

Western Colorado Regional Dispatch Center

Financial Statements
with Independent Auditor's Report

December 31, 2023



Western Colorado Regional Dispatch Center

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December 31, 2023

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**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditor's Report

Board of Directors
Western Colorado Regional Dispatch Center
Montrose, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Western Colorado Regional Dispatch Center (WCRDC), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise WCRDC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, of WCRDC, as of December 31, 2023, and the respective changes in financial position and 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WCRDC 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

WCRDC's 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 WCRDC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

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 GAAS 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 GAAS, 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.
- 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 WCRDC'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 WCRDC's ability to continue as a going concern for a reasonable period of time.

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Other Information

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented 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.

Management is responsible for the other information included in the Supplementary Information, as listed in the table of contents. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Hick & Company, PC

Englewood, Colorado
December 31, 2024



Basic Financial Statements

Western Colorado Regional Dispatch Center
Statement of Net Position
Proprietary Funds
December 31, 2023

Assets

Current Assets

Cash and Cash Equivalents	\$	1,703,422
Accounts Receivable		1,088,105
Prepaid Expenses		331,635
Capital Assets, <i>Net of accumulated depreciation</i>		<u>580,640</u>
 Total Assets		 <u><u>3,703,802</u></u>

Liabilities

Current Liabilities

Accounts Payable		23,924
Accrued Salaries and Benefits		39,493
Current Portion of Long-Term Debt		53,519
Long-Term Liabilities		<u>76,020</u>
 Total Liabilities		 <u><u>192,956</u></u>

Net Position

Net Investment in Capital Assets		510,007
Unrestricted		<u>3,000,839</u>
		<u><u>3,510,846</u></u>
 Total Net Position	 \$	 <u><u>3,703,802</u></u>

Western Colorado Regional Dispatch Center
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

Operating Revenues	
Charges for Services	\$ <u>3,287,512</u>
Operating Expenses	
Personnel Services	1,761,069
Administrative	6,492
Insurance	9,168
Operating Expenses	238,165
Professional Fees	61,933
Travel and Training	22,512
Telephone and Utilities	152,585
Other Operating Expenses	15,176
Depreciation	<u>189,836</u>
 Total Operating Expenses	 <u>2,456,936</u>
 Net Operating Income	 830,576
Non-Operating Revenues (Expenses)	
Interest Income	<u>82,304</u>
 Change in Net Position	 <u>912,880</u>
 Net Position, Beginning of Year	 <u>2,597,966</u>
 Net Position, End of Year	 <u>\$ <u>3,510,846</u></u>

Western Colorado Regional Dispatch Center
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

Cash Flows From Operating Activities	
Cash Received from Customers	\$ 2,261,889
Cash Paid to Suppliers	(1,174,253)
Cash Paid to Employees	<u>(1,379,789)</u>
Net Cash Provided by Operating Activities	<u>(292,153)</u>
Cash Flows From Capital and Related Financing Activities	
Principal Payments on Leases	<u>(44,351)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(44,351)</u>
Cash Flows From Investing Activities	
Investment Income	<u>82,304</u>
Net Cash Used by Investing Activities	<u>82,304</u>
Net Change in Cash and Cash Equivalents	<u>(254,200)</u>
Cash and Cash Equivalents, <i>Beginning of Year</i>	<u>1,957,622</u>
Cash and Cash Equivalents, <i>End of Year</i>	<u>\$ 1,703,422</u>
Reconciliation of Net Operating Income to	
Net Cash Provided by Operating Activities:	
Net Operating Income	\$ 830,576
Adjustments to Reconcile Net Operating Income to	
Net Cash Provided by Operating Activities	
Depreciation Expense	189,837
Changes in:	
Accounts Receivable	(1,025,623)
Prepaid Expenses	(289,434)
Accounts Payable	1,570
Accrued Salaries	9,336
Accrued Compensated Absences	<u>(8,415)</u>
Net Cash Provided by Operating Activities	<u>\$ (292,153)</u>

See Notes to the Financial Statements.

Western Colorado Regional Dispatch Center

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies

The Western Colorado Regional Dispatch Center (WCRDC) is an intergovernmental agency created in 2015 between the City of Montrose, the Montrose Fire Protection District, the Telluride Fire Protection District, the Town of Telluride, the Town of Mountain Village, and the Town of Olathe governed by a Board of Directors consisting of five members and one administrative board member. WCRDC was established to provide emergency dispatch services to entities with the counties of San Miguel, and Montrose and in late 2018 expanded to include Ouray County. WCRDC commenced operations in 2016 and in November 2018 moved locations and expanded services. The significant accounting policies utilized are detailed below.

Reporting Entity

In accordance with governmental accounting standards, WCRDC has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. WCRDC is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Center officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, WCRDC. WCRDC may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Basic Financial Statements

As a special purpose government, basic financial statements are presented at the activity level.

Activity level financial statements focus on the sustainability of WCRDC as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregate statements consist of the Statement of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows.

As a special purpose government, WCRDC has only one fund, an enterprise / proprietary fund which is also considered its business type activity. WCRDC does not present any other fund or activity information.

Basis of Accounting

Enterprise fund accounting is utilized in accordance with accounting principles generally accepted in the United States of America. Enterprise funds recognize revenues and expenses on the accrual basis of accounting where revenues are recorded when earned and expenses are recorded when incurred.

Western Colorado Regional Dispatch Center

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

WCRDC distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with WCRDC's principal ongoing operations. The principal operating revenues in connection with WCRDC's customers for service. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expense.

WCRDC follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis - for state and local governmental entities which includes a management's discussion and analysis section; a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. It requires the classification of net position into three components - net investment in capital assets; restricted and unrestricted.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by WCRDC as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property and equipment of WCRDC is depreciated using the straight-line method over the following estimated useful lives:

Equipment

5 - 50 years

Compensated Absences

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Western Colorado Regional Dispatch Center

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which WCRDC is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Net Investment in Capital Assets - This classification includes 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 classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Unassigned - This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

WCRDC would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

Western Colorado Regional Dispatch Center

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position is liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third-party limitations on their use.

Subsequent Events

WCRDC has evaluated subsequent events through December 31, 2024, the date the financial statements were available to be issued.

Note 2: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

WCRDC follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, WCRDC staff submits to WCRDC Council a proposed operating budget for the fiscal year commencing the following July 31. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to September 30, the budget is legally enacted through passage of an ordinance.
- WCRDC Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by WCRDC Council.

Note 3: Cash and Investments

A summary of deposits and investments as of December 31, 2023 follows:

Cash Held in Deposits	\$	179,269
Investments - ColoTrust		<u>1,524,153</u>
Total	\$	<u><u>1,703,422</u></u>

Western Colorado Regional Dispatch Center

Notes to Financial Statements

December 31, 2023

Note 3: Cash and Investments (Continued)

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors' accounts up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. 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 102% of the uninsured deposits. At December 31, 2023, WCRDC had deposits with financial institutions with a carrying amount of \$179,269. The bank balances with the financial institutions totaling \$179,269 of which \$500,000 were covered by the FDIC and \$0 were collateralized with securities held by the financial institution's agent but not in WCRDC's name.

Investments

WCRDC does not have a formal investment policy; however, WCRDC follows state statutes regarding investments. WCRDC generally limits its concentration risk of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, WCRDC is not subject to concentration of risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following.

- Obligations of the United States & certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Western Colorado Regional Dispatch Center

Notes to Financial Statements

December 31, 2023

Note 3: Cash and Investments (Continued)

Investments (Continued)

WCRDC invested in the Colorado Local Governmental Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. The portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. The portfolio may also invest in certain obligations of the U.S. Government agencies, highest rated commercial paper, and any security allowed under C.R.S. 24-75-601.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Note 4: Capital Assets

Capital assets activity for the year ended December 31, 2023 is summarized below:

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Capital Assets, <i>Being Depreciated</i>				
Equipment	\$ 1,777,241	\$ -	\$ -	\$ 1,777,241
Right-to-use Equipment	157,635	-	-	157,635
Total Capital Assets, <i>Being Depreciated</i>	1,934,876	-	-	1,934,876
Less Accumulated Depreciation				
Equipment	(1,118,431)	(189,837)	-	(1,308,268)
Right-to-use Equipment	(45,968)	-	-	(45,968)
Total Accumulated Depreciation	(1,164,399)	(189,837)	-	(1,354,236)
Total Capital Assets, <i>Being Depreciated, net</i>	\$ 770,477	\$ (189,837)	\$ -	\$ 580,640

Western Colorado Regional Dispatch Center
Notes to Financial Statements
December 31, 2023

Note 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended December 31, 2023.

Business-Type Activities	Balance 12/31/22	Additions	Deletions	Balance 12/31/23	Due Within One Year
Equipment Leases	\$ 114,984	\$ -	\$ (44,351)	\$ 70,633	\$ 47,718
Compensated Absences	67,321	5,049	(13,464)	58,906	5,801
Total	<u>\$ 182,305</u>	<u>\$ 5,049</u>	<u>\$ (57,815)</u>	<u>\$ 129,539</u>	<u>\$ 53,519</u>

In 2021, WCRDC entered into a lease for radio equipment. The lease commencement date was January 1, 2021 with five payments ranging from \$18,915 to \$22,991 per year. The lease will expire on December 31, 2025. Interest is imputed at 0.334%.

On 2022, WCRDC entered into a lease for radio equipment. The lease commencement date was April 1, 2022 with three payments ranging from \$22,971 to \$26,392 per year. The lease will expire on March 31, 2025. Interest is imputed at 1.611%.

Year Ended December 31,	Principal	Interest	Total
2024	\$ 47,718	\$ 570	\$ 48,288
2025	22,915	77	22,992
Total	<u>\$ 70,633</u>	<u>\$ 647</u>	<u>\$ 71,280</u>

Note 6: Employee Medical Benefit Plan

Employees of WCRDC participate in the City of Montrose's medical benefit plan. Premiums are determined annually based on anticipated charges and expensed by WCRDC in the period incurred.

Note 7: Public Entity Risk Pool

WCRDC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, WCRDC is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members with defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

Western Colorado Regional Dispatch Center

Notes to Financial Statements

December 31, 2023

Note 7: Public Entity Risk Pool (Continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and WCRDC does not approve budgets, nor does it have the ability to significantly affect the operations of the entity.

Note 8: Emergency Telephone and Nonemergency Referral Services

WCRDC has entered into Funding Agreements with both the Montrose and San Miguel Emergency Telephone Service Authorities (“METSA” and SMETSA”, respectively). Both METSA and SMETSA provide WCRDC financial contributions within the scope of C.R.S. Section 29-11-104, which generally involves equipment and costs related to the receipt and routing of emergency calls. WCRDC appears to be in compliance with C.R.S. Section 29-11-104 as the services contracted directly relate to the allowable services provided in C.R.S. 29-11-104. Amounts received from these agencies are included as charges for services in the financial statements.

Note 9: Related Parties

The City of Montrose provides certain services to WCRDC, including finance, Information Technology (IT), and human resource services. Additionally, all WCRDC’s employees fall under the City’s benefit plans. WCRDC reimburses payroll costs to the City for services provided as well as contributes to the Employee Benefit Fund managed by the City for health, dental and vision benefits.

During the year ended December 31, 2023, the City of Montrose paid WCRDC \$896,393 under a user fee contract.

Supplementary Information

Western Colorado Regional Dispatch Center
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Charges For Services	\$ 3,422,215	\$ 3,287,512	\$ (134,703)
Expenses			
Personnel Services	2,275,623	1,761,069	514,554
Administrative	6,200	6,492	(292)
Insurance	9,320	9,168	152
Operating Expenses	676,223	238,165	438,058
Professional Fees	42,750	61,933	(19,183)
Travel and Training	61,400	22,512	38,888
Telephone and Utilities	152,100	152,585	(485)
Other Operating Expenses	68,599	15,176	53,423
Capital Outlays	130,000	-	130,000
Total Expenses	3,422,215	2,267,100	1,155,115
Net Operating Income	-	1,020,412	1,020,412
Nonoperating Revenues (Expenses)			
Interest	-	82,304	82,304
Total Nonoperating Revenues (Expenses)	-	82,304	82,304
Change in Net Position, Budgetary Basis	\$ -	1,102,716	\$ 1,102,716
Reconciliation to GAAP Basis			
Depreciation		(189,836)	
Change in Net Position, GAAP Basis		\$ 912,880	

Western Colorado Regional Dispatch Center

Notes to Supplementary Information

December 31, 2023

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of WCRDC. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

WCRDC follows these procedures to establish the budgetary information reflected in the financial statements:

- Submission of the preliminary planning budget and cost estimates shall be presented to the Board of Directors by July 31 of each year.
- The recommended budget is provided to the Board of Directors for comment by August 31.
- Final adoption of the budget and appropriations by September 30 of each year.