



Las Animas County E-911 Authority Board
Trinidad, Colorado
Financial Statements
December 31, 2023

**Las Animas County E-911 Authority Board
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December 31, 2023**

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Independent Auditor's Report

Board of Directors
Las Animas County E-911 Authority Board

Opinions

We have audited the financial statements of the major proprietary fund of the Las Animas County E-911 Authority Board (the "Authority"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority'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 major proprietary fund, as of December 31, 2023, 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 (GAAS). 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 Authority 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 Authority'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

*r*farmer, llc

a certified ¹public accounting and consulting firm

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 the Authority'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 Authority'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 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 the reporting for placing the financial statements in the appropriate operational, economic, or historical context.

Management has elected to omit the management's discussion and analysis. The omission of the information does not affect our opinion on the basic financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information 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. The 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc
March 28, 2025

Basic Financial Statements

**Las Animas County E-911 Authority Board
Statement of Net Position
Proprietary Fund
December 31, 2023**

	E-911 Emergency Services
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 629,064
Accounts Receivable, net	105,207
Total current assets	734,271
Non-current assets:	
Capital Assets:	
Equipment and Furniture	1,886,183
Less Accumulated depreciation	(1,648,194)
Total non-current assets	237,989
Total assets	972,260
 LIABILITIES	
Current Liabilities:	
Accounts payable	33,923
Loans payable	26,612
Total current liabilities	60,535
Non-current liabilities:	
Loans payable	55,994
Total non-current liabilities	55,994
Total liabilities	116,529
 NET POSITION	
Net investment in capital assets	155,383
Unrestricted	700,348
Total net position	\$ 855,731

The accompanying notes to financial statements
are an integral part of these statements.

Las Animas County E-911 Authority Board
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2023

	E-911 Emergency Services
REVENUES	
Charges for services	\$ 549,917
Total operating revenues	<u>549,917</u>
 OPERATING EXPENSES	
Personal services	18,000
Contractual services	100,000
Training and education	55
Professional fees	14,022
Repairs and maintenance	56,317
Maintenance contract	13,522
Miscellaneous expenses	81,985
Depreciation	105,929
Total Operating Expenses	<u>389,830</u>
Operating income (loss)	<u>160,087</u>
 NON-OPERATING REVENUES (EXPENSES)	
Interest and investment revenue	674
Interest expense	<u>(3,717)</u>
Total non-operating revenue (expenses)	<u>(3,043)</u>
Income (loss) before transfers	<u>157,044</u>
Change in net position	157,044
Total net position - beginning	<u>698,687</u>
Total net position - ending	<u><u>\$ 855,731</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

Las Animas County E-911 Authority Board
Statement of Cash Flows
Proprietary Fund
For the year ended December 31, 2023

	<u>E-911 Emergency Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Charges for Services	\$ 529,621
Cash Payments to Suppliers for Goods & Services	(265,901)
Cash Payments for Salaries & Benefits	<u>(18,000)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>245,720</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:	
Principal payments	(25,729)
Interest Paid on Long-Term Debt	(3,717)
Purchase of Equipment	<u>(19,702)</u>
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(49,148)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Received on Investments	<u>674</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>674</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	197,246
Cash & Cash Equivalents:	
Beginning of Year	<u>431,818</u>
End of Year	<u><u>\$ 629,064</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ 160,087
Adjustments to Reconcile Operating Income	
Depreciation	105,929
To Net Cash Provided by Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Receivables	<u>(20,296)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>245,720</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

Notes to Basic Financial Statements

Las Animas County E-911 Authority Board
Notes to Financial Statements
December 31, 2023

Note 1 **Summary of Significant Accounting Policies**

The accounting policies of Las Animas County E-911 Authority Board (the “Authority”) conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Center’s accounting policies are described below.

The Authority operates under an appointed Board with nine members.

Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39 and No. 61), “*The Financial Reporting Entity*” (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations whose exclusion from the reporting entity’s financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This Authority is not included in any other governmental “reporting entity” as defined in GASB No. 14, including amendments, and does not include any other component unit as part of its “reporting entity”. As required by accounting principles generally accepted in the United States, these basic financial statements present the Authority (the primary government) and its component units, if any.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets, liabilities and deferred flows associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund’s ongoing operations. The principal operating revenues of the Center’s proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Fund Accounting

The accounts of the Center are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

Major Proprietary Funds – Business-Type Activities

Enterprise Funds – used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interest in the activities and sources of funding supporting these operations.

Use of Estimates

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

Budgets and Budgetary Accounting

The Authority has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, a proposed operating budget for the fiscal year commencing the following January 1 is developed. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
4. Formal budgetary integration should be employed as a management control device during the year for the Enterprise Fund.
5. Budgets for the Enterprise Funds are adopted on a budgetary basis not consistent with generally accepted accounting principles (GAAP).

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost

if purchased or constructed. Donated capital assets are recorded at estimated fair 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Equipment 3-15 years

Revenue Recognition

Operating revenues are recognized when billed.

Interest

Interest income is recognized as revenue when earned.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Authority considers cash in bank and highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Long-Term Obligations

In the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred.

Note 2 Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Equipment	\$ 1,866,481	\$ 19,702	\$ -	\$ 1,886,183
Less: Accumulated Depreciation	(1,542,265)	(105,929)	-	(1,648,194)
Total Capital Assets	\$ 324,216	\$ (86,227)	\$ -	\$ 237,989

Note 3 Cash and Investments

Deposits

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. POPA allows the institution to create a single collateral pool for all 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.

At December 31, 2023, the Authority’s bank balance and corresponding carrying balance were as follows:

	2023 Carrying Balance
Insured (FDIC):	
Cash	\$ 250,000
Uninsured, Collateralized under PDPA	379,064
Total Cash and Deposits	<u>\$ 629,064</u>

Note 4 Accounts Receivable

The accounts receivable are stated at gross and represent amounts receivable from Enterprise Fund customers. The amount of accounts receivable considered uncollectible is not significant, therefore an allowance for uncollectible receivables has not been recorded.

Note 5 Contingencies – 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 authority has made certain interpretations of the amendment’s language and believes the amendment does not apply to Las Animas County E-911 Authority Board.

Note 6 Risk Management

The Authority is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The Authority 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 7**E-911 Equipment Leases**

The following is a summary of the transactions in the Authority's long-term debt.

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Motorola	\$ 108,336	\$ -	\$ (25,729)	\$ 82,607	\$ 26,612

The Authority entered into a lease in September of 2022 with Motorola Solutions Credit Company, LLC for emergency telephone equipment in the amount of \$133,433. The lease requires five equal payments of \$29,446. Annual payments are due November 1 of each year with an interest rate of 3.431%.

Minimum required lease payments are as follows:

Year	Interest	Principal	Interest	Total
2024	3.431%	\$ 26,612	\$ 2,834	\$ 29,446
2025	3.431%	27,525	1,921	29,446
2026	3.431%	28,470	976	29,446
Total		\$ 82,607	\$ 5,731	\$ 88,338

Supplementary Information

**Las Animas County E-911 Authority Board
Budget and Actual
E-911 Emergency Services
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for services	\$ 591,157	\$ 591,157	\$ 549,917
Interest and investment earnings	-	-	674
Total revenues	<u>591,157</u>	<u>591,157</u>	<u>550,591</u>
EXPENDITURES			
Operating costs	18,000	18,000	18,000
Contractual services	100,000	100,000	100,000
Professional fees	29,000	29,000	14,022
Maintenance contracts	20,000	20,000	10,560
Repairs and maintenance	60,000	60,000	56,317
Miscellaneous expenses	13,200	13,200	3,017
Interest	4,349	4,349	3,717
Capital outlay	25,000	25,000	19,702
Principal payment	25,097	25,097	25,729
Contingency	92,000	92,000	-
Miscellaneous expenses	<u>204,511</u>	<u>204,511</u>	<u>81,985</u>
Total expenditures	<u>591,157</u>	<u>591,157</u>	<u>333,049</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>217,542</u>
Adjustments to GAAP Net Position			
Principal payment	-	-	25,729
Capital outlay	-	-	19,702
Depreciation	-	-	(105,929)
Change in net position	-	-	157,044
Net Position - beginning	<u>648,049</u>	<u>648,049</u>	<u>698,687</u>
Net Position - ending	<u>\$ 648,049</u>	<u>\$ 648,049</u>	<u>\$ 855,731</u>