ADAMS AND JEFFERSON COUNTY HAZARDOUS RESPONSE AUTHORITY

BASIC FINANCIAL STATEMENTS and INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024

ADAMS AND JEFFERSON COUNTY
HAZARDOUS RESPONSE AUTHORITY

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Haynie & Company
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Adams and Jefferson County Hazardous Response Authority

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of Adams and Jefferson County Hazardous Response Authority (the "Authority"), as of and for the year ended December 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of Adams and Jefferson County Hazardous Response Authority as of December 31, 2024, and the respective changes in financial position and the 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 Auditors' 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.

Emphasis of Matter

As discussed in Note 6 to the financial statements, the Authority was dissolved as of December 31, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, 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.

Auditors' 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 auditors' report that includes our opinion. 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.
- 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 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.

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 Statement of Revenues, Expenses, and Changes in Net Position – Budget and Actual is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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 Statement of Revenues, Expenses, and Changes in Net Position – Budget and Actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Haynie & Company

Littleton, CO
June 18, 2025

Adams and Jefferson County
Hazardous Response Authority
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MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis (MD&A) is designed to provide an overview of the financial activities of the Adams and Jefferson County Hazardous Response Authority (the Authority) for the fiscal year ended December 31, 2024. The MD&A should be read in conjunction with the Authority's Independent Auditors' Report.

Background:

The success of merging two counties', hazardous materials response programs led to the signing of the "Intergovernmental Agreement" (IGA) establishing the Adams and Jefferson County Hazardous Response Authority in October of 1997. The Authority collects revenue from Adams and Jefferson Counties as well as the City and County of Broomfield, a newly created county in 2001 previously contained within the boundaries of Adams, Jefferson, Boulder and Weld Counties.

Annual revenue from the Jefferson County Hazardous Substance Response Authority is determined on the basis of the formula set forth within their IGA. Annual revenue from the Adams County Mutual Aid Trust is determined on the basis of funding as provided in the organizational documents establishing the Adams County Mutual Aid Trust. Annual revenue from the City and County of Broomfield is determined as a residual amount developed within the Jefferson County IGA.

The Authority dissolved on December 31, 2024. The primary reason for the dissolution was the significant growth of both counties since the Authority's establishment in October 1997. As the counties expanded, the need for a combined hazardous materials response program diminished, leading to the decision to dissolve the Authority. The Authority created a Technical Expert Committee to divide assets evenly between Jefferson County Hazardous Substance Response Authority and the Adams County Mutual Aid Trust.

Overview and explanation of the Financial Statements:

This discussion and analysis serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of proprietary fund financials statements and notes to the financial statements.

The financial statements are prepared and organized so the reader can understand the Authority as a financial whole or as an entire operating entity.

The Statement of Net Position presents information on all the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Change in Net Position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

A fund is a group of accounts used to maintain control of services that have been set aside for specific activities or objectives. The Authority uses general funds accounting to account for all financial activities and to ensure and demonstrate compliance with finance related legal requirements.

The Authority used one fund for the 2024 fiscal budget year. It is a proprietary fund and it is intended to account for all financial resources associated with the operating activities of the Authority.

The primary funding source for the proprietary fund is the quarterly contributions from Jefferson County Hazardous Substance Response Authority, Adams County Mutual Aid Trust and a yearly contribution from the City and County of Broomfield. Other sources of revenue income for FYE 2024 include interest income.

Financial Analysis & Highlights

Adams and Jefferson County Hazardous Response Authority

	12/31/2023	**12/31/2024**
Current Assets:		
Cash and Cash Equivalents	$ 359,986	$ -
Accounts Receivable	61,831	-
Capital Assets net Depreciation	27,260	-
Total Assets	**$ 449,077**	**$ -**
Current Liabilities:		
Accounts Payable	$ 18,525	$ -
Total Liabilities	**$ 18,525**	**$ -**
Net Position	$ 430,552	$ -
Revenues:	$ 290,085	$ 151,843
Operating Expense	232,134	560,561
Depreciation Expense	49,218	21,834
Total Expenses:	281,352	582,395
Net Position- End	**$ 430,552**	**$ -**

For Fiscal Year End 2024 the Authority's most significant "event" was the dissolution of the Authority mentioned above.

Operations; total expense increased by $301,043 in 2024 primarily due to the dissolution of the Authority.

Balance Sheet; All balance sheet balances were decreased to $0 due to the dissolution of the Authority.

Capital Assets were distributed between Jefferson County Hazardous Substance Response Authority and Adams County Mutual Aid Trust.

Impacts to the Authority of acquired assets are the associated maintenance and depreciation costs.

Revenues for the Authority saw a decrease of $108,678 for FYE 2024 due to the departure of a member.

Expenses; Total amended budgeted expenses for FYE 2024 were $582,397. Actual expenses were $560,561 resulting in a favorable variance of $21,836 from the budget.

The Authority appropriately depreciates equipment over a "useful" life with the dollar amount determined annually. The Authority does not include this expense in the budget and does not bill the participating members. Actual replacement requires board approval with both grant request and award along with "special" or designated funding from reserves if needed.

Requests for information:
This financial report is designed to provide a general overview of the Authority's financial condition as of Fiscal Year End 2024. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

Adams and Jefferson County Hazardous Response Authority
Attn:
Fromm & Company, LLC
Corbin Fromm, CPA; Authority Accountant
8200 S. Quebec St., Suite A3-305
Centennial, CO 80112

ADAMS AND JEFFERSON COUNTY
HAZARDOUS RESPONSE AUTHORITY
STATEMENT OF NET POSITION

DECEMBER 31, 2024

ASSETS

	2024	(Memorandum Only) 2023
CURRENT ASSETS		
Cash and cash equivalents	$ -	$ 359,986
Accounts receivable	-	61,831
Total current assets	-	421,817
CAPITAL ASSETS		
Net of Accumulated Depreciation	-	27,260
TOTAL ASSETS	$ -	$ 449,077

LIABILITIES AND NET POSITION

	2024	(Memorandum Only) 2023
CURRENT LIABILITIES		
Accounts payable	$ -	$ 18,525
Total current liabilities	-	18,525
NET POSITION		
Unrestricted	-	403,292
Restricted Net Position-Invested in capital assets	-	27,260
Total net position	-	430,552
TOTAL LIABILITIES AND NET POSITION	$ -	$ 449,077

See independent auditors' report.
The accompanying notes on pages 8 to 12 are an
integral part of the financial statements

ADAMS AND JEFFERSON COUNTY
HAZARDOUS RESPONSE AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	(Memorandum Only) 2023
Operating Revenues		
Member contributions	$ 151,658	$ 259,017
Other income	147	1,473
Interest income	38	31
Total Operating Revenues	151,843	260,521
Operating Expenses		
Administration	83,326	192,054
Operations	17,400	1,470
Maintenance	34,691	34,324
Training	-	1,129
Capital supplies	-	3,157
Depreciation	21,834	49,218
Total Operating Expenses	157,251	281,352
Non-operating Revenues (Expenses)		
Gain (loss) on disposal of assets	(5,425)	29,565
Total Non-operating Revenues (Expenses)	(5,425)	29,565
Other Financing Sources (Uses)		
Dissolution of Authority- Transfer to other Entities	(419,719)	-
Total Other Financing Sources (Uses)	(419,719)	-
Change in Net Position	(430,552)	8,734
Net Position - Beginning of Year	430,552	421,818
Net Position - End of Year	$ -	$ 430,552

See independent auditors' report.
The accompanying notes on pages 8 to 12 are an
integral part of the financial statements

ADAMS AND JEFFERSON COUNTY
HAZARDOUS RESPONSE AUTHORITY
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

DIRECT METHOD

	2024	(Memorandum Only) 2023
Cash flows from operating activities:		
Member contributions received	$ 213,490	$ 228,102
Other income received	147	1,473
Interest income received	38	31
Payments to vendors and employees	(573,661)	(241,047)
Net cash provided (used) by operating activities	(359,986)	(11,441)
Cash flows from investing activities:		
Proceeds from the sale of assets	-	29,565
Net cash provided (used) by investing activities	-	29,565
Net cash provided (used) by financing activities	-	-
Net increase (decrease) in cash	(359,986)	18,124
Cash, Beginning of Year	359,986	341,862
Cash, End of Year	$ -	$ 359,986

Reconciliation of Net Cash Provided (Used) by
Operating Activities to Change in Net Position

	2024	2023
Change in Net Position	$ (430,552)	$ 8,734
Adjustments to reconcile net income to increase in net cash provided by operating activities:		
Depreciation	21,834	49,218
Loss on dissolution	5,425	-
Gain on sale of asset	-	(29,565)
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	61,832	(30,915)
Increase (decrease) in accounts payable	(18,525)	(286)
Increase (decrease) in payroll liabilities	-	(8,627)
Net cash provided (used) by operating activities	$ (359,986)	$ (11,441)

See independent auditors' report.
The accompanying notes on pages 8 to 12 are an integral part of the financial statements

ADAMS AND JEFFERSON COUNTY
HAZARDOUS RESPONSE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

During October 1997, the Adams County Mutual Aid Trust and the Jefferson County Hazardous Substance Response Authority executed an intergovernmental agreement to establish the Adams and Jefferson County Hazardous Response Authority. The Authority was created to consolidate and establish, maintain and operate hazardous materials response services to the constituents of each entity. The Board of Directors is comprised of ten members, as chosen by the above member entities, and one at-large member as chosen by the Authority Board.

Each of the above member entities contributed vehicles and equipment to the Authority to be used for the above-mentioned services. Member entities make quarterly cash contributions, as based on an annual formula within the intergovernmental agreement.

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United State of America (GAAP), which are applicable to governmental entities.

The following is a summary of significant accounting policies:

A. Principles Determining Scope of Reporting Entity

The financial statements of the Authority consist only of the funds and account groups of the Authority. The Authority has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Authority. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and election of the respective governing board. Therefore, in accordance with Governmental Accounting Standards Board Statement No. 14, the Authority is considered a stand-alone entity for financial reporting purposes.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority uses one fund to report on its financial position and activities. Fund accounting is designed to segregate transactions related to certain governmental functions and activities. The Authority's fund is classified as an enterprise fund type. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing services on a continuing basis be financed or recovered primarily through user charges. The 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The principal operating revenues of the Authority's enterprise fund are charges for Hazmat service. The Authority's operating expenses include hazmat supplies and maintenance of hazmat vehicles. All other revenues and expenses are reported as nonoperating revenues and expenses.

The Authority reports all activity in one enterprise fund which is a proprietary fund type.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid debt instruments purchased with maturity of six months or less to be cash equivalents.

D. Estimates in the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

2. CASH and DEPOSITS

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral determined by the PDPA. The institution is allowed 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.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits would not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of year-end the Authority’s bank balance was either insured or collateralized with securities held by the pledging financial institution through PDPA.

2. CASH and DEPOSITS (Continued)

The bank balance of the deposits listed below is classified in three categories of credit risk as follows: 1) Uncollateralized; 2) Collateralized with securities held by the pledging financial institution; 3) Collateralized with securities held by pledging financial institution's trust department or agent but not in the depositor-government's name.

At December 31, 2024, the Authority's cash deposits had a carrying balance of $0 and the corresponding bank balances as follows:

	2024	*Memorandum Only* 2023
Insured (Category 2)	---	$250,000
Uninsured (Category 1)	---	109,986
Total Cash Deposits	---	**$359,986**

3. CAPITAL ASSETS

The schedule of changes in capital assets for the year-end December 31, 2024 is presented below:

	12/31/2023 Balances	Additions	Deletions	12/31/2024 Balances
Equipment	$ 733,476	$ -	$ (733,476)	$ -
Vehicles	921,136	-	(921,136)	-
Accumulated depreciation	(1,627,353)	(21,834)	1,649,187	-
Net	$ 27,260	$ (21,834)	$ (5,425)	$ -

Equipment is recorded at cost when purchased or lower of estimated value at time of contribution, and is depreciated over seven to ten years using the straight-line method. Warranties on equipment are depreciated over their useful lives. Depreciation expense for the year ended December 31, 2024 was $21,834.

4. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; damage to and destruction of assets; errors and omissions and natural disasters for which the Authority carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

5. TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (TABOR Amendment), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. Based on the Authority's financial activities and structure, it is believed that the Authority is exempt from the provisions and limitations of the "TABOR" amendment at this time.

6. DISSOLUTION OF AUTHORITY

Effective December 31, 2024, the Adams and Jefferson County Hazardous Response Authority dissolved. The decision to dissolve was made by the Board and approved by the Jefferson County Hazardous Response Authority and the Adams County Mutual Aid Trust. The financial statements as of and for the year ended December 31, 2024 reflect the financial position and changes in financial position of the Authority up to the dissolution date.

The Adams and Jefferson County Hazardous Response Authority was established in October 1997 through an intergovernmental agreement between the Adams County Mutual Aid Trust and the Jefferson County Hazardous Substance Response Authority. The Authority was created to consolidate and operate hazardous materials response services for the constituents of each entity.

The decision to dissolve the Authority was made due to the rapid growth of both Adams and Jefferson County which led to changes in the operational needs and strategic direction of the member entities.

7. SUBSEQUENT EVENTS

In accordance with the provisions of Statement of Financial Accounting Standards Codification 855, Subsequent Events, management must evaluate, through the date the financial statements are issued or are available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Authority's financial statements were available to be issued on the date of the Independent Auditors' Report and this is the date through which subsequent events were evaluated. The Authority did not identify any events that would require disclosure.

OTHER
SUPPLEMENTAL INFORMATION

ADAMS AND JEFFERSON COUNTY
HAZARDOUS RESPONSE AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget			Variance- Favorable
	Original	Final	Actual	(Unfavorable)
Operating Revenues				
Member contributions	$ 151,658	$ 151,658	$ 151,658	$ -
Other income	-	147	147	-
Interest income	-	40	38	(2)
Total Revenues	151,658	151,845	151,843	(2)
Operating Expenses				
Administration	60,050	492,597	83,326	409,271
Operations	21,750	25,500	17,400	8,100
Maintenance	43,200	46,300	34,691	11,609
Training	4,000	-	-	-
Capital supplies	18,000	18,000	-	18,000
Depreciation	-	-	21,834	21,834
Total Operating Expenses	147,000	582,397	157,251	468,814
Non-operating Revenues (Expenses)				
Gain (loss) on dissolution	-	-	(5,425)	(5,425)
Total Non-operating Revenues (Expenses)	-	-	(5,425)	(5,425)
Other Financing Sources (Uses)				
Dissolution of Authority- Transfer to other Entities	-	-	(419,719)	(419,719)
Total Other Financing Sources (Uses)	-	-	(419,719)	(430,569)
Change in Net Position	$ 4,658	$ (430,552)	$ (430,552)	$ -
Net Position - Beginning of Year	421,818	430,552	430,552	-
Net Position - End of Year	$ 426,476	$ -	$ -	$ -