Budget Committee of the Denver Regional Council of Governments authorizes the DRCOG Executive Director to execute an amendment to the contract with Enterprise Rent-A-Car Company of Pittsburgh, extending the contract termination date to June 30, 2022, with no other changes to the existing contract.

RESOLVED, PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2021 at Denver, Colorado.

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Wynne Shaw, Chair  
Finance and Budget Committee  
Denver Regional Council of Governments

ATTEST:

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Douglas W. Rex, Executive Director

**ATTACH C**

To: Chair and Members of the Finance and Budget Committee

From: Doug Rex, Executive Director  
303-480-6747 or [drex@drcog.org](mailto:drex@drcog.org)

Meeting Date	Agenda Category	Agenda Item #
November 17, 2021	Action	4

#### SUBJECT

This action is related to upcoming data acquisition projects for aerial imagery and related products and services. We are requesting that the Committee allow DRCOG to enter into contracts to procure products and services on behalf of member governments and local partners in support of local and regional decision-making.

#### PROPOSED ACTION/RECOMMENDATIONS

DRCOG staff recommends executing contracts with The Sanborn Map Company, Inc. (Sanborn) and Nearmap for aerial imagery and related products and services.

#### ACTION BY OTHERS

N/A

#### SUMMARY

DRCOG has been facilitating regional data acquisition projects on behalf of member governments and regional partners since 2002. These parties requested that DRCOG coordinate the acquisition of imagery and related products during the 2022/23 project cycle. To accommodate this effort, DRCOG has pursued the following actions.

- hosted a pre-bid workshop in January 2021 to communicate partner needs to potential vendors
- facilitated the evaluation of six vendor bids by 12 volunteer partners in March 2021 – which resulted in the selection of Sanborn and Nearmap as preferred vendors,
- provided customized cost quotes to potential partners in April 2021 to coincide with the beginning of their annual budget processes
- began collecting partner contributions in October 2021

Sanborn has served as DRCOG's aerial imagery acquisition vendor since 2016. Sanborn provides a custom imagery product that is acquired and processed to our specifications once every project cycle. DRCOG staff recommends negotiating and executing a new contract with Sanborn for an amount not to exceed \$730,000.

In addition to imagery captured every two years, a subset of DRCOG's partners also require data captured and delivered more frequently. Nearmap provides imagery and related products and services twice a year as an off-the-shelf, supplemental solution. As part of the 22/23 imagery cycle, DRCOG staff further recommends negotiating and executing a contract with Nearmap for an amount not to exceed \$450,000.

The procurement of imagery and related products and services will be funded by project partners, including member governments and regional, public entities like water utilities and RTD.

PREVIOUS DISCUSSIONS/ACTIONS

N/A

PROPOSED MOTION

Move to adopt a resolution authorizing the Executive Director to negotiate and execute a contract with The Sanborn Map Company, Inc. (Sanborn) in an amount not to exceed \$730,000 and Nearmap in an amount not to exceed \$450,000 for 2022 and 2023 aerial imagery and related products and services and to collect payment from all participating parties for the products and services purchased.

ATTACHMENT

Draft resolution

ADDITIONAL INFORMATION

If you need additional information, please contact Douglas W. Rex, Executive Director, at (303) 480-6747 or [drex@drcog.org](mailto:drex@drcog.org); or Ashley Summers, Information Systems Manager, at 303-480-6746 or [asummers@drcog.org](mailto:asummers@drcog.org).

DENVER REGIONAL COUNCIL OF GOVERNMENTS

STATE OF COLORADO

FINANCE AND BUDGET COMMITTEE                      RESOLUTION NO. \_\_\_\_\_, 2021

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE A CONTRACT WITH THE SANBORN MAP COMPANY, INC. (SANBORN) IN AN AMOUNT NOT TO EXCEED \$730,000 AND NEARMAP IN AN AMOUNT NOT TO EXCEED \$450,000 FOR 2022 AND 2023 AERIAL IMAGERY AND RELATED PRODUCTS AND SERVICES AND TO COLLECT PAYMENT FROM ALL PARTICIPATING PARTIES FOR THE PRODUCTS AND SERVICES PURCHASED.

WHEREAS, the Denver Regional Council of Governments, participating members and regional partners desire to acquire imagery and related products and services for the Denver region; and

WHEREAS, this consortium of interested parties has successfully completed similar joint procurements since 2002; and

WHEREAS, this consortium of interested parties wishes DRCOG to again serve as contracting agent in the procurement of imagery and related products and services in 2022 and 2023; and

WHEREAS, Sanborn and Nearmap have been selected as the vendors for the project.

NOW, THEREFORE, BE IT RESOLVED that the Finance and Budget Committee of the Denver Regional Council of Governments hereby authorizes the Executive Director to negotiate and execute a contract with The Sanborn Map Company, Inc. (Sanborn) in an amount not to exceed \$730,000 and Nearmap in an amount not to exceed \$450,000 for 2022 and 2023 aerial imagery and related products and services and to collect payment from all participating parties for the products and services purchased.

RESOLVED, PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2021 at Denver, Colorado.

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Wynne Shaw, Chair  
Finance and Budget Committee  
Denver Regional Council of Governments

ATTEST:

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Douglas W. Rex, Executive Director

**ATTACH D**

To: Chair and Members of the Finance and Budget Committee

From: Ron Papsdorf, Director, Transportation Planning and Operations  
303 480-6747 or [rpapsdorf@drcog.org](mailto:rpapsdorf@drcog.org)

Meeting Date	Agenda Category	Agenda Item #
November 17, 2021	Action	5

#### SUBJECT

This action concerns DRCOG amending a contract for initial implementation of the Regional Complete Streets Toolkit.

#### PROPOSED ACTION/RECOMMENDATIONS

Staff recommends authorizing the Executive Director to negotiate and execute a contract amendment with DRCOG's Complete Streets Toolkit consultant.

#### ACTION BY OTHERS

N/A

#### SUMMARY

At its October 20, 2021 meeting, the DRCOG Board unanimously approved the [Regional Complete Streets Toolkit](#). With subsequent Congressional passage of the federal [Infrastructure Investment and Jobs Act](#) (IIJA) on November 5<sup>th</sup>, DRCOG staff sees a strategic opportunity to respond to provisions of the IIJA to start implementing the Complete Streets Toolkit.

Section 11206 of the IIJA specifies that DRCOG in its Metropolitan Planning Organization (MPO) role must spend 2.5% of its MPO planning funds on complete streets activities, including:

- Adoption of complete streets standards or policies (which DRCOG has already accomplished with Board approval of the Complete Streets Toolkit).
- "Development of a Complete Streets prioritization plan that identifies a specific list of Complete Streets projects to improve the safety, mobility, or accessibility of a street."

Given this direction from the IIJA, DRCOG staff proposes to use remaining funds from its existing Complete Streets Toolkit contract with Toole Design Group and to slightly increase the total contract amount to accomplish the proposed additional scope of work shown in Attachment 1. This scope of work involves using the Complete Streets Toolkit, the 2050 Regional Transportation Plan, and DRCOG's recent specialized plans (such as *Taking Action on Regional Vision Zero*) to conduct a prioritization analysis to identify segments or locations worthy of investment to "improve the safety, mobility, or accessibility of a street" as the IIJA directs.

To accomplish this work, DRCOG staff proposes to increase the existing contract amount by \$10,000, from \$150,000 to \$160,000. The proposed scope of work would use approximately \$10,000 remaining in the current contract, plus the additional \$10,000, for a total cost of about \$20,000 as shown in the budget for Attachment 1.

Accordingly, DRCOG staff is asking the Finance and Budget Committee to authorize the Executive Director to amend the existing Complete Streets Toolkit consultant contract to increase the contract amount from \$150,000 to \$160,000. Funds have been allocated to

this task in DRCOG's current FY 2022-FY 2023 Unified Planning Work Program and budget.

PREVIOUS DISCUSSIONS/ACTIONS

N/A

PROPOSED MOTION

Move to approve a resolution authorizing the Executive Director to amend the existing Complete Streets Toolkit consultant contract in a total authorization amount not to exceed \$160,000 to conduct initial implementation activities associated with DRCOG's Regional Complete Streets Toolkit.

ATTACHMENT

1. Proposed additional Scope of Work and budget
2. Draft resolution

ADDITIONAL INFORMATION

If you need additional information, please contact Ron Papsdorf, Director, Transportation Planning and Operations, at 303 480-6747 or [rpapsdorf@drcog.org](mailto:rpapsdorf@drcog.org)



## Understanding

Toole Design has completed the original Scope of Services for the DRCOG Regional Complete Streets Toolkit under DRCOG project number 503020, contract number EX20031, and Toole Design project number B0081. This contract amendment includes additional scope, budget, and an extension of the contract term.

The recently passed Infrastructure Investment and Jobs Act requires:

- (1) adoption of Complete Streets standards or policies
- (2) development of a Complete Streets prioritization plan that identifies a specific list of Complete Streets projects to improve the safety, mobility, or accessibility of a street

Based on DRCOG's planning initiatives (including those listed below), this prioritization analysis will seek to identify segments or locations worthy of investment that address multiple planning priorities to "improve the safety, mobility, or accessibility of a street" as the Infrastructure Investment and Jobs Act directs.

- 2050 Metro Vision Regional Transportation Plan (6 policy priorities, BRT network, Environmental Justice TAZs, and fiscally constrained project and program investment priorities)
- Regional Complete Streets Toolkit (street typology)
- Taking Action on Regional Vision Zero (HIN)
- Active Transportation Plan (regional active transportation corridors, pedestrian focus areas, short trip opportunity zones)
- Multimodal Freight Plan (Regional Highway Freight Vision Network (Tiers 1-3))
- Congestion Management Process (key congested locations)

## Additional Scope of Services

- **Task 6 – Additional Project Management**
  - Task 6.1: Kickoff meeting to confirm scope, schedule, and key deliverables.
  - Task 6.2: Biweekly check-in meetings to facilitate project coordination and confirm next steps.
  - Task 6.3: Monthly progress reports to accompany invoices.

Toole Design Deliverables:

- Kickoff meeting agenda and notes
- Biweekly check-in meetings and notes
- Monthly invoices and progress reports

DRCOG Deliverables:

- Participation in kickoff meeting
- Attendance at biweekly check-in meetings
- Review of monthly invoices and progress reports

Estimated start November 2021; estimated end April 2022 (6 months)

- **Task 7 – Complete Streets Prioritization Analysis**

- Task 7.1: GIS data gathering, review, and consolidation to create a single GIS layer for prioritization.
- Task 7.2: Analysis and results mapping to graphically illustrate Complete Streets priorities.

Toole Design Deliverables:

- Single GIS layer for Complete Streets prioritization
- Prioritization analysis and results mapping

DRCOG Deliverables:

- Data for each plan, priority, and network to be included in analysis
- Review of single GIS layer for Complete Streets prioritization
- Review of prioritization analysis and results mapping

Estimated start December 2021; estimated end April 2022 (5 months)

## Project Budget

<b>Task 6 - Additional Project Management</b>	<b>Hours</b>	<b>Fee</b>
6.1 Kickoff Meeting	10	\$1,611.48
6.2 Check-In Meetings	10	\$1,738.38
6.3 Invoices and Progress Reports	8	\$1,540.31
<b>Task 6 Subtotal</b>	<b>28</b>	<b>\$4,890.17</b>
<b>Task 7 - Complete Streets Prioritization Analysis</b>		
7.1 Data Management	52	\$7,283.24
7.2 Cartography	54	\$7,752.04
<b>Task 7 Subtotal</b>	<b>106</b>	<b>\$15,035.28</b>
<b>Project Total</b>		<b>\$19,925.45</b>

DENVER REGIONAL COUNCIL OF GOVERNMENTS

STATE OF COLORADO

FINANCE AND BUDGET COMMITTEE

RESOLUTION NO. \_\_\_\_\_, 2021

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND THE EXISTING COMPLETE STREETS TOOLKIT CONSULTANT CONTRACT IN A TOTAL AUTHORIZATION AMOUNT NOT TO EXCEED \$160,000 TO CONDUCT INITIAL IMPLEMENTATION ACTIVITIES ASSOCIATED WITH DRCOG'S REGIONAL COMPLETE STREETS TOOLKIT.

WHEREAS, DRCOG, as the Metropolitan Planning Organization, is responsible for carrying out and maintaining the continuing comprehensive transportation planning process in the Denver Transportation Management Area; and

WHEREAS, the DRCOG Board approved the Regional Complete Streets Toolkit at its October 20, 2021 meeting; and

WHEREAS, the federal Infrastructure Investment and Jobs Act directs Metropolitan Planning Organizations to spend 2.5 percent of their planning funds on complete streets activities, such as adopting complete streets standards and identifying and prioritizing complete streets projects; and

WHEREAS, DRCOG has remaining funds in its current Regional Complete Streets Toolkit consultant contract (which is authorized to a contract amount of \$150,000) and budget within its Fiscal Years 2022-2023 Unified Planning Work Program;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is authorized to amend the existing Complete Streets Toolkit consultant contract in a total authorization amount not to exceed \$160,000 to conduct initial implementation activities associated with DRCOG's Regional Complete Streets Toolkit.

RESOLVED, PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2021 at Denver, Colorado.

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Wynne Shaw, Chair  
Finance and Budget Committee  
Denver Regional Council of Governments

ATTEST:

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Doug W. Rex, Executive Director

**ATTACHE**

To: Chair and Members of the Finance and Budget Committee

From: Douglas W. Rex, Executive Director  
303-480-6701 or [drex@drcog.org](mailto:drex@drcog.org)

<b>Meeting Date</b>	<b>Agenda Category</b>	<b>Agenda Item #</b>
November 17, 2021	Informational	

**SUBJECT**

Presentation of the DRCOG six-month 2021 Audit.

**PROPOSED ACTION/RECOMMENDATIONS**

No action is required. This item is for informational purposes.

**ACTION BY OTHERS**

N/A

**SUMMARY**

In February 2020, the Board of Directors approved DRCOG transitioning from a calendar fiscal year to the state fiscal year (July through June). In order for the new fiscal year to commence on July 1, 2021, a six-month audit of January 1, 2021 through June 30, 2021 was required. A presentation of the six-month 2021 audit will be made by CliftonLarsonAllen, certified public accountants.

Each year, in accordance with the DRCOG Articles of Association, DRCOG shall obtain an annual audit of its financial transactions and expenditures.

No findings were reported in this audit for federal awards.

**PREVIOUS DISCUSSIONS/ACTIONS**

N/A

**PROPOSED MOTION**

N/A

**ATTACHMENT**

Six Month 2021 DRCOG Financial Statement

**ADDITIONAL INFORMATION**

If you need additional information, please contact Douglas W. Rex, Executive Director, at 303-480-6701 at [drex@drcog.org](mailto:drex@drcog.org) or Jenny Dock, Director of Administration and Finance at 303-480-6707 or at [jdock@drcog.org](mailto:jdock@drcog.org).

**DENVER REGIONAL COUNCIL OF GOVERNMENTS**  
**FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

# DENVER REGIONAL COUNCIL OF GOVERNMENTS

## Board of Officers

Ashley Stolzmann, Chair, City of Louisville  
Kevin Flynn, Vice Chair, City of Denver  
Steven Conklin, Secretary, City of Edgewater  
Wynne Shaw, Treasurer, City of Lone Tree  
John Diak, Immediate Past Chair, Town of Parker  
Douglas W. Rex, Executive Director

## Board of Directors

<u>Jurisdiction</u>	<u>Member</u>	<u>Jurisdiction</u>	<u>Member</u>
Adams County	Steve O'Dorisio	Foxfield	Josie Cockrell
Arapahoe County	Jeff Baker	Frederick	Vacant
Arvada	Bob Fifer	Georgetown	Lynette Kelsey
Aurora	Alison Coombs	Gilpin County	Web Sill
Bennett	Larry Vittum	Glendale	Rachel Binkley
Black Hawk	David Spellman	Golden	James Dale
Boulder	Aaron Brockett	Greenwood Village	George Lantz
Boulder County	Claire Levy	Idaho Springs	Michael Hillman
Bow Mar	Margo Ramsden	Jefferson County	Tracy Kraft-Tharp
Brighton	Adam Cushing	Lafayette	Stephanie Walton
Broomfield	William Lindstedt	Lakewood	Jacob LaBure
Castle Pines	Deborah Mulvey	Larkspur	Vacant
Castle Rock	Jason Gray	Littleton	Jerry Valdes
Centennial	Tammy Maurer	Lochbuie	James Kuemmerle
Central City	Kara Tinucci	Lone Tree	Wynne Shaw
Cherry Hills Village	Randy Weil	Longmont	Joan Peck
Clear Creek County	Randy Wheelock	Louisville	Ashley Stolzmann
Columbine Valley	Roy Palmer	Lyons	Nicholas Angelo
Commerce City	Nicole Frank	Mead	Colleen Whitlow
Dacono	Kathryn Wittman	Morrison	Paul Sutton
Deer Trail	Vacant	Nederland	Kristopher Larsen
Denver	Kevin Flynn	Northglenn	Julie Duran Mullica
	Nicholas Williams	Parker	John Diak
Douglas County	George Teal	Sheridan	Sally Daigle
Edgewater	Steven Conklin	Silver Plume	Vacant
Empire	Vacant	Superior	Neal Shah
Englewood	Linda Olson	Thornton	Jessica Sandgren
Erie	Bill Gippe	Westminster	Anita Seitz
Federal Heights	Linda Montoya	Wheat Ridge	Bud Starker
Firestone	Don Conyac		

## Governor's Non-Voting Appointees

Rebecca White, Colorado Dept. of Transportation

## Regional Transportation District Non-Voting Appointee

Bill Van Meter, Regional Transportation District

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
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FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

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## INDEPENDENT AUDITORS' REPORT

Finance and Budget Committee of the Board of Directors  
Denver Regional Council of Governments  
Denver, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Denver Regional Council of Governments, as of and for the six-month period ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the entity'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.

### ***Auditors' 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 *Governmental 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 auditors' 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 and the major fund of Denver Regional Council of Governments as of June 30, 2021, and the respective changes in financial position and the budgetary comparison of the General Fund for the six-month period then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Management omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Denver Regional Council of Governments’ basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021 on our consideration of Denver Regional Council of Governments’ 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.

Finance and Budget Committee of the Board of Directors  
Denver Regional Council of Governments

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 Denver Regional Council of Governments' internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
September 30, 2021

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

**ASSETS**

Current Assets:	
Cash & Investments	\$ 10,222,992
Contracts Receivable	
Federal Grants	5,532,119
State Grants	2,322,947
Local Grants	208,968
Accounts Receivable	39,850
Prepaid Expense	220,786
Total Current Assets	18,547,662
Noncurrent Assets:	
Depreciable Assets	524,063
Accumulated Depreciation	(495,572)
Total Noncurrent Assets	28,491
Total Assets	\$ 18,576,153

**LIABILITIES AND NET POSITION**

**LIABILITIES**

Current Liabilities:	
Accounts Payable	\$ 5,671,045
Accrued Wages and Related Liabilities	348,349
Unearned Revenue	18,821
Compensated Absences	698,932
Total Current Liabilities	6,737,147
Non-Current Liabilities:	
Compensated Absences - Long-Term	171,300
Total Non-Current Liabilities	171,300
Total Liabilities	\$ 6,908,447

**NET POSITION**

Investment in Capital Assets	28,491
Restricted	-
Unrestricted	11,639,215
Total Net Position	11,667,706
Total Liabilities and Net Position	\$ 18,576,153

See accompanying Notes to Financial Statements.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF ACTIVITIES  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Permits, Fees, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Contract and Project Administration	\$ 21,711,653	\$ 2,034,401	\$ 20,875,746	\$ 1,198,494
Total Governmental Activities	\$ 21,711,653	\$ 2,034,401	\$ 20,875,746	1,198,494
<b>GENERAL REVENUES</b>				
In-Kind Services				296,459
Net Investment Income (Loss)				(29,957)
Miscellaneous Income				167,281
Total General Revenues				433,783
<b>CHANGE IN NET POSITION</b>				
				1,632,277
Net Position - Beginning of Period				10,035,429
<b>NET POSITION - END OF PERIOD</b>				
				\$ 11,667,706

See accompanying Notes to Financial Statements.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUND – GENERAL FUND  
JUNE 30, 2021**

**ASSETS**

Cash & Investments	\$ 10,222,992
Contracts Receivable	
Federal Grants	5,532,119
State Grants	2,322,947
Local Grants and Service Contracts	208,968
Accounts Receivable	39,850
Prepaid Items	<u>220,786</u>
 Total Assets	 <u><u>\$ 18,547,662</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts Payable	\$ 5,671,045
Accrued Wages and Related Liabilities	348,349
Unearned Revenue	<u>18,821</u>
Total Liabilities	<u><u>6,038,215</u></u>

**FUND BALANCE**

Nonspendable	
Prepaid Items	220,786
Assigned	
Denver Regional Aerial Photography Program (DRAPP)	1,393,407
Vanpool	-
Way to Go	1,679,821
Unassigned	<u>9,215,433</u>
Total Fund Balance	<u><u>12,509,447</u></u>
 Total Liabilities and Fund Balance	 <u><u>\$ 18,547,662</u></u>

See accompanying Notes to Financial Statements.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

**Total Fund Balance - Governmental Fund** \$ 12,509,447

Total net position reported for governmental activities in the statement of net position is different because:

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

Capital Assets, Net of \$495,572 Accumulated Depreciation 28,491

Long-term liabilities applicable to DRCOG's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

Balances at June 30, 2021 are:

Compensated Absences (870,232)

**Net Position - Governmental Activities** \$ 11,667,706

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND – GENERAL FUND  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

**REVENUES**

Participating Member Dues	\$ 878,150
Federal Grants	7,301,955
State Grants	7,593,076
In-Kind Service Contribution	296,459
Vanpool	144,977
Denver Regional Aerial Photography Program (DRAPP)	849,063
Service Income:	
EcoPass	3,228
Other	24,574
Investment Income (Loss)	(29,957)
Rent Income	279,386
Miscellaneous Income	167,281
Pass-Through Grant Funds	<u>5,835,738</u>
Total Revenues	23,343,930

**EXPENDITURES**

Current	
Salaries and Benefits	6,067,489
Other Contractual Services	
Pass-Through Grant Funds	9,291,300
Consulting and Other Contractual	4,492,137
In-Kind Services	296,459
Travel	13,467
Printing Services	588
Information Technology Services	172,012
Other Services and Supplies	<u>1,374,020</u>
Total Expenditures	<u>21,707,472</u>

**NET CHANGE IN FUND BALANCES**

1,636,458

Fund Balance - Beginning of Period

10,872,989

**FUND BALANCES - END OF PERIOD**

\$ 12,509,447

See accompanying Notes to Financial Statements.



**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

**Net Change in Fund Balance - Governmental Fund** \$ 1,636,458

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

Governmental funds report capital outlays 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. This is the amount by which depreciation expense exceeded capital outlays in the current period. (7,986)

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.

Adjustment to Compensated Absences Liability 3,805

**Change in Net Position - Governmental Activities** \$ 1,632,277

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Participating Member Dues	\$ 1,760,800	\$ 878,150	\$ (882,650)
Federal Grants	21,488,159	7,301,955	(14,186,204)
State Grants	5,626,685	7,593,076	1,966,391
Local Grants	2,006,320	-	(2,006,320)
In-Kind Service Contribution	1,015,954	296,459	(719,495)
Vanpool	916,558	144,977	(771,581)
Denver Regional Aerial Photography Program (DRAPP)	821,244	849,063	27,819
Service Income:			
EcoPass	100,000	3,228	(96,772)
Other	-	24,574	24,574
Investment Income	30,000	(29,957)	(59,957)
Rent Income	-	279,386	279,386
Miscellaneous Income	-	167,281	167,281
Pass-Through Grant Funds	20,754,939	5,835,738	(14,919,201)
Total Revenues	<u>54,520,659</u>	<u>23,343,930</u>	<u>(31,176,729)</u>
<b>EXPENDITURES</b>			
Current			
Salaries and Benefits	14,855,799	6,067,489	8,788,310
Other Contractual Services			
Pass-Through Grant Funds	20,754,939	9,291,300	11,463,639
Consulting and Other Contractual	12,228,700	4,492,137	7,736,563
In-Kind Services	909,511	296,459	613,052
Travel	255,457	13,467	241,990
Printing Services	97,893	588	97,305
Information Technology Services	265,330	172,012	93,318
Other Services and Supplies	3,275,228	1,374,020	1,901,208
Capital Outlay	10,000	-	10,000
Total Expenditures	<u>52,652,857</u>	<u>21,707,472</u>	<u>30,945,385</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,867,802	1,636,458	(231,344)
Fund Balance - Beginning of Period	<u>9,220,820</u>	<u>10,872,989</u>	<u>1,652,169</u>
<b>FUND BALANCE - END OF PERIOD</b>	<u>\$ 11,088,622</u>	<u>\$ 12,509,447</u>	<u>\$ 1,420,825</u>

See accompanying Notes to Financial Statements.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles applicable to governmental units. A summary of the Denver Regional Council of Governments' (DRCOG) significant accounting policies consistently applied in the preparation of these financial statements follows.

**Definition of Reporting Entity**

DRCOG is a mechanism for uniting intergovernmental planning, policy making and action. It is a blend of 59 local governments in the Denver region into a single agency. Formed in 1955 as the Inter-County Regional Planning Association, DRCOG is a voluntary association of city and county governments within the nine-county state planning and management region. The members include Adams, Arapahoe, Boulder, Clear Creek, Douglas, Gilpin, and Jefferson counties, the City and County of Denver, the City and County of Broomfield and 50 municipalities.

The functions for DRCOG include:

- Promoting regional cooperation
- Coordinating between local governments
- Resolving common problems
- Performing regional planning
- Encouraging orderly development
- Providing services to members

DRCOG follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organization 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 upon the application of these criteria, no additional organizations are included within DRCOG's reporting entity.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and Statement of Activities) report information on all activities of the government. Governmental activities are supported mainly by membership dues and intergovernmental revenues.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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: 1) charges to customers or applicants 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. Items not properly included among program revenues are reported instead as general revenues.

**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. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

DRCOG reports the following major governmental fund:

The General Fund is the operating fund of DRCOG. It accounts for all of its financial resources.

When both restricted and unrestricted resources are available for use, it is DRCOG's policy to use restricted resources first, then unrestricted resources as they are needed.

**Cash and Investments**

DRCOG pools cash resources of its various projects in order to facilitate the management of cash. Cash is pooled in interest-bearing accounts. Cash applicable to a particular project is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

Investments for DRCOG are reported at fair value and amortized costs as reported in Note 2. The fair value is determined by the closing trading value of the investment at period-end. Fair values were based on quoted market rates as of June 30, 2021.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contract Receivables**

Contract receivables are mainly grant receivables from federal and state governments and include amounts due from grantors at the time reimbursable project costs are incurred.

**Accounts Receivables**

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**Prepaid Assets**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include furniture, fixtures, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by DRCOG as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation.

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

Furniture, fixtures, equipment, and vehicles of DRCOG are depreciated using the straight-line method over the following estimated useful lives:

Assets	7 years
Furniture and Fixtures	10 years
Equipment	4 – 5 years
Vehicles	7 years

**Unearned Revenue**

Unearned revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

**Long-Term Obligations**

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position. Acquisitions under capital leases are reported as other financing sources.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

Vested amounts are those which accrue to the employee even if the employee terminates. Leave vests with the employees to various maximum amounts, based on lengths of employment from less than one year to twenty years. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Net Position and Fund Balance**

**Net Position**

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets and unrestricted.

Investment in capital assets is intended to reflect the portion of net position that is associated with non-liquid, capital assets.

Unrestricted Net Position represents assets that do not have any third-party limitations on their use.

**Fund Balances**

Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which DRCOG is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The following classifications describe the relative strength of the spending constraints:

*Nonspendable* - Fund balances are reported as non-spendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* - amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions, or by enabling legislation.

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

*Assigned* - Fund balances are reported as assigned when amounts are constrained by the *intent* to be used for specific purposes, but are neither restricted nor committed. Under DRCOG's policy, the Executive Director may assign amounts for specific purposes.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fund Balances (Continued)

DRCOG reports the following assigned fund balances:

	Balance 12/31/2020	Additions/ (Deletions)	Balance 6/30/2021
Denver Regional Aerial Photography Program (DRAPP)	\$ 1,119,732	\$ 273,675	\$ 1,393,407
Vanpool	598,701	(598,701)	-
Way to Go	1,676,821	3,000	1,679,821
	<u>\$ 3,395,254</u>	<u>\$ (322,026)</u>	<u>\$ 3,073,228</u>

Program assigned amounts were accumulated from excess revenues over expenditures for these respective programs. DRCOG assigns these excess revenues to be spent in the programs in which they were accumulated.

*Unassigned* - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. Through resolution, the Finance and Budget Committee of the Board of Directors has adopted a financial standard maintaining a fund balance equal to three months' expenditures, or 25%. At June 30, 2021, the unassigned balance equaled 42.45% of total expenditures.

*Flow Assumptions* - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is DRCOG's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is DRCOG's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

**Budget and Budgetary Accounting**

Revenues and expenditures of the general fund are controlled by budgetary accounting to provide a sound basis for planning and management of DRCOG's programs. In November of the previous year, an annual budget was adopted by formal resolution for the 2021 calendar year. The budget is prepared on the same basis that is used for accounting purposes and is only used for the six-months ended 2021.

In May of the current year, an annual budget was adopted by formal resolution for the 2022 fiscal year to align with the new fiscal year. The budget is prepared on the same basis that is used for accounting purposes. Budget authority lapses at year-end.

Budgeted amounts reported in the accompanying required supplemental information are as originally adopted and as amended by the Finance and Budget Committee of the Board of Directors throughout the year. There were no budget amendments during the year.

**In-Kind Service Contributions**

Contributed services performed by various contracting parties on assisted projects are valued at cost to the contracting party as of the date the services are performed. Equal amounts of revenue and expenditures are recorded to reflect these contributions.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assisted Projects**

All grants and contracts awarded to DRCOG are referred to as assisted projects. Records are maintained whereby expenditures incurred are recorded in separate project accounts in the general fund.

**Indirect Costs**

DRCOG allocates indirect costs to assisted projects in accordance with Uniform Grant Guidance. Actual expenditures specifically identifiable with individual grants are charged directly to those grants. Indirect costs necessary to sustain overall operations are allocated as a percentage of total direct labor costs charged to the projects.

**Change in Fiscal Year-End**

As a majority of the jurisdictions that DRCOG serves have a June 30 fiscal year-end, the Board decided to change their fiscal year-end from December 31 to June 30, the first fiscal year-ending on June 30, 2021, to better serve their clientel.

**NOTE 2 DEPOSITS AND INVESTMENTS**

DRCOG is governed by the deposit and investment limitations of state law. Deposits and investments held at June 30, 2021 are reported as follows:

Cash	\$ 6,612,840
Cash Equivalents	58,888
Investments	3,551,264
Total Cash and Investments	<u>\$ 10,222,992</u>

**Deposits**

**Custodial credit risk – deposits:**

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, DRCOG will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. DRCOG’s deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act (PDPA), which governs investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution’s internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2021, DRCOG’s deposits were insured by federal depository insurance or collateralized with securities held by third parties in DRCOG’s name, and consequently were not exposed to custodial credit risk.



**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments**

DRCOG's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at June 30, 2021, are provided in the schedule below and are tiered to mature at intervals within a five-year maximum range.

**Investment Credit Risk**

This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Debt securities of the U.S. government and obligations of U.S. government agencies that are explicitly guaranteed by the U.S. government are not considered to have credit risk.

DRCOG's investment policy follows state statutes (C.R.S. 24-75-601 through 24-75-603) which limit its investment choices as follows:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of US local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Presented below are the investments held by DRCOG and the actual ratings as of June 30, 2021 for each investment type:

<u>Issuer:</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Investment Portfolio</u>
US Treasury	Aaa	\$ 1,996,029	56%
Federal Home Loan Bank	Aaa	281,960	8%
Fannie Mae	Not Rated	743,231	21%
Mutual Funds	Not Rated	530,044	15%
Total Investments		<u>\$ 3,551,264</u>	

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

Changes in market interest rates could adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. The schedule below indicates the interest rate risk of DRCOG's investments at June 30, 2021:

Issuer:	Fair Value	Investment Maturities (In Years)			
		< 1	1-5	6-10	> 10
US Treasury	\$1,996,029	\$ 43,139	\$ 1,735,985	\$ 149,723	\$ 67,182
Federal Home Loan Bank	281,960	-	202,823	79,137	-
Fannie Mae	743,231	-	-	9,872	733,359
Mutual Funds	530,044	530,044	-	-	-
	<u>\$3,551,264</u>	<u>\$ 573,183</u>	<u>\$ 1,938,808</u>	<u>\$ 238,732</u>	<u>\$ 800,541</u>

One of the ways DRCOG manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of a loss attributed to the magnitude of an entity's investment in a single issuer. DRCOG places no limit on the amount it may invest in any one issuer. However, it is the intent of DRCOG to diversify the investment instruments within the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities.

**Fair Value**

DRCOG categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted process; Level 3 inputs are significant unobservable inputs. As of June 30, 2021, DRCOG had the following investments valued using the hierarchy described above.

Investment Type	6/30/2021	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
US Treasury	\$ 1,996,029	\$ -	\$ 1,996,029	\$ -
Federal Home Loan Bank	281,960	-	281,960	-
Fannie Mae	743,231	-	743,231	-
Mutual Funds	530,044	530,044	-	-
Total Investments by Fair Value Level	<u>\$ 3,551,264</u>	<u>\$ 530,044</u>	<u>\$ 3,021,220</u>	<u>\$ -</u>

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 CAPITAL ASSETS**

	Balance December 31, 2020	Additions	Dispositions	Balance June 30, 2021
<u>Governmental Activities</u>				
Depreciable Assets				
Furniture, Fixtures, and Equipment	\$ 74,369	\$ -	\$ -	\$ 74,369
Vehicles	24,002	-	-	24,002
Electronic Equipment and Software	425,692	-	-	425,692
Total Capital Assets Being Depreciated	524,063	-	-	524,063
Less Accumulated Depreciation				
Furniture, Fixtures, and Equipment	37,892	7,986	-	45,878
Vehicles	24,002	-	-	24,002
Electronic Equipment and Software	425,692	-	-	425,692
Total Accumulated Depreciation	487,586	7,986	-	495,572
Governmental Activities Capital Assets, Net	\$ 36,477	\$ (7,986)	\$ -	\$ 28,491

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

Governmental Activities:	
Contract and Project Administration	<u>\$ 7,986</u>

**NOTE 4 LONG-TERM OBLIGATIONS**

Long-term obligation activity for the six-month period ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance	Current Portion
<u>Governmental Activities</u>					
Compensated Absences	\$ 874,037	\$ 37,507	\$ 41,312	\$ 870,232	\$ 698,932

**NOTE 5 LEASE OBLIGATIONS**

**Operating Lease**

In 2007, DRCOG entered into an office lease agreement for a term of ten and one-quarter years commencing December 2007 through March 2018. In August, 2012, the lease was amended in order to decrease base lease payments through March 2018 by approximately 10 percent and extended the lease term to March 31, 2021. In 2018, DRCOG entered into a sub-lease agreement for the remainder of the term. The sub-lease agreement began January 1, 2019 and extends through March 21, 2021. The amount expended during the six-month period ended June 30, 2021 as lease payments was \$207,049.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 LEASE OBLIGATIONS (CONTINUED)**

In 2018, DRCOG entered into an office lease agreement for a term of fifteen years commencing June 2018 through May 2033. The first eighteen months of lease payments have been abated pursuant to the terms of the agreement. During 2018, DRCOG made a \$91,188 payment for a security deposit which is shown as a prepaid item as of June 30, 2021.

The following is a schedule of estimated annual lease payments as of June 30, 2021:

Year Ending June 30,	Minimum Lease Payments
2022	\$ 659,000
2023	671,876
2024	684,751
2025	697,627
2026	710,502
2027-2031	3,745,644
2032-2033	1,520,684
Total Minimum Lease Payments	<u><u>\$ 8,690,085</u></u>

**NOTE 6 RETIREMENT PLAN**

DRCOG provides pension benefits for all of its full-time employees through a single employer defined contribution plan under Section 401 of the Internal Revenue Code. The plan was established by the Council and is maintained and administered by the International City/County Managers Association Retirement Corporation (ICMA-RC). Plan provisions and contribution requirements may be amended by the Council. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan, plus investment earnings.

Employees are required to participate after completing six months of service. For 2021, DRCOG made a contribution of 9% of each participant's compensation up to the Social Security base wages and 5.7% for compensation over the Social Security base wages. Participants are required to contribute 3% of compensation.

Contributions for each employee and interest allocated to the employee's account are vested as follows:

Years of Vesting Service	Percentage
Less Than 3	0
3	30
4	40
5	60
6	80
7 or More	100

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 RETIREMENT PLAN (CONTINUED)**

DRCOG's contribution for, and interest forfeited by, employees who leave employment before full vesting occurs are used to reduce DRCOG's current period contribution requirement. During 2021, no funds were used to offset pension expense. During 2021, DRCOG's required, which equaled actual, contributions and employee contributions to the Plan, were \$433,823 and \$181,911, respectively.

**NOTE 7 PARTICIPATING MEMBER DUES**

Participating member dues in the amount of \$878,150 were received by DRCOG during the six-month period ended June 30, 2021. The following represents the use of funds received:

Operations and Supported Projects	\$ 377,605
Matching Requirement for State-Assisted Projects	500,546
Total	<u>\$ 878,150</u>

**NOTE 8 COMMITMENTS AND CONTINGENCIES**

DRCOG administers numerous projects through grants awarded by various federal and state agencies. All projects are subject to audit by the granting agencies. A substantial amount of grant revenue has been awarded to sub-recipients. All grants are subject to final review and approval as to allowability by the respective grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although DRCOG expects such amounts, if any, to be immaterial.

**NOTE 9 RISK MANAGEMENT**

DRCOG 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. DRCOG maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 10 STATE COMPLIANCE**

TABOR Amendment - In November 1992, Colorado voters passed the TABOR Amendment (Amendment 1) to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and other factors. Revenue received in excess of the limitations may be required to be refunded unless an electorate vote to retain the revenue is passed. The TABOR Amendment is subject to many interpretations, but the Council has a legal opinion that it is not a "local government" subject to TABOR in part because it has no authority to tax or to issue general obligation debt.



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

Finance and Budget Committee of the Board of Directors  
Denver Regional Council of Governments  
Denver, 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 and the major fund of the Denver Regional Council of Governments, as of and for the six-month period ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Denver Regional Council of Governments' basic financial statements, and have issued our report thereon dated September 30, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Denver Regional Council of Governments' 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 Denver Regional Council of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of Denver Regional Council of Governments' 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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Denver Regional Council of Governments' 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*.

**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.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
September 30, 2021



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

Finance and Budget Committee of the Board of Directors  
Denver Regional Council of Governments  
Denver, Colorado

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

We have audited Denver Regional Council of Governments' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Denver Regional Council of Governments' major federal programs for the six-month period ended June 30, 2021. Denver Regional Council of Governments' major federal programs are identified in the summary of auditors' 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Denver Regional Council of Governments' major federal programs 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 types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Denver Regional Council of Governments' 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 each major federal program. However, our audit does not provide a legal determination of Denver Regional Council of Governments' compliance.



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

In our opinion, the Denver Regional Council of Governments 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 six-month period ended June 30, 2021.

**Report on Internal Control Over Compliance**

Management of Denver Regional Council of Governments is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Denver Regional Council of Governments' 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 Denver Regional Council of Governments' 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
September 30, 2021

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
<b>Department of Transportation</b>				
<b>Federal Highway Administration</b>				
<i>Colorado Department of Transportation</i>				
Highway Planning and Construction	20.205	None provided	\$ -	\$ 3,479,798
<b>Total Federal Highway Administration</b>			-	3,479,798
<b>Federal Transit Administration</b>				
<i>Colorado Department of Transportation</i>				
State Planning and Research	20.515	None provided	-	1,494
<b>Total Federal Transit Administration</b>			-	1,494
<b>Total Department of Transportation</b>			-	3,481,292
<b>Department of Health and Human Services</b>				
Accountable Health Communities	93.650	None Provided	-	719,169
<i>Total Direct Department of Health and Human Services</i>			-	719,169
<i>Colorado Department of Human Services</i>				
<i>Special Program for the Aging</i>				
Title VII, Elder Abuse	93.041	See Note 3	-	19,790
Title VII, LTC Ombudsman	93.042	See Note 3	-	112,045
Title III, Part D	93.043	See Note 3	105,762	105,762
<i>Total Special Program for the Aging</i>			105,762	237,598
<i>Aging Cluster</i>				
Title III, Admin	93.044	See Note 3	-	495,863
Title III, Part B	93.044	See Note 3	632,985	632,985
COVID-19 - Title III, Voucher Transportation	93.044	See Note 3	-	65,089
COVID-19 - Title III, Voucher In-Home	93.044	See Note 3	-	183,270
COVID-19 - Title III, Part B	93.044	See Note 3	368,931	368,931
	93.044	Subtotal	1,001,916	1,746,138
Title III, Part C-1	93.045	See Note 3	197,554	197,554
Title III, Part C-2	93.045	See Note 3	417,316	417,316
COVID-19 - Title III, Program Development	93.045	See Note 3	-	62,175
COVID-19 - Title III, Part C-2	93.045	See Note 3	1,408,002	1,408,002
	93.045	Subtotal	2,022,873	2,085,048
Nutrition Services Incentive Program	93.053	See Note 3	-	465,079
<i>Total Aging Cluster</i>			3,024,789	4,296,265
Title II & IV, ADRC	93.048	See Note 3	-	14,079
Title III, Part E	93.052	See Note 3	505,716	505,716
COVID-19 - Title III, Part E	93.052	See Note 3	352,349	352,349
	93.052	Subtotal	858,065	858,065
Older Adult Refugee Assistance	93.576	See Note 3	-	37,011
<b>Total Colorado Department of Human Services</b>			3,988,616	5,443,018
<b>Total Department of Health and Human Services</b>			3,988,616	6,162,187
<b>Total Federal Financial Assistance</b>			\$ 3,988,616	\$ 9,643,479

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2021**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Denver Regional Council of Governments (DRCOG) under programs of the federal government for the six-month period ended June 30, 2021. In the accompanying schedule of expenditures of federal awards, award revenues and expenditures have been prepared in accordance with the requirements of 2 CFR 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 DRCOG, it is not intended to and does not present the financial position, changes in net position, or cash flows of DRCOG.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Revenue from federal awards is recognized when DRCOG has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when it becomes both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. 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. DRCOG has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 PASS-THROUGH ENTITY AND IDENTIFYING NUMBERS**

DRCOG had federal pass-through revenues and expenditures of \$3,988,616 during the year. The passthrough award numbers for the Aging programs were OAA No. 2001COOAPH-02; 2001COOASS-02; 2001COOACM-02; 2001COOAHD-02; and 2001COO AFC-02.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes  no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes  none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes  no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes  no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes  none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes  no

**Identification of Major Federal Programs**

<b>ALN(s)</b>	<b>Name of Federal Program or Cluster</b>
20.205	Highway Planning and Construction
93.052	National Family Caregiver Support

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000
- Auditee qualified as low-risk auditee? \_\_\_\_\_  yes \_\_\_\_\_ no

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

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**Section II – Financial Statement Findings**

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There were no financial statement audit findings in the current six-month period.

**DENVER REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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**Section IV – Prior Year Findings**

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**FINDINGS – FINANCIAL STATEMENT AUDIT**

**2020-001 Internal Control of Financial Reporting**

**Condition:** During audit procedures, it was noted account balances are not being reconciled on a periodic basis.

**Status:** Resolved.

**FINDINGS— FEDERAL AWARD PROGRAMS AUDITS**

There were no federal award program audit findings in the prior year.