

STA PLLC

Certified Public Accountants

F Y 2 0 2 5 A U D I T

Subject to final issuance

Financial Statement & Single Audit Results

Fiscal Year Ended December 31, 2025

North Front Range Metropolitan Planning Organization

Finance Committee

Presented by

STA PLLC • Certified Public Accountants

May 21, 2026

Agenda

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Audit Approach & Risk Focus

Areas of focus and how we addressed them.

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SEFA totals, major program, and compliance.

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Looking Ahead — GASB

Upcoming GASB pronouncements.

Audit Risk Assessment

What we focused on, how we addressed it, and what we found • Subject to final issuance

Federal grant revenue recognition

Risk: \$1.53M federal awards; eligibility, period of performance, allowable cost.
Response: tested grant agreements, drawdowns, reimbursement requests, and period-of-performance compliance.

Disposition: No exceptions noted.

Capital assets & lease accounting

Risk: GASB 87 right-of-use asset (\$693,215) and lease liability (\$757K); potential GASB 96 SBITA exposure. Response: vouched additions, tested PV of lease payments, confirmed classification, evaluated SBITA inventory.

Disposition: No exceptions noted.

Single Audit / Uniform Guidance compliance

Risk: major program ALN 20.205 (Highway Planning Cluster: CPG, STBG, FHWA-CRP).
Response: tested cash management, period-of-performance, allowable activities, matching, reporting, and sub-recipient monitoring.

Disposition: Cleared

Cash, investments & PDPA collateral

Risk: custodial credit risk; COLOTRUST and Chase concentration; PDPA collateral coverage. Response: confirmed balances, tested bank reconciliations, verified PDPA-eligible collateral coverage.

Disposition: Cleared.

Compensated absences (GASB 101)

Risk: GASB 101 accumulated-leave liability; bifurcation between current (within 12 months) and long-term. Response: re-performed accrual calculation, traced to HR records, verified bifurcation in FS-7/N-8.

Disposition: No exceptions noted.

Fraud risks & management override (AU-C 240)

Risk: presumed fraud risks — revenue recognition and management override of controls.
Response: tested journal entries throughout the year for override indicators; grant-by-grant revenue procedures.

Disposition: No anomalies; no indication of fraud or override.

Audit Opinion

The headline for the fiscal year ended December 31, 2025

UNMODIFIED

Clean opinion on the financial statements.

Financial Statements

Unmodified

Fairly presented in conformity with GAAP.

Internal Control over Financial Reporting

No material weaknesses

No significant deficiencies reported.

Federal Compliance (Uniform Guidance)

Unmodified

No findings, no questioned costs.

*Audit performed in accordance with auditing standards generally accepted in the United States (GAAS), Government Auditing Standards issued by the Comptroller General of the United States, and the Uniform Guidance (2 CFR Part 200).
Results presented are subject to final issuance of the audit report.*

Financial Highlights

Fiscal year ended December 31, 2025 — government-wide totals

TOTAL NET POSITION

\$7.26M

▼ 3.3%

FY 2024: \$7.51M

Govt: \$277K • Business-Type: \$6.99M

CHANGE IN NET POSITION

(\$238K)

▼ vs. PY

FY 2024: \$150K

Year-over-year swing reflects MPO lease/leave timing; VanGo NP grew \$88K.

FEDERAL AWARDS EXPENDED

\$1.53M

▲ 36.0%

FY 2024: \$1.13M

Above \$1.0M Single Audit threshold. Major program: ALN 20.205.

CASH & INVESTMENTS

\$6.30M

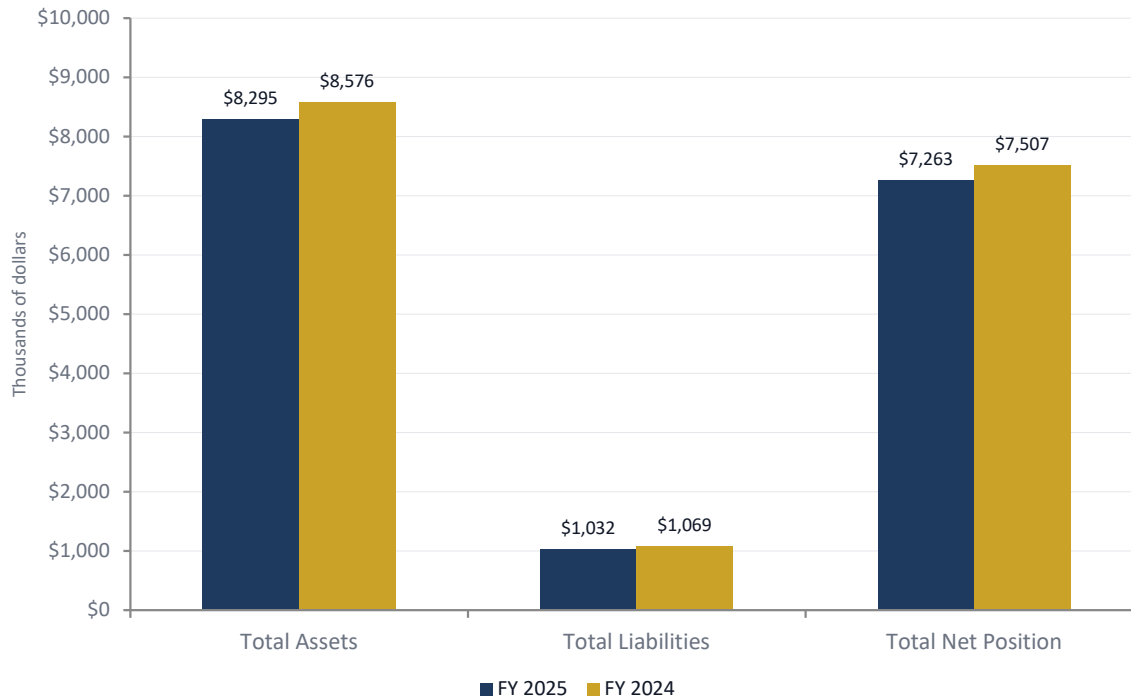
▲ 0.9%

FY 2024: \$6.25M

Cash \$199K + Investments \$6.10M (govt + business-type).

Statement of Net Position

Government-wide • December 31, 2025 and 2024 (in thousands)



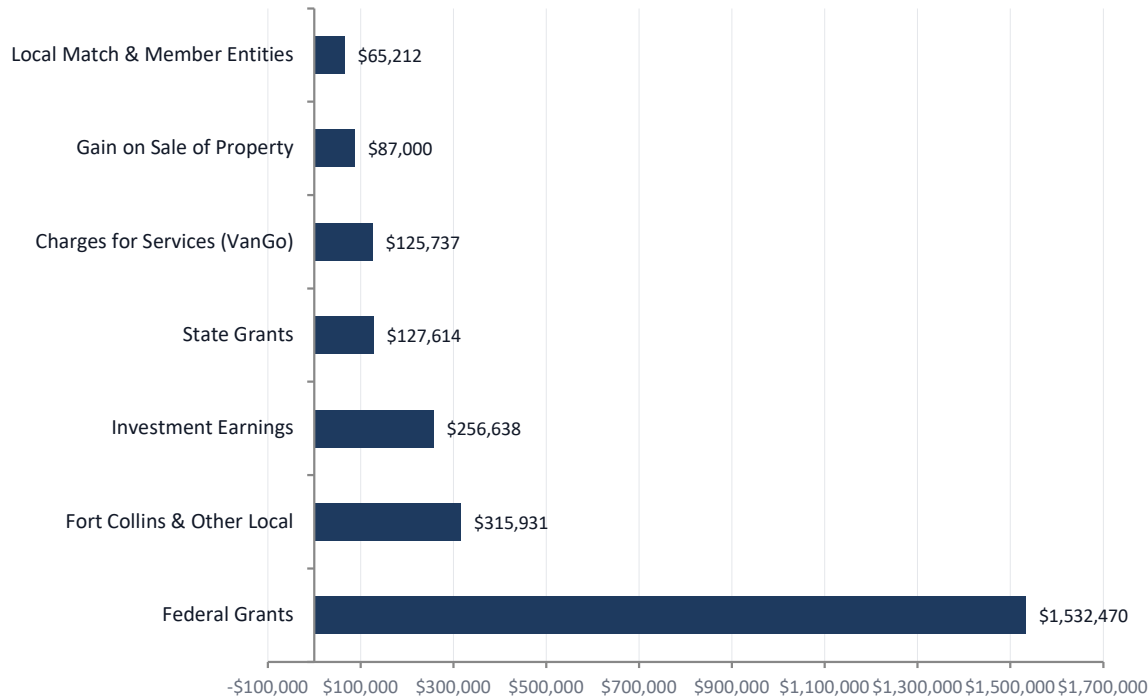
Key observations

- Total Net Position: \$7.26M. Down 3.3% vs. FY 2024.
- Total Assets: \$8.30M, including a \$693K right-of-use lease asset and grants receivable.
- Total Liabilities: \$1.03M, primarily the \$757K lease liability and accumulated leave.
- Net Position composition: net investment in capital assets \$339K; unrestricted \$6.92M.

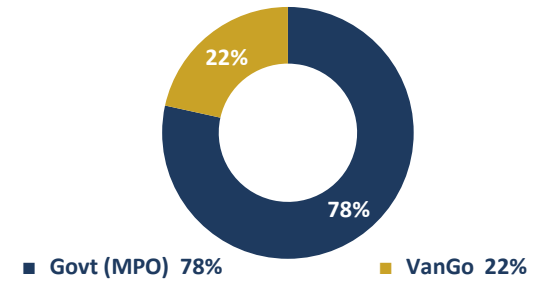
Statement of Activities

Where the money came from and where it went — FY 2025

Revenues by Source



Expenses by Activity



CHANGE IN NET POSITION

(\$238K)

Total Primary Government

Govt: (\$325K)

Business-Type: \$88K

Governmental Activities — General Fund

MPO operations on the modified-accrual basis — FY 2025

	FY 2025	FY 2024
Total Revenues	\$1,831,729	\$1,481,570
Total Expenditures	\$2,157,155	\$2,130,450
Net Change in Fund Balance	(\$325,427)	(\$648,880)
Fund Balance, Beginning of Year	\$602,237	\$863,683
Fund Balance, End of Year	\$276,810	\$678,059
<i>Nonspendable (Prepaid Items)</i>	\$12,568	\$16,847
<i>Unassigned</i>	\$264,242	\$661,212

MPO operating notes

- Federal grant revenue \$1.53M - up 36% vs. PY (CPG, STBG, and new programs).
- Office expense increased materially - capital outlay reclassified to operating per modified accrual.
- GASB 87 lease activity recognized: \$693K right-of-use asset, \$757K lease liability.
- Compensated absences (long-term portion) of \$88K excluded from fund liabilities per GASB 54.
- Capital assets, net (govt): essentially fully depreciated at \$0.7K.
- Year-end fund balance \$276,810; unassigned reserve of \$264,242.

Business-Type Activities — VanGo™ Vanpool Program

Enterprise fund — Fiscal Year 2025

OPERATING REVENUES

\$125,737

Charges for services (fares)

OPERATING EXPENSES

\$591,329

Personnel, fleet, depreciation

CHANGE IN NET POSITION

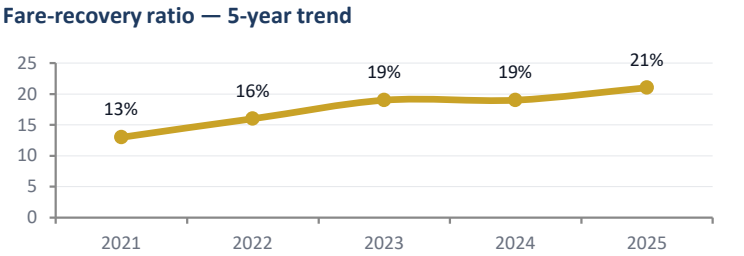
\$87,544

Reflects investment & nonoperating revenue

	FY 2025	FY 2024
Operating Revenues	\$125,737	\$102,916
Operating Expenses	\$591,329	\$540,970
Operating Loss	(\$465,592)	(\$438,054)
Nonoperating Revenues	\$553,136	\$656,611
Change in Net Position	\$87,544	\$225,417
Net Position, End of Year	\$6,986,258	\$6,905,235

Operating statistics — FY 2025

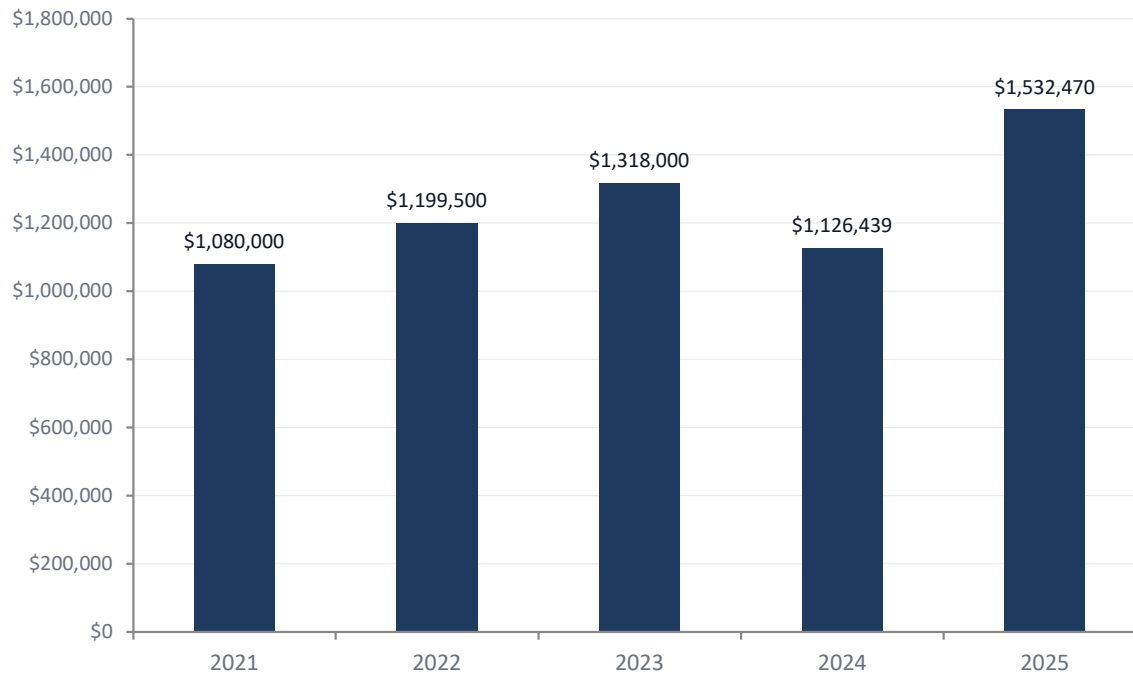
- Active vanpool routes: 22
- Registered vans (year-end): 28
- Avg. subscribers: 73
- Fare-recovery ratio: 21%



Federal Awards & Single Audit

Schedule of Expenditures of Federal Awards (SEFA) — FY 2025

Federal awards expended — 5-year trend



Single Audit threshold: \$1,000,000 (revised UG, FY beginning ≥ 10/1/2024)

No findings or questioned costs anticipated in the draft report. Final determination subject to issuance and resolution of any open items identified during partner review.

Single Audit summary

TOTAL FEDERAL AWARDS

\$1.53M

Single Audit threshold: \$1,000,000 — MET

Major program: ALN 20.205

Highway Planning Cluster
(CPG, STBG, FHWA-CRP)

Type A/B threshold: \$1,000,000

Low-risk auditee: Yes

Findings (draft): None anticipated

Questioned costs (draft): None anticipated

Required Communications

AU-C 260 — Items the auditor is required to communicate to those charged with governance • Subject to final issuance

Auditor's responsibility

Conducted under GAAS, Government Auditing Standards, and the Uniform Guidance. Designed to obtain reasonable assurance that the financial statements are free of material misstatement.

Significant accounting policies

No changes in policy during the year. Application of policies is appropriate and consistent. GASB 101 (Compensated Absences) is effective and presented consistently with the prior year. (Accounting policies changes will occur in FY 2026)

Management estimates

Significant estimates include depreciation lives on capital assets, the accumulated leave liability, and lease present-value calculations under GASB 87. Estimates appear reasonable in relation to the financial statements.

Difficulties, disagreements, consultations

No significant difficulties encountered during the audit. No disagreements with management. No consultations with other accountants regarding accounting or auditing matters (outside of team discussions and prior-year auditor contact as required by auditing standards).

Corrected and uncorrected misstatements

One recorded adjustment identified — \$3,924.88 cash reconciliation difference recorded as current-period Other Program Expense. No uncorrected misstatements material to the financial statements, individually or in the aggregate.

Independence

STA PLLC confirms its independence with respect to the MPO in accordance with AICPA and Government Auditing Standards independence rules.

Looking Ahead — Upcoming GASB Pronouncements

Summary of standards potentially impacting NFRMPO

IMPLEMENTED FY 2024

GASB 101

Compensated Absences

Standardizes recognition of leave liabilities; bifurcation between current (due within 12 months) and long-term portions.

Agency impact: refined accumulated-leave calculation already implemented; FY 2025 presentation in FS-7 and N-8 reflects bifurcated liability — no incremental action.

EFFECTIVE FY 2025

GASB 102

Certain Risk Disclosures

Requires disclosure of concentrations and constraints that could substantially impact the government's ability to provide services or meet obligations within 12 months.

Agency impact (FY 2025): federal-grant revenue concentration (~\$1.53M, ~85% of governmental program revenues) and TABOR/grant restrictions require new note disclosure. We will confirm that the draft report includes this disclosure prior to issuance.

EFFECTIVE FY 2026

GASB 103

Financial Reporting Model

Updates MD&A structure, modified-accrual reporting tweaks, proprietary fund operating-revenue classification, unusual/infrequent items, and budgetary comparison information.

Agency impact (FY 2026): significant transition work — we recommend NFRMPO staff begin reviewing now, and plan for MD&A and statement-presentation updates.

EFFECTIVE FY 2026

GASB 104

Capital Assets Disclosure

Adds disclosures for lease assets (GASB 87), subscription IT arrangements (GASB 96/SBITAs), and intangible assets generally.

Agency impact (FY 2026): NFRMPO has a GASB 87 right-of-use asset of \$693,215 (N-7); an expanded note presentation will be required. We will confirm the SBITA inventory of SaaS/subscription contracts in FY 2026.

Questions?

Thank you to NFRMPO management and finance staff for excellent cooperation throughout the engagement.

STA PLLC

Certified Public Accountants

STA PLLC • Contact information to be provided at the meeting

Presented to

North Front Range MPO

Finance Committee • May 21, 2026