
***EL PASO COUNTY EMERGENCY
SERVICES AUTHORITY
FINANCIAL STATEMENTS
DECEMBER 31, 2021***

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Directors
El Paso County Emergency Services Authority
Colorado Springs, Colorado

Opinions

We have audited the financial statements of the governmental activities and the major fund of El Paso County Emergency Services Authority (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Authority as of December 31, 2021, 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 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.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 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 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through iv, and the budgetary comparison schedule on page 12, 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, which 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 audits 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.

RubinBrown LLP

September 22, 2022

EL PASO COUNTY EMERGENCY SERVICES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD ENDED DECEMBER 31, 2021

EL PASO COUNTY EMERGENCY SERVICES AUTHORITY OVERVIEW

The El Paso County Emergency Services Authority (ESA) was established on June 24th, 2014 by an Intergovernmental Agreement (IGA) between the City of Fountain Colorado and El Paso County Colorado for the purpose of providing coordinated, quality ground emergency ambulance and other emergency medical services for the service area of the ESA for emergency and or 911 related services. It addresses the needs and concerns of citizens and visitors in the Pikes Peak Region and serves as an advisory board to the Board of County Commissioners and City Council.

During 2021, the ESA Board consisted of eight members. The members were appointed jointly by the Board of County Commissioners and City Council. The County Commissioner Representative, Elected Official Representative from Fountain, Emergency Room Physician Representatives, and fire chief representatives were not subject to term limits. All other representatives were limited to two (2), two (2) year terms of service. The Board included elected officials from El Paso County, the City of Fountain, two representatives appointed by the Pikes Peak Fire Chiefs Forum, one Emergency Room Physician recommend by Penrose Hospital, one Emergency Room Physician recommended by Memorial Hospital, one El Paso County resident who is currently employed or has previously been employed as a certified EMT or paramedic, and one representative who is a resident of El Paso County. During 2021, two El Paso County PPROEM employees were used to support the ESA, one acting in a business analyst role and the other providing formal contract administration oversight.

More information about the ESA can be found at www.esaboard.org.

GOALS FOR 2021

The Authority's goals were primarily focused on administration of the "911" emergency ambulance contract, researching future EMS system designs, coordination of emergency medical care standards throughout the system, and developing contingency plan.

FINANCIAL HIGHLIGHTS

This section of the Authority's annual financial reports presents our analysis of the Authority's financial performance during the reporting period of January 1st, 2021 ending December 31, 2021. Please read it in conjunction with the financial statements. The financial statements also include notes that explain in more detail some of the information in the financial statements.

- The Authority's starting period fund balance was \$151,054 and the ending fund balance was \$156,451.
 - The ESA Board has designated that once the board agrees that there are sufficient funds available and that operational expenses are met, that the remaining revenues received from assessments and interest may be used to fund its EMS grant program. This grant program will provide grants to Fire and Emergency Services agencies within El Paso County.

- During the period, the Authority's revenue was \$62,971 and expenditures were \$57,574.
 - Operating revenue, in the form of the contract administration fee collected from the ambulance contractor were at \$60,000. Assessment revenues (Fines) were \$2,902. Interest revenue was \$69. Excess assessment and interest revenues are utilized for grants once operational needs are satisfied.
 - Operating expenses were \$57,574, and there were no grants distributed in 2021.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the Authority report information about the Authority using accounting methods similar to those used by governmental agencies. These statements offer short and long-term financial information about its activities.

Balance Sheet/Statement of Net Position

The Balance Sheet provides information about the assets and liabilities. It also provides the basis for computing the overall net position.

Statement of Revenues, Expenses and Changes in Fund Balance/Statement of Activities

This statement measures the results of the Authority's operation over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its fees and other charges.

FINANCIAL ANALYSIS OF THE AUTHORITY

The Balance Sheet and the Statement of Revenues, Expenses and Changes in the Fund Balance reports information about the Authority's activities in a way that can help answer whether the Authority's overall financial position improved or deteriorated during the year. These two statements report the fund balance of the Authority and changes in them. The Authority's fund balance (difference between assets and liabilities) is one way to measure financial health or financial position. Over time, increases in the Authority's fund balance are one indicator that the Authority's financial health is improving. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, or changed government legislation.

As part of our analysis, we provide a summary of the Authority's Balance Sheet as presented below.

Balance Sheet December 31st,				
Assets	2021	2020	\$ Variance	% Variance
Equity in pooled cash and investments of County	\$ 208,799	\$ 205,521	\$ 3,278	2%
Assessments receivable	2,041	64	1,977	3,089%
Prepaid expenses	1,261	1,119	142	13%
Total Assets	\$ 212,101	\$ 206,704	5,397	3%
Current Liabilities				
Due to other governments	\$ 55,650	\$ 55,650	0	0%
Fund Balance				
Assigned	68,117	68,117	0	0%
Unassigned	88,334	82,937	5,397	7%
Total Fund Balance	156,451	151,054	5,397	4%
Total Liabilities and Fund Balance	\$ 212,101	\$ 206,704	5,397	3%

During 2021, all of the Authority's funds were held by El Paso County. The County utilizes the pooled cash concept whereby cash balances of each of the entities' funds are pooled and invested. This also represents the Authority's balance in what otherwise would be called cash and cash equivalents. In addition, as revenue and expenses change month to month, the fund balance fluctuates in value.

Balance Sheet reflects the change in financial position of the fund balance, and the Statement of Revenues, Expenses and Changes in Fund Balance would provide answers as to the nature and source of these changes.

Condensed Statement of Revenues, Expenses and Changes in Fund Balance

Revenues	2021	2020	\$ Variance	% Variance
Total Revenues	\$ 62,971	\$ 61,638	\$ 1,333	2%
Expenditures				
Total Expenditures	57,574	59,939	\$ (2,365)	(4%)
Changes In Fund Balance	5,397	1,699	\$ 3,698	218%
Fund Balance - Beginning Of Year	151,054	149,355	\$ 1,699	1%
Fund Balance - End Of Year	\$ 156,451	\$ 151,054	\$ 5,397	4%

BUDGETARY HIGHLIGHTS

Budgets are adopted on a basis consistent with generally accepted accounting principles. The Authority budgets revenue and expenditures for its fund. There are no annual appropriations. All revenues, except for interest income, are budgeted via contract amounts from the ESA's contracted ambulance service, which is currently American Medical Response of Colorado, Inc. (AMR). Budget to actual statements are included in Supplementary Information in the audited financial statements.

CONTACT INFORMATION

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EL PASO COUNTY EMERGENCY SERVICES AUTHORITY

**GOVERNMENTAL FUND BALANCE SHEET/
STATEMENT OF NET POSITION****December 31, 2021**

	General Fund	Adjustments	Statement Of Net Position
Assets			
Equity in pooled cash and investments of County	\$ 208,799	\$ —	\$ 208,799
Assessments receivable	2,041	—	2,041
Prepaid expense	1,261	—	1,261
Total Assets	\$ 212,101	—	212,101
Current Liabilities			
Due to other government	\$ 55,650	—	55,650
Fund Balance			
Assigned (Note 4)	68,117	(68,117)	—
Unassigned	88,334	(88,334)	—
Total Fund Balance	156,451	(156,451)	—
Total Liabilities And Fund Balance	\$ 212,101		
Net Position			
Unrestricted		156,451	156,451
Total Net Position		\$ 156,451	\$ 156,451

EL PASO COUNTY EMERGENCY SERVICES AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2021**

	General Fund	Adjustments	Statement Of Activities
Revenues			
Contract fees	\$ 60,000	\$ —	\$ 60,000
Assessments	2,902	—	2,902
Interest income	69	—	69
Total Revenues	62,971	—	62,971
Expenditures/Expenses			
Emergency management:			
Professional contract services	55,650	—	55,650
Professional fees	132	—	132
Insurance expense	1,750	—	1,750
Office administration	42	—	42
Total Expenditures/Expenses	57,574	—	57,574
Changes In Fund Balance/Net Position	5,397	—	5,397
Fund Balance/Net Position - Beginning Of Year	151,054	—	151,054
Fund Balance/Net Position - End Of Year	\$ 156,451	\$ —	\$ 156,451

EL PASO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

1. Summary Of Significant Accounting Policies

The financial statements of the El Paso County Emergency Services Authority (the Authority) have been prepared in accordance with generally accepted accounting principles (GAAP), which are applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the Authority's significant accounting policies follows:

Reporting Entity

The Authority was established by an intergovernmental agreement between El Paso County, Colorado (the County), and the City of Fountain, Colorado, on April 1, 2014, which was amended on June 24, 2014. The Authority is governed by a 12-member volunteer Board of Directors (the Board) made up of representatives from the El Paso County Board of County Commissioners (BoCC), the Fountain City Council, as well as representatives from the Pikes Peak Fire Chief's Forum, Memorial and Penrose Hospitals and other related professionals and citizens of the community. The Fire Chief's Forum appointees are subject to approval by BoCC and the Fountain City Council.

The Authority was established for the purpose of ensuring a coordinated, effective and efficient emergency management system, including the provision of ground emergency ambulance services through a contract effective April 1, 2014.

In evaluating the Authority as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the Authority may be financially accountable and, as such, should be included within the Authority's financial statements. The Authority is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Authority. Additionally, the Authority is required to consider other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading.

The Authority is not financially accountable for any other organization, nor is it a component unit of any other primary governmental organization.

EL PASO COUNTY EMERGENCY SERVICES AUTHORITY

Notes To Financial Statements (*Continued*)

The financial statements of the Authority consist only of the funds of the Authority. There are no legally separate organizations for which the members of the Board are financially accountable, or for which the nature and significance of their relationships with the Authority are such that the exclusion of the financial data would cause the Authority's financial statements to be misleading or incomplete.

Government-Wide And Fund Financial Statements

The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all of the activities of the Authority. The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program requirement for the emergency management function of the Authority. Program revenues include contract fees and assessments related to the operation of the emergency management function of the Authority.

Major individual governmental funds are reported in separate columns in the fund financial statements.

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. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recognized at the time the liability is incurred.

The governmental fund financial statements are reported using the current financial resources measurement focus and accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period.

The Authority presents the following major governmental fund:

The General Fund is the primary operating fund. It accounts for all general operating financial resources of the Authority. There are no resources required to be accounted for in another fund.

EL PASO COUNTY EMERGENCY SERVICES AUTHORITY

Notes To Financial Statements (*Continued*)

Budgets

Budgets are adopted on a basis consistent with GAAP. The Authority budgets revenues and expenditures for its fund. There are no annual appropriations. All revenues, except for interest income, are budgeted via contract amounts from American Medical Response of Colorado, Inc. (AMR).

Equity In Pooled Cash And Investments

The County uses the pooled cash concept, whereby cash balances of the County's funds are pooled and invested by the El Paso County Treasurer. The Authority's balances of such funds are disclosed under the heading, "equity in pooled cash and investments of County." This also represents the Authority's balance in what otherwise would be called cash and cash equivalents. The County pays the Authority interest on amounts held on behalf of the Authority. All of the County's funds are properly insured or collateralized by the respective institutions it banks with, and therefore the Authority's balances held by the County are similarly insured or collateralized.

For the year ended December 31, 2021, interest income earned on the deposits with the County was \$69.

Capital Assets

The Authority capitalizes all expenditures for real and personal property with a cost in excess of \$5,000 and a useful life of more than 1 year. Purchases of real and personal property are recorded at cost, and donated items are recorded at acquisition value upon the date of donation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years. The Authority does not have any capital assets at December 31, 2021.

Net Position And Fund Balance

Governmental accounting standards require the classification of net position into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- *Net Investment In Capital Assets* - This component of net position consists of capital assets net of accumulated depreciation.
- *Restricted* - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed through constitutional provisions or enabling legislation.

EL PASO COUNTY EMERGENCY SERVICES AUTHORITY

Notes To Financial Statements (*Continued*)

- *Unrestricted* - This is the component of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The Authority follows GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. A formal policy was not adopted defining fund balance classifications. In the fund financial statements, governmental funds report the following classifications of fund balance:

- *Nonspendable* - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact
- *Restricted* - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation
- *Committed* - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board, the Authority’s highest level of decision-making authority. Committed fund balance may be modified or rescinded only through resolutions approved by the Board.
- *Assigned* - includes amounts intended for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Board is authorized to assign fund balances.
- *Unassigned* - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Authority considers restricted funds to have been spent first. Although not included in a formal policy, the Authority considers decreases to fund balance to first reduce committed, then assigned and finally unassigned fund balances.

EL PASO COUNTY EMERGENCY SERVICES AUTHORITY

Notes To Financial Statements (*Continued*)

Management Estimates

The preparation of financial statements in conformity with 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 amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance And Accountability

American Medical Response Of Colorado, Inc. Contract - AMR

The Authority contracted on June 24, 2014 with AMR for exclusive rights to provide ground emergency ambulance services within the Authority's service area. The terms of the contract are effective July 1, 2014 through December 31, 2019, and was renewed during 2019 to extend the term through December 31, 2020, and subsequently amended in 2020 through December 31, 2025. The contract is renewable for 5 annual renewal periods after the initial period through 2020, for a period not to exceed 10 years. AMR shall reimburse the Authority \$60,000 annually for contract administration and oversight. Administrative fees were to be negotiated on an annual basis with AMR. Assessments are remitted to the Authority for any contract deficiencies.

For the year ended December 31, 2021, \$60,000 was reimbursed to the Authority for contract administration and oversight. The Authority also collected assessments on a monthly basis from AMR for contract deficiencies. For the year ended December 31, 2021, such assessments totaled \$2,902.

3. Related Party Transactions

The County provides financial services and employs the Authority Administrator to administer the ambulance contract. There is no formal contract between the Authority and the County for these services. The total amount recognized as expense in the current year for the contract, which is also due and payable to the County as of December 31, 2021, was \$55,650.

EL PASO COUNTY EMERGENCY SERVICES AUTHORITY

Notes To Financial Statements (*Continued*)

4. Fund Balance

Funds received as penalties or assessments from AMR are used to provide funding for approved emergency medical services needs to participating agencies. Other nonsignatory agencies providing emergency medical services within the County can apply for funds; however, signatory agencies have first priority. The Board assigned \$11,575 at December 31, 2021 as grant funds. The Board also assigned \$56,542 at December 31, 2021 set aside as proposal funds.

5. Risk Of Loss

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries and natural disasters. The Authority carries commercial insurance for all risks of loss, including directors and officers and general liability policies. The Authority retains no risk of loss. There have been no settled claims that have exceeded commercial insurance coverage in the past nine months. There have been no significant reductions in insurance coverage.

Required Supplementary Information

EL PASO COUNTY EMERGENCY SERVICES AUTHORITY

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL -
GENERAL FUND**

For The Year Ended December 31, 2021

	Original And Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Contract fees	\$ 60,000	\$ 60,000	\$ —
Assessments	1,800	2,902	1,102
Interest income	1,800	69	(1,731)
Total Revenues	63,600	62,971	(629)
Expenditures			
Professional contract services	55,650	55,650	—
Professional fees	—	132	(132)
Insurance expense	1,800	1,750	50
Office administration	500	42	458
Information services	250	—	250
Capital replacement/improvement	1,000	—	1,000
Contract research/evaluation	2,000	—	2,000
Grants	2,400	—	2,400
Total Expenditures	63,600	57,574	6,026
Changes In Fund Balance	\$ —	5,397	\$ 5,397
Fund Balance - Beginning Of Year		<u>151,054</u>	
Fund Balance - End Of Year		<u>\$ 156,451</u>	

Notes:

The basis of budgeting is the same as GAAP.

This schedule is presented on a GAAP basis.