

EASTERN RIO BLANCO COUNTY TEL SC 911 CO
Financial Statements and
Independent Auditor's Report
For the Year Ended December 31, 2022

EASTERN RIO BLANCO COUNTY TEL SC 911 CO

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Eastern Rio Blanco County TEL SC 911 CO
Meeker, CO

Opinions

We have audited the accompanying financial statements of the business-type activities, , and the aggregate remaining fund information of the Eastern Rio Blanco County TEL SC 911 CO, (District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District , as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District , and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

Certified Public Accountants

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management 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.

Accounting principles generally accepted in the United States of America require that budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Blair and Associates, P.C.

Firm's Signature
Cedaredge, CO
September 9, 2023

EASTERN RIO BLANCO COUNTY TEL SC 911 CO

Statement of Net Position

As of December 31, 2022

ASSETS

Current Assets

Cash & Cash Equivalents	\$ 204,723
Investments - CD's	37,168
Accounts Receivable	5,730
Accrued Interest Receivable	203
Prepaid Expenses	12,259
Total Current Assets	<u>260,083</u>

NonCurrent Assets

Capital Assets-net	<u>43,192</u>
Total Noncurrent Assets	<u>43,192</u>

Total Assets	<u><u>\$ 303,275</u></u>
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LIABILITIES

Current Liabilities

Accounts Payable	<u>\$ 425</u>
Total Current Liabilities	<u>425</u>

Total Liabilities	<u>425</u>
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NET POSITION

Unrestricted

Total Net Position	<u>302,850</u>
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Total Net Liabilities and Net Position	<u><u>\$ 303,275</u></u>
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The notes to the financial statement are an integral part of this statement

EASTERN RIO BLANCO COUNTY TEL SC 911 CO
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2022

REVENUE	
Charges for Services	<u>\$ 132,186</u>
EXPENSES	
Advertising	23
Professional Services	440
Dues	818
Meeting Expenses	509
Training & Travel	1,685
Public Education	866
Miscellaneous	369
Depreciation	2,273
Software Maintenance	8,737
Telephone and Service Expense	<u>62,547</u>
Total Expenses	<u>78,267</u>
Net Income from Operations	<u>53,919</u>
Other Income (Expense)	
Interest Income	223
Miscellaneous Income	<u>7,849</u>
Total Other Income (Expense)	<u>8,072</u>
Increase (Decrease) in Net Position	61,991
Net Position - January 1,	221,730
Prior Period Adjustment	19,129
Net Position December 31,	<u><u>\$ 302,850</u></u>

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

EASTERN RIO BLANCO COUNTY TEL SC 911 CO
Statement of Cash Flows
For the Year Ended December 31, 2022

INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 137,206
Other Cash Receipts	2,244
Cash Payments to Suppliers	<u>(73,863)</u>

Net Cash Provided From (Used) by Operating Activities	<u>65,587</u>
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Cash Flows From Capital Related Activities

Purchase of Capital Assets	<u>(45,465)</u>
Net Cash Provided (Used) By Capital Related Activities	<u>(45,465)</u>

Cash Flows From Investing Activities

Net Investment Income	<u>19</u>
Net Cash Provided (Used) by Investing Activities	<u>19</u>

Net Increase (Decrease) in Cash & Cash Equivalents	20,141
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Cash & Cash Equivalents - January 1,	184,582
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Cash & Cash Equivalents - December 31,	<u><u>\$ 204,723</u></u>
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RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating Income (Loss)	<u>\$ 61,991</u>
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Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities

Depreciation	2,273
Change in Assets and Liabilities	
(Increase) decrease in Accounts Receivable	2,510
(Increase) decrease in Interest Receivable	(203)
(Increase) decrease in Prepaid Expenses	(1,409)
(Decrease) Increase in Accounts Payable	425
	<u>3,596</u>

Net Cash Provided (Used) by Operating Activities	<u><u>\$ 65,587</u></u>
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The notes to the financial statement are an integral part of this statement

EASTERN RIO BLANCO COUNTY TEL SC 911 CO

Notes to the Financial Statements

December 31, 2022

Note 1 – Summary of Significant Accounting Policies

History and Activity

The Entity was established in 1989.

Pursuant to Colorado Revised Statute Title 29, Article 11 the Eastern Rio Blanco County 911 Authority Board is an advisory board serving the East Rio Blanco County Communications Center. The appointed board members oversee the collection and distribution of 911 telephone surcharges that are collected in and allocated to East Rio Blanco County. Surcharge collection and expenditures are utilized to provide the citizens and guests of Eastern Rio Blanco County access to the 911 emergency telephone system.

The East Rio Blanco 911 Board is comprised of the following:

Two representatives from Fire/EMS - East 911 President Chief Luke Pelloni and Representative Laura Smith.

One representative from Town of Meeker - East 911 Vice President Eddie Thompson.

One representative from the Sheriff's Office - representative Sheriff Anthony Mazzola.

One representative from Pioneers Hospital - Representative Wade Bradfield.

One Rio Blanco representative from the 878 prefix - Representative Eddie Smercina.

Monies used to fund the 911 center are collected by each cell phone carrier. The carrier is notified of the Emergency Telephone Charge (surcharge) that the 911 board has implemented and ratified by the Colorado State's Public Utility Commission. As of February 1, 2023, both East and West 911 authority boards charge the set rate of \$1.97 per phone number. Monies received by the PSAP can only be spent to support the 911 center in the jurisdiction in which it was collected.

Reporting Entity

Eastern Rio Blanco County Tel SC 911 CO (District) is the primary government operating as an enterprise fund. The District has no component units.

Measurement Focus and Basis of Accounting

The operations of the District are accounted for as an enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

The District uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

EASTERN RIO BLANCO COUNTY TEL SC 911 CO

Notes to the Financial Statements

December 31, 2022

It requires the classification of net position into three components; invested in capital assets, net of related debt, restricted, and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This consists of constraints placed on net position use through external restrictions imposed by creditors (such as through debt covenants,), grantors, contributors, or law or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This consists of net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Budget Basis of Accounting

The annual budget is prepared and approved by the board of directors in accordance with the State of Colorado Financial Management Manual. The budget is submitted to Mesa County and the District adopts an appropriation resolution for the next fiscal year before December 31. The Board of Directors may amend the appropriation resolution at any time during the year if warranted by circumstances.

The budget basis of accounting differs from the generally accepted accounting principles (GAAP) basis in the contributed capital is included in revenue, outlays for acquisition of fixed assets are included as expenses.

Capital Assets

The fund of the District is accounted for on a cost of service or “capital maintenance” measurement focus. This means that all assets and all liabilities associated with the activity of the District are included on the balance sheet. Equipment and property are recorded at cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation is provided over estimated useful life of 7 years, using the straight-line method. Maintenance and repairs are charged to expense as incurred, while significant betterments and replacements are recorded as increases to equipment. As assets are retired or disposed of, the cost and associated accumulated depreciation are removed from the accounts, and gains or losses on these sales or disposals are included in the income. It is the District’s policy to capitalize assets that cost \$1,500 or more and have a two-year life or longer.

Allowance for Doubtful Accounts

All taxes and service fees become a lien on property if not paid. However, due to the cost of filing liens and the time involved, the District elects to write off small balances from time to time. All service fees were considered collectible on December 31, 2022

Cash & Cash Equivalents

For the purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

EASTERN RIO BLANCO COUNTY TEL SC 911 CO

Notes to the Financial Statements

December 31, 2022

Use of Estimates

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

Subsequent Events

Management has reviewed subsequent events through the date of the audit report.

Restricted Assets / Reservation of Net Position

Assets are reported as restricted when limitation on their use changes the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Reservations of net position arise from certain Board designations of net position, as well as the aforementioned constraints. It is the District's policy to use restricted funds first, for expenditures which both restricted and unrestricted funds are available.

Note -2-Accounts Receivable

The Entity considers all accounts receivable to be collectible, therefore no allowance has been recorded.

Note -3-Cash

The Colorado Public Deposit Protection Act (PDPA) requires all units of local governments to deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institutions to create a single collateral pool for all of its public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed by the GASB.

At year-end, the bank balance of the District's deposits was \$241,890, of which \$241,890 was insured by FDIC.

On December 31, 2022, the deposits of the district consisted of the following:

Cash in Bank	<u>\$ 204,722</u>
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The district has two certificates of deposits, each have a 12 month maturity and pay an interest rate of .07%. The fair value on December 31, 2022, was as follows:

Cash in Certificates of Deposits	<u>\$ 37,168</u>
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Note -4-Tax Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it complies with the requirements of the law because it does not collect any taxes or other public funds and is, therefore, exempt from the provisions of the law. However, the District has made certain interpretations of the law's language in order to determine its compliance.

EASTERN RIO BLANCO COUNTY TEL SC 911 CO
Notes to the Financial Statements
December 31, 2022

Note -5-Capital Assets

	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Balance</u> <u>12/31/2023</u>
Equipment	\$ -	\$ 45,465	\$ -	\$ 45,465
Total Fixed Assets	-	45,465	-	45,465
Less Accumulated Depreciation	-	(2,273)	-	(2,273)
Net Assets	<u>\$ -</u>	<u>\$ 43,192</u>	<u>\$ -</u>	<u>\$ 43,192</u>

EASTERN RIO BLANCO COUNTY TEL SC 911 CO
Statement of Revenues, Expenses- Budget to Actual
For the Year Ended December 31, 2022

	Budget	Actual	(Over) Under Budget
REVENUE			
Charges for Services	\$ 134,669	\$ 132,186	\$ 2,483
EXPENSES			
Advertising	70	23	47
Professional Services	15	440	(425)
Dues	1,204	818	386
Meeting Expenses	509	509	(0)
Training & Travel	2,668	1,685	983
Public Education	-	866	(866)
Miscellaneous	369	369	0
Software Maintenance	9,603	8,737	866
Telephone and Service Expense	62,546	62,547	(1)
Total Expenses	76,984	75,994	990
Net Income from Operations	57,684	56,192	1,492
Other Income (Expense)			
Capital Outlays	(45,465)	(45,465)	-
Interest Income	-	223	(223)
Miscellaneous Income	2,244	7,849	(5,605)
Total Other Income (Expense)	(43,221)	(37,393)	(5,828)
Increase (Decrease) in Net Position	14,463	18,799	(4,336)
Net Position - January 1,	229,089	221,730	(7,359)
Prior Period Adjustment	-	19,129	19,129
Adjustments to GAAP Basis:			
Depreciation	-	(2,273)	(2,273)
Capital Outlays	-	45,465	45,465
Net Position December 31,	\$ 243,552	\$ 302,850	\$ 59,298