

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY

FINANCIAL STATEMENTS

December 31, 2025



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY
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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of Directors
San Luis Valley E-911 Telephone Authority
Alamosa, Colorado

Opinion

We have audited the financial statements of the business-type activities and the major fund of San Luis Valley E-911 Telephone Authority (the Authority), as of and for the year ended December 31, 2025, 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 referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of the San Luis Valley E-911 Telephone Authority as of December 31, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the San Luis Valley E-911 Telephone 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 opinion.

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 San Luis Valley E-911 Telephone 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.

Certified Public Accountants

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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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the San Luis Valley E-911 Telephone 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 San Luis Valley E-911 Telephone 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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the San Luis Valley E-911 Telephone Authority's basic financial statements. The budgetary comparison information is presented for purposes of additional analysis and is 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 budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

March 26, 2026

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY
BASIC FINANCIAL STATEMENTS

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY
STATEMENT OF NET POSITION
December 31, 2025

ASSETS

Current Assets

| | |
|---------------------------|--------------|
| Cash and Cash Equivalents | \$ 2,728,951 |
| Accounts Receivable | 96,613 |
| Prepaid Expense | 74,948 |
| | 2,900,512 |

Total Current Assets

2,900,512

Noncurrent Assets

| | |
|--------------------------------|-------------|
| Capital Assets | |
| Equipment | 1,250,209 |
| Less: Accumulated Depreciation | (1,148,745) |
| | 101,464 |

Total Noncurrent Assets

101,464

TOTAL ASSETS

3,001,976

LIABILITIES

Current Liabilities

| | |
|------------------|--------|
| Accounts Payable | 14,015 |
| | 14,015 |

TOTAL LIABILITIES

14,015

NET POSITION

| | |
|----------------------------------|-----------|
| Net Investment in Capital Assets | 101,464 |
| Unrestricted | 2,886,497 |
| | 2,987,961 |

TOTAL NET POSITION

\$ 2,987,961

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended December 31, 2025

| | |
|---|--------------|
| OPERATING REVENUES | |
| Surcharges | \$ 637,293 |
| Grant Revenue | - |
| | - |
| Total Operating Revenues | 637,293 |
| OPERATING EXPENSES | |
| Line Charges | 111,711 |
| Maintenance and Repair | 13,194 |
| Consultants | - |
| Training / Travel | - |
| Professional Services | 10,220 |
| Public Relations and Education | 6,343 |
| Administration | 29,426 |
| Mapping / Addressing / Database | 70,535 |
| Emergency Notification System | 12,650 |
| Capital Expenses | - |
| Capital Expenses for Others | 14,902 |
| Depreciation | 14,965 |
| | 14,965 |
| Total Operating Expenses | 283,946 |
| Operating Income (Loss) | 353,347 |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest Income | 31,320 |
| | 31,320 |
| Total Nonoperating Revenues (Expenses) | 31,320 |
| Net Income (Loss) | 384,667 |
| Net Position at Beginning of Year | 2,603,294 |
| Net Position at End of Year | \$ 2,987,961 |

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended December 31, 2025

| | |
|---|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash Received from Surcharges | \$ 629,066 |
| Cash Paid for Goods and Services | (219,852) |
| Cash Paid for Employees Services | <u>(29,426)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>379,788</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Acquisition of Capital Assets | - |
| Interest Income | <u>31,320</u> |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>31,320</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 411,108 |
| Cash and Cash Equivalents, Beginning of Year | <u>2,317,843</u> |
| Cash and Cash Equivalents, End of Year | <u><u>\$ 2,728,951</u></u> |
| | |
| OPERATING INCOME (LOSS) | \$ 353,347 |
| | |
| Adjustments to Reconcile Operating Income (Loss) to | |
| Net Cash Provided (Used) by Operating Activities: | |
| Depreciation | 14,965 |
| (Increase) Decrease in: | |
| Accounts Receivable | (8,227) |
| Accounts Payable | 14,105 |
| Prepaid Expense | <u>5,598</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u><u>\$ 379,788</u></u> |

The accompanying notes are an integral part of this financial statement.

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the San Luis Valley E-911 Telephone Authority (the Authority) reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

The Authority was formed in 1994, pursuant to the authority granted by C.R.S. 29-1-203 and C.R.S. 29-11-102(1)(a), by and between the following entities:

- Alamosa County
- Conejos County
- Costilla County
- Mineral County
- Rio Grande County
- Saguache County
- City of Alamosa
- Town of Hooper
- Town of Antonito
- Town of Blanca
- Town of Creede
- Town of Del Norte
- City of Monte Vista
- Town of South Fork
- Town of Crestone
- Town of Saguache
- Alamosa County Fire Protection District
- South Conejos Fire Protection District
- Mineral County Fire Protection District
- Center Fire Protection District
- Northern Saguache County Fire Protection District
- Monte Vista Fire Protection District
- Alamosa County Ambulance District
- Conejos County Hospital District
- Salida Hospital District

The purpose of the Authority is to provide emergency telephone service. The Board consists of thirteen directors, two from each county and one alternate from each county. The thirteenth member shall be the administrator of the San Luis Valley PSAP.

Component Units

The Authority's financial statements include the accounts of all Authority operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Authority holds the corporate powers of the organization
- The Authority appoints a voting majority of the organization's board
- The Authority is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Authority
- There is fiscal dependency by the organization on the Authority
- The organization is financially accountable to the Authority
- The organization receives or holds funds that are for the benefit of the Authority; and the Authority has access to a majority of the funds held; and the funds that are accessible are also significant to the Authority

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

Based on the aforementioned criteria, the San Luis Valley E-911 Telephone Authority has no component units.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The Authority's 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 the liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services to the general public on an ongoing basis in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS, LIABILITIES, AND NET POSITION

Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments.

Prepaid Expense

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets

The Authority defines capital assets as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. Depreciation is computed on a straight-line basis over the estimated useful life of the assets. Estimated useful lives range from three to twenty five years. Capital 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.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* - consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* - consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

When an expenditure is incurred for the purpose for which both restricted and unrestricted net position is available, the Authority considers restricted funds to have been spent first.

Encumbrances

The Authority does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are re-budgeted in the succeeding year.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The San Luis Valley E-911 Telephone Authority follows the procedures outlined in the Financial Management Manual – A Guide for Colorado Local Governments – when preparing annual budgets. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15 of each year.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.

Formal budgetary integration is employed as a management control device for the Authority. The Authority prepares their budget following Colorado State Statutes. The budget is prepared on a basis of accounting in accordance with generally accepted accounting principles (GAAP).

The total expenditures cannot exceed the budgeted amount unless a supplemental appropriation is adopted. There were no supplemental appropriations during 2025.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget, if applicable.

NOTE 3 CASH AND DEPOSITS

Cash and Deposits

Colorado State Statutes govern the Authority's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group.

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2025 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. At December 31, 2025, \$1,508,517 of the Authority's cash was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

| | Balance 12/31/2024 | Additions | Deletions | Balance 12/31/2025 |
|--------------------------------------|-----------------------|--------------------|-------------|-----------------------|
| <i>Business-type Activities</i> | | | | |
| Capital assets being depreciated | | | | |
| Equipment | \$ 1,250,209 | \$ - | \$ - | \$ 1,250,209 |
| Less: Accumulated depreciation | (1,133,780) | (14,965) | - | (1,148,745) |
| <i>Business-type Activities, Net</i> | <u>\$ 116,429</u> | <u>\$ (14,965)</u> | <u>\$ -</u> | <u>\$ 101,464</u> |

NOTE 5 TABOR EMERGENCY RESERVE

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 believes it is exempt from the requirements of the amendment.

NOTE 6 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY

SUPPLEMENTARY INFORMATION

SAN LUIS VALLEY E-911 TELEPHONE AUTHORITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET ACTUAL
Year Ended December 31, 2025

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|---|-------------------------|---------------------|---------------------|----------------------|
| | ORIGINAL | FINAL | | FINAL BUDGET |
| | | | | POSITIVE |
| | | | | (NEGATIVE) |
| OPERATING REVENUES | | | | |
| Surcharges | \$ 550,000 | \$ 550,000 | \$ 637,293 | \$ 87,293 |
| Total Operating Revenues | <u>550,000</u> | <u>550,000</u> | <u>637,293</u> | <u>87,293</u> |
| OPERATING EXPENSES | | | | |
| Line Charges | 97,000 | 97,000 | 111,711 | (14,711) |
| Maintenance and Repair | 16,000 | 16,000 | 13,194 | 2,806 |
| Consultants | - | - | - | - |
| Training / Travel | 2,500 | 2,500 | - | 2,500 |
| Professional Services | 15,000 | 15,000 | 10,220 | 4,780 |
| Public Relations and Education | 6,000 | 6,000 | 6,343 | (343) |
| Administration | 24,000 | 24,000 | 29,426 | (5,426) |
| Mapping / Addressing / Database | 70,000 | 70,000 | 70,535 | (535) |
| Emergency Notification System | 11,000 | 11,000 | 12,650 | (1,650) |
| Capital Expenses | - | - | - | - |
| Capital Expenses for Others | 45,000 | 69,000 | 14,902 | 54,098 |
| Depreciation | 24,000 | 24,000 | 14,965 | 9,035 |
| Total Operating Expenses | <u>310,500</u> | <u>310,500</u> | <u>283,946</u> | <u>50,554</u> |
| Operating Income | <u>239,500</u> | <u>239,500</u> | <u>353,347</u> | <u>137,847</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest Income | 22,000 | 22,000 | 31,320 | 9,320 |
| Total Nonoperating Revenues (Expenses) | <u>22,000</u> | <u>22,000</u> | <u>31,320</u> | <u>9,320</u> |
| Net Income (Loss) | 261,500 | 261,500 | 384,667 | 123,167 |
| Net Position at Beginning of Year | <u>2,305,000</u> | <u>2,305,000</u> | <u>2,603,294</u> | <u>298,294</u> |
| Net Position at End of Year | <u>\$ 2,566,500</u> | <u>\$ 2,566,500</u> | <u>\$ 2,987,961</u> | <u>\$ 421,461</u> |