

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**



**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**



**DECEMBER 31, 2024**

**FINANCIAL STATEMENTS – 2024**

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

**2024 BOARD OF DIRECTORS**

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Carl Stephens, Executive Director

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Garfield County Emergency Communications Authority

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Garfield County Emergency Communications Authority, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Garfield County Emergency Communications 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 governmental activities and each major fund of the Garfield County Emergency Communications Authority, as of December 31, 2024, and the respective changes in financial position 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 Garfield County Emergency Communications 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.

### Change in Accounting Principle

As discussed in Note 10 to the financial statements, in 2024 the Authority adopted new accounting guidance, GASBS No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

### 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 Garfield County Emergency Communications 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 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

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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 Garfield County Emergency Communications 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 Garfield County Emergency Communications 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 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.

*Calocopa Services, PC*

Rangely, Colorado  
July 21, 2025

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The discussion and analysis of the Garfield County Emergency Communications Authority's (the "Authority") financial performance provides readers with an overall review of the financial activities of the Authority for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the Authority's financial performance.

### **FINANCIAL HIGHLIGHTS**

- The Authority's assets exceeded liabilities by \$5,479,180 at December 31, 2024.
- Total Authority's cash and investments increased by \$761,143 or 22% from 2023.
- The December 31, 2024 General Fund balance is \$4,364 more than the previous year. The total General Fund balance is 34% of 2024 General Fund operating expenditures.

### **USING THIS ANNUAL REPORT**

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Authority as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Authority, presenting both an aggregate view of the Authority's finances and a longer-term view of those assets. The Statement of Activities shows net (expense) revenue and changes to net position related to each department of the Authority. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

### **OVERVIEW OF THE AUTHORITY'S FINANCIAL STATEMENTS**

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Authority's net position and the changes in those positions. This change in position is important because it tells the reader whether, for the Authority as a whole, the financial position of the Authority has improved or diminished. However, in evaluating the overall position of the Authority, non-financial information such as changes in the Authority's tax base and the condition of Authority capital assets will also need to be evaluated.

In the Statement of Net Position and Statement of Activities, all of the Authority's activities are reported as Governmental Activities.

## Fund Financial Statements

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 25 of this report.

**Budgetary Comparisons.** The Authority adopts an annual appropriated budget for the General and Special Revenue Funds. A budgetary comparison schedule has been provided for the General Fund on page 27 and for the Special Revenue Fund on page 28 of this report.

### REPORTING THE AUTHORITY AS A WHOLE

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the Authority's net position for 2023 and 2024.

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2024</b>
<b>Assets</b>		
Current and other assets	\$ 4,624,300	\$ 5,404,606
Capital assets	2,275,118	2,330,217
Total assets	<u>6,899,418</u>	<u>7,734,823</u>
<b>Liabilities</b>		
Current and other liabilities	184,093	137,822
Long-term liabilities	221,427	386,967
Total Liabilities	<u>405,520</u>	<u>524,789</u>
<b>Net Position</b>		
Net investment in capital assets	2,275,118	2,330,217
Unrestricted	4,218,780	4,879,817
Total net position	<u>\$ 6,493,898</u>	<u>\$ 7,210,034</u>

A significant portion of the Authority's position represents unrestricted net position of \$4,879,817, which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the Authority's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

The following table indicates the changes in net position.

	<b>Governmental Activities</b>	
	2023	2024
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charge for services	\$ 1,443,402	\$ 1,821,631
Operating grants and contributions	-	-
Capital grants and contributions	-	-
<b>General revenues:</b>		
Sales tax	3,625,125	3,530,516
Investment earnings	103,681	163,356
Other	364,629	102,392
<b>Total revenues</b>	<b>5,536,837</b>	<b>5,617,895</b>
<b>Expenses:</b>		
Administration	907,321	736,688
Services	3,802,560	4,064,513
<b>Total expenses</b>	<b>4,709,881</b>	<b>4,801,201</b>
Increase (decrease) in net position	<b>\$ 826,956</b>	<b>\$ 816,694</b>

**Governmental Activities.** Governmental activities increased the Authority's net position by \$816,694 in 2024. Key elements of this increase are as follows:

The Authority's charge for services was \$378,229 more than the previous year.

### **FINANCIAL ANALYSIS OF THE AUTHORITY'S FUND**

Information about the Authority's governmental funds begins on page 13. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2024, the total fund balances of the Authority's governmental funds were \$4,879,817. Approximately 28% of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the Authority. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed for the following purposes: (1) a board reserve for future 911 services expenditures (\$3,521,097). The Authority had governmental revenues of \$5,617,895 and expenditures of \$4,856,300.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The Authority's budget is prepared according to Colorado statutes.

### **2024 General Fund Budget**

	<u>Original Budget</u>	<u>Amend- ments</u>	<u>Final Budget</u>	<u>Actual</u>
Beginning Fund Balance	\$ 1,593,123	\$ -	\$ 1,593,123	\$ 1,354,356
Revenue and other financing sources	4,428,359	(492,000)	3,936,359	3,968,680
Expenditures and other financing uses	<u>(6,021,482)</u>	<u>492,000</u>	<u>(5,529,482)</u>	<u>(3,964,316)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,358,720</u>

Actual revenues and other financing sources were more than the budget by \$32,322. Revenue from sales tax was budgeted to be \$3,477,816, but the actual was \$3,530,516, a \$52,700 difference.

Budgeted expenditures and other financing uses exceeded actual by \$1,565,166. Operations reserve was actually \$17,643 but was budgeted to be \$1,326,401, a \$1,308,758 difference.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The Authority's investment in capital assets for its governmental type activities as of December 31, 2024 totaled \$2,330,217 (net of accumulated depreciation and related debt). This investment includes all land, buildings, and equipment. The total increase in investment in capital assets (net of depreciation and related debt) for the current year was \$55,099 or 2%.

Major capital asset events during the current fiscal year include the purchase of equipment for a trunking operation site for \$176,346 and a site repeater for \$164,043.

The Authority uses the straight-line depreciation method under GASB 34 for its capital assets, except for land, which is not depreciated.

The Authority has no infrastructure assets.

## ECONOMIC FACTORS AND OTHER MATTERS

**Other Matters.** The following factors are expected to have a significant effect on the Authority's financial position and results of operations and were taken into account in developing the 2025 budget:

- An increase in salaries, wages, and benefits.
- A slight increase in sale tax revenue.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the Authority, 585 E. First Street, Rifle, Colorado 81650.

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## **FINANCIAL STATEMENTS**

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**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

STATEMENT OF NET POSITION  
December 31, 2024

ASSETS

Cash and investments	\$ 4,232,590
Other receivable	26,573
Sales tax receivable	860,944
Prepays	34,669
Assessments receivable	249,830
Capital assets, nondepreciable	120,293
Capital assets, net of accumulated depreciation	<u>2,209,924</u>
TOTAL ASSETS	<u>7,734,823</u>

LIABILITIES

Accounts payable	52,397
Accrued liabilities	11,181
Accrued payroll	74,244
Compensated absences	<u>386,967</u>
TOTAL LIABILITIES	<u>524,789</u>

NET POSITION

Net investment in capital assets	2,330,217
Unrestricted	<u>4,879,817</u>
TOTAL NET POSITION	<u>\$ 7,210,034</u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2024

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES			
Administration	\$ 736,688	\$ -	\$ -
911 dispatch services	<u>4,064,513</u>	<u>1,821,631</u>	<u>-</u>
 TOTAL GOVERN- MENTAL ACTIVITIES	 <u><u>\$ 4,801,201</u></u>	 <u><u>\$ 1,821,631</u></u>	 <u><u>\$ -</u></u>

GENERAL REVENUES

Sales tax  
Investment earnings  
Other

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION - BEGINNING OF YEAR

PRIOR PERIOD ADJUSTMENT

NET POSITION - END OF YEAR

Net (Expense)  
Revenue and  
Changes in  
Net Position

Governmental  
Activities

\$ (736,688)  
(2,242,882)

(2,979,570)

3,530,516  
163,356  
102,392

3,796,264

816,694

6,493,898

(100,558)

\$ 7,210,034

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,030,445	\$ 3,202,145	\$ 4,232,590
Other receivable	22,401	4,172	26,573
Sales tax receivable	860,944	-	860,944
Prepays	-	34,669	34,669
Assessments receivable	-	249,830	249,830
Due from Other Fund	-	74,574	74,574
	<u>                  </u>	<u>                  </u>	<u>                  </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,913,790</u></u>	<u><u>\$ 3,565,390</u></u>	<u><u>\$ 5,479,180</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 8,104	\$ 44,293	\$ 52,397
Accrued liabilities	11,181	-	11,181
Accrued payroll	74,244	-	74,244
Accrued leave	386,967	-	386,967
Due to Other Funds	74,574	-	74,574
	<u>                  </u>	<u>                  </u>	<u>                  </u>
<b>TOTAL LIABILITIES</b>	<u>555,070</u>	<u>44,293</u>	<u>599,363</u>
 <b>FUND BALANCES</b>			
Fund balances:			
Restricted:			
Reserved for 911	-	3,521,097	3,521,097
Unassigned	1,358,720	-	1,358,720
	<u>                  </u>	<u>                  </u>	<u>                  </u>
<b>TOTAL FUND BALANCES</b>	<u>1,358,720</u>	<u>3,521,097</u>	<u>4,879,817</u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 1,913,790</u></u>	<u><u>\$ 3,565,390</u></u>	<u><u>\$ 5,479,180</u></u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
December 31, 2024

TOTAL GOVERNMENTAL FUNDS BALANCE	\$ 4,879,817
<b><i>Amounts reported for governmental activities in the statement of net position are different because:</i></b>	
Capital assets used in governmental activities are not financial resources and therefore not reported in the fund.	2,330,217
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 7,210,034</u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
For the Year Ended December 31, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Sales tax	\$ 3,530,516	\$ -	\$ 3,530,516
Assessments E911	-	1,520,615	1,520,615
Interest income	34,756	128,600	163,356
Charge for services	301,016	-	301,016
Other income	102,392	-	102,392
	<u>3,968,680</u>	<u>1,649,215</u>	<u>5,617,895</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Salaries and wages	2,421,927	-	2,421,927
Health and life insurance	464,518	-	464,518
Payroll taxes	183,883	-	183,883
Maintenance and repair	316,396	258,093	574,489
Retirement contribution	175,391	-	175,391
Accounting and audit	54,616	-	54,616
Treasurer fees	69,975	-	69,975
Sales tax refund	31,761	-	31,761
Sales tax recovery	124,232	-	124,232
Liability insurance	51,916	-	51,916
Office supplies	-	13,494	13,494
Telephone	-	114,909	114,909
Utilities	32,224	-	32,224
Legal fees	10,821	-	10,821
Workers compensation	4,167	-	4,167
Travel and subsistence	-	16,763	16,763
Public education	-	3,176	3,176
Training	-	65,665	65,665
Unemployment insurance	4,846	-	4,846
Advertising	-	941	941
Operations reserve	17,643	23,714	41,357
Capital outlay	-	395,229	395,229
	<u>3,964,316</u>	<u>891,984</u>	<u>4,856,300</u>
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	<u>4,364</u>	<u>757,231</u>	<u>761,595</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			
	1,676,341	2,763,866	4,440,207
<b>PRIOR PERIOD ADJUSTMENT</b>			
	<u>(321,985)</u>	<u>-</u>	<u>(321,985)</u>
<b>FUND BALANCE - END OF YEAR</b>			
	<u>\$ 1,358,720</u>	<u>\$ 3,521,097</u>	<u>\$ 4,879,817</u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 761,595

***Amounts reported for governmental activities in the  
statement of activities are different because:***

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities, the costs of those  
assets is allocated over their estimated useful lives as  
depreciation expense. This is the amount by which  
depreciation exceeded capital outlay in the current period.

Capital outlay	395,229	
Current year depreciation	<u>(340,130)</u>	
TOTAL		<u>55,099</u>
CHANGE IN NET POSITION		<u><u>\$ 816,694</u></u>

The accompanying "Notes to Financial Statements" are an integral part of the statement.

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## **NOTES TO FINANCIAL STATEMENTS**

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Garfield County Emergency Communications Authority (the Authority) conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently used in the preparation of the financial statements.

**A. Reporting Entity**

On February 7, 1997, Garfield County and various other governmental entities entered into an intergovernmental agreement to establish the Authority. The Authority was established for the purpose of promoting and creating a centralized county-wide emergency communications operation, including a unified county-wide dispatch service.

A Board of Directors serves as the governing body of the Authority. Each member of the Authority is entitled to one representative on the Board of Directors. For those members that are municipal entities, their designee is the Chief of Police or Chief of Law Enforcement Officer. For those members that are Special Districts, their representative is appointed by the Board of that Special District and is either a Board member or a member of the staff. The Board of County Commissioners of Garfield County has one member on the Authority Board. The Garfield County Sheriff is a member of the Authority Board. There is also a Citizen at Large member of the Authority Board.

The Authority is not included in any other governmental "reporting entity" as defined by Statement No. 14 of the Governmental Accounting Standards Board. The Directors have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accounting for fiscal matters. In addition, the Authority does not exercise any of the above powers over any other entity. These financial statements, therefore, include only the operations of Garfield County Emergency Communications Authority.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applications who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide 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. Sales tax are recognized as revenues in the year in which they are collected. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Measurement focus, basis of accounting, and financial statement presentation, continued**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Governmental Funds**

**General Fund**

The General Fund is the Authority's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. The major revenue source is state sales tax.

**Special Revenue Fund**

The Special Revenue Fund accounts for revenues received from telephone surcharges assessed on all telephone users in the area participating in the intergovernmental agreement.

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

**D. Budgets and Budgetary Accounting**

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the first Board meeting in October, the Director submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain the taxpayers' comments.
3. Prior to December 15, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. Budgets are adopted for the General Fund. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse at the end of each calendar year.
7. The Authority's directors may authorize supplemental appropriations during the year. There was supplemental appropriations for the General Fund and Special Revenue Fund made during the year ended December 31, 2024.

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**E. Use of Estimates**

The preparation of the governmental funds 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Capital Assets and Infrastructure**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated 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 their estimated market value at the date of donation. The Authority does not have infrastructure.

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

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-40
Vehicles	5-10
Equipment	5-20

**G. Compensated Absences**

Full-time, permanent employees are granted personal time off (PTO) and sick leave in varying amounts to specified maximums, depending on their tenure with the Authority. PTO accrues to full-time, permanent employees to a maximum of 532 hours and is paid to an employee upon separation of the maximum accrual rate based on years of service. Sick leave accrued to a maximum of 78 hours for full-time employees and 48 hours for part-time and temporary employees. If, at year end, full-time employees have an unused sick leave balance of greater than the allowed 78 hours to be carried over, the hours over 78 are converted to PTO at 50%. The amount accrued for compensated absences was \$386,967 at December 31, 2024, an increase of \$64,982.

**H. Sales Tax**

Sales tax revenue is recognized when the underlying exchange has occurred. The State of Colorado collects sales tax in the month following the underlying sale. The State remits the sales tax collected to Garfield County in the next month. Garfield County then remits the sales tax to the Authority the following month. Sales tax collected by the Authority in January, February, and March of 2025 has been accrued as a receivable and as sales tax revenue in 2024.

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

- A. There are certain differences between the governmental fund balance sheet and the government-wide statement of net position. A reconciliation of the differences can be found on page 14 of the financial statements.
- B. There are certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities. A reconciliation of the differences can be found on page 16 of the financial statements.

**NOTE 3 - CASH AND INVESTMENTS**

The Authority's bank accounts at year-end were entirely covered by federal depository insurance or by collateral held by the Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral included municipal bonds, U.S. government securities, mortgage, and deeds of trust.

State statutes authorize the Authority to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The Authority's investment policy is not more restrictive than State statutes. The Authority's investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value arising from increasing interest rates.

A summary of cash and investments on the balance sheet is as follows:

Cash and Cash Equivalents		
Checking – General Fund	\$	308,272
Money Market – General Fund		722,173
Checking – Special Revenue Fund		346,145
Money Market – Special Revenue Fund		<u>2,856,000</u>
Total Cash and Cash Equivalents		<u>\$ 4,232,590</u>

**NOTE 4 – DUE TO/FROM OTHER FUNDS**

A summary of the Authority's interfund receivables/payables as of December 31, 2024 follows:

Due to the Special Revenue Fund from the General Fund	\$	<u>74,574</u>
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**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 5 – CAPITAL ASSETS**

A summary of changes in capital assets during 2024 follows:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 120,293	\$ -	\$ -	\$ 120,293
Total capital assets, not being depreciated	<u>120,293</u>	<u>-</u>	<u>-</u>	<u>120,293</u>
Capital assets, being depreciated:				
Building	1,689,436	18,075	-	1,707,511
Equipment	<u>10,173,370</u>	<u>377,154</u>	<u>-</u>	<u>10,550,524</u>
Total capital assets, being depreciated	<u>11,862,806</u>	<u>395,229</u>	<u>-</u>	<u>12,258,035</u>
Less accumulated depreciation:				
Building	(963,779)	(50,869)	-	(1,014,648)
Equipment	<u>(8,744,202)</u>	<u>(289,261)</u>	<u>-</u>	<u>(9,033,463)</u>
Total accumulated depreciation	<u>(9,707,981)</u>	<u>(340,130)</u>	<u>-</u>	<u>(10,048,111)</u>
Total capital assets, being depreciated, net	<u>2,154,825</u>	<u>55,099</u>	<u>-</u>	<u>2,209,924</u>
Governmental activities capital Assets, net	<u>\$ 2,275,118</u>	<u>\$ 55,099</u>	<u>\$ -</u>	<u>\$ 2,330,217</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
Administration	\$ 27,104
911 dispatch services	<u>313,026</u>
Total depreciation expense – governmental activities	<u>\$ 340,130</u>

**NOTE 6 - EMPLOYEE BENEFIT PLAN**

**A. Defined Contribution Plan**

The Authority participates in a retirement plan sponsored by Great-West Life & Annuity. The type of retirement plan is established pursuant to IRC section 401(a) and is termed a "defined contribution plan". The benefits that participants are entitled to upon termination of employment consist of: 1) contributions by the employer entity; 2) equal or "matching" contributions by the employee through a mandatory withholding on their salary; 3) any additional "voluntary contribution" made by the employee; plus 4) any interest or investment return which is earned on such funds. Employee plus employer contributions are limited up to a maximum set by the IRS (lesser of employee earnings or \$69,000 in 2023).

Full-time Authority employees are eligible to participate. Both the Authority and members contribute 5% of the employee's W-2 wages each year. Employee contributions are 100% vested. The Authority's contributions vest at a rate of 20% for each year of service. A participant is fully vested after five years of service.

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 6 - EMPLOYEE BENEFIT PLAN, Continued**

**A. Defined Contribution Plan, continued**

For the years ended December 31, 2022, 2023, and 2024, the Authority and member contributions each were \$96,640, \$107,858, and \$116,952, respectively. Contributions for 2024 were based on the salary of \$2,339,030.

**B. Deferred Compensation Plan**

The Authority adopted a deferred compensation plan (457 Plan) as defined under the IRC section 457. Participants may defer up to the lesser of \$23,000 or 100% of the participant's includable compensation. Participants over age 50 are eligible to contribute \$7,500 more than the \$23,000 limit due to a catch up provision in the plan. The Plan is administered by Great-West Life & Annuity. The Authority matches up to 3% of W-2 wages each year. The Authority's contributions vest at a rate of 20% for each year of service and are fully vested after five years of service. For the year ended December 31, 2024, participating employees contributed \$69,753 and the Authority contributed \$51,971.

**NOTE 7 - CONTINGENCIES**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required.

In 1997, the registered voters of the Garfield County Emergency Communication Authority voted to allow the Authority to collect, retain and expend all revenues and other funds collected in 1997 and each subsequent year thereafter, for general operation expenses without limiting in any year the amount of the other revenues that may be collected and expended by the Authority in excess of the limits of Article X, Section 20 of the Colorado Constitution.

The Authority's management and legal counsel believes that the Authority is not subject to the TABOR Amendment and it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**NOTE 8 - RISK MANAGEMENT**

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority is a member of Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool. The agreement provides that CIRSA will be self sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 property, \$1,000,000 liability, \$400,000 worker's compensation and \$150,000 crime for each insured event.

The Authority will recognize an expenditure for the amount paid to CIRSA annually for these coverages. The Authority paid approximately \$56,089 to CIRSA in 2024. There have been no significant reductions in insurance coverage in the current year and settlement amounts, if any, have not exceeded insurance coverage for any of the three preceding years.

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024

**NOTE 9 – COMMITTED FUND BALANCE**

Beginning with the fiscal year 2011, the Authority implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a governments' fund balances more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board establishes (and modifies or rescinds) fund balance commitments as action items in board meetings. A fund balance commitment is further indicated in the budget document as a designation or commitment on the fund. Assigned fund balance is established by the board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

**NOTE 10 – PRIOR PERIOD ADJUSTMENT**

The Authority implemented GASB Statement No. 101, Compensated Absences which required a prior period adjustment to the beginning balance of the accrued compensated absences. The following is the change to the beginning Governmental Activities Net Position and General Fund Balance:

	Governmental Activities Net Position	General Fund Balance
As previously reported December 31, 2023	\$ 6,493,898	\$ 1,676,341
Prior period adjustment:		
Expense/Expenditure adjustments	(100,558)	(321,985)
Restated balance, January 1, 2024	\$ 6,393,340	\$ 1,354,356

**NOTE 11 – SUBSEQUENT EVENTS**

The Authority has evaluated subsequent events through July 21, 2025, the date at which the financial statements were available to be issued, and determined that no events have occurred that require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION**

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2024

	General Fund			Variance from final budget
	Budget		Actual	
	Original	Final		
<b>REVENUES</b>				
Sales tax	\$ 3,477,816	\$ 3,477,816	\$ 3,530,516	\$ 52,700
Interest income	18,752	18,752	34,756	16,004
Charge for services	291,790	291,790	301,016	9,226
Other income	90,000	148,000	102,392	(45,608)
Transfers	550,000	-	-	-
<b>TOTAL REVENUES</b>	<b>4,428,358</b>	<b>3,936,358</b>	<b>3,968,680</b>	<b>32,322</b>
<b>EXPENDITURES</b>				
Salaries and wages	2,366,708	2,366,708	2,421,927	(55,219)
Health and life insurance	535,000	535,000	464,518	70,482
Payroll taxes	189,337	189,337	183,883	5,454
Maintenance and repair	336,790	336,790	316,396	20,394
Retirement contribution	189,337	189,337	175,391	13,946
Accounting and audit	54,000	54,000	54,616	(616)
Treasurer fees	69,556	69,556	69,975	(419)
Sales tax recovery	460,000	161,993	124,232	37,761
Sales tax refund	62,100	26,060	31,761	(5,701)
Liability insurance	54,000	54,000	51,916	2,084
Utilities	46,000	46,000	32,224	13,776
Legal fees	12,000	12,000	10,821	1,179
Workers compensation	5,200	5,200	4,167	1,033
Unemployment insurance	7,100	7,100	4,846	2,254
Operations reserve	1,484,354	1,326,401	17,643	1,308,758
Capital outlay	150,000	150,000	-	150,000
<b>TOTAL EXPENDITURES</b>	<b>6,021,482</b>	<b>5,529,482</b>	<b>3,964,316</b>	<b>1,565,166</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ (1,593,124)</b>	<b>\$ (1,593,124)</b>	<b>4,364</b>	<b>\$ 1,597,488</b>
FUND BALANCE - BEGINNING OF YEAR			1,676,341	
PRIOR PERIOD ADJUSTMENT			(321,985)	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 1,358,720</b>	

The accompanying "Notes to Financial Statements" are an integral part of the statement.

**GARFIELD COUNTY EMERGENCY  
COMMUNICATIONS AUTHORITY**

BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
For the Year Ended December 31, 2024

	Special Revenue Fund			Variance from final budget
	Budget		Actual	
	Original	Final		
<b>REVENUES</b>				
Assessments E911	\$ 1,427,272	\$ 1,427,272	\$ 1,520,615	\$ 93,343
Charge for services	100	100	-	(100)
Interest income	43,000	43,000	128,600	85,600
Other income	-	-	-	-
<b>TOTAL REVENUES</b>	<u>1,470,372</u>	<u>1,470,372</u>	<u>1,649,215</u>	<u>178,843</u>
<b>EXPENDITURES</b>				
Salaries and Wages	550,000	-	-	-
Maintenance and repair	496,600	496,600	258,093	238,507
Office supplies	18,300	18,300	13,494	4,806
Telephone	110,000	110,000	114,909	(4,909)
Travel and subsistence	15,000	15,000	16,763	(1,763)
Public education	3,500	3,500	3,176	324
Training	59,000	59,000	65,665	(6,665)
Advertising	3,000	3,000	941	2,059
Operations reserve	2,576,494	3,126,494	23,714	3,102,780
Capital outlay	475,000	475,000	395,229	79,771
<b>TOTAL EXPENDITURES</b>	<u>4,306,894</u>	<u>4,306,894</u>	<u>891,984</u>	<u>3,414,910</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (2,836,522)</u>	<u>\$ (2,836,522)</u>	757,231	<u>\$ 3,593,753</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>2,763,866</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 3,521,097</u>	

The accompanying "Notes to Financial Statements" are an integral part of the statement.

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