

**EMERGENCY TELEPHONE  
SERVICE AUTHORITY  
BASIC FINANCIAL STATEMENTS**

**December 31, 2016**



**RECEIVED**

*By the Office of the State Auditor at 4:24 pm, Aug 16, 2017*

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**ADAMS COUNTY  
E-911 EMERGENCY TELEPHONE SERVICE AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This management discussion and analysis (MD&A) is designed to provide an overview of the financial activities of the Adams County E-911 Authority for the fiscal year ended December 31, 2016. The MD&A should be read in conjunction with the Authority's financial statements.

**Financial Highlights**

- Total assets of the E-911 Authority at the close of 2016 were \$4,172,723. The assets include \$3,692,176 in cash and cash equivalents.
- Total Net Position for 2016 was \$3,573,560 compared to \$6,689,871 for 2015.
- Total revenue for the year was \$2,557,789 and consists of telephone surcharge revenue of \$2,518,362 and interest income of \$27,417 and miscellaneous income of \$12,010. Telephone surcharge revenue is comprised of two (2) components: Century Link (non-cell) surcharge revenue and surcharge revenue on all other phones.
- Total budgeted expenses for 2016 were \$7,473,402 Actual cash/direct expenses were \$5,674,100: a favorable variance of \$1,799,302

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

## **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the 911 Authority's finances in a manner similar to private-sector businesses.

The statement of net position provides information regarding all of the Authority's assets, liabilities, and fund equity. Historically, changes (increases or decreases) in fund equity may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The balance sheet is displayed **on page two** of the independent auditors report.

The statement of revenues, expenses and changes in net position provides information regarding the changes in net position during the course of the past year. Revenues are recorded as they are earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows.

## **Proprietary Fund Financial Statements**

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

The 911 Authority used only one fund for the 2016 fiscal budget year. It is a proprietary fund and it is intended to account for all financial resources associated with the operating activities of the Authority. There were no capital funds, public utilities trust funds, personnel and benefits funds or any other funds actively used during 2016.

## **Notes to Financial Statements**

The notes provide detailed clarifying additional information necessary for a complete understanding of the data contained in the government-wide and fund financial statement.

## **Financial Analysis**

In 1987 the Adams County E911 Emergency Telephone Service Authority was created to administer the operation of the emergency telephone service program. The Intergovernmental Agreement includes participants from cities, towns and special districts within Adams County as well as Adams County government. The Authority collects revenue through a monthly emergency telephone charge for each non-governmental telephone (cellular and hard line) in the portions of the service area where the emergency telephone service is provided.

The funds are used to pay for equipment installation, operating costs directly related to an emergency telephone service, costs for emergency telephone notification for emergency medical services, and for the monthly recurring charges billed by the service supplier for the emergency telephone service.

The details within the balance sheet may serve as a useful indicator of the Authority's financial position. The Authority converted to Governmental Accounting Standards Board Statement #34 for the year ended December 31, 2003.

The Authority does not have any adjustments to the basic financial statements for capital assets or debt. The 2016 financial information can be compared to 2014 and 2015.

	<u>As of December 31</u>		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Assets</b>			
Total Assets	7,857,190	6,745,193	4,172,723
Cash and Cash Equivalents	7,113,898	6,354,931	3,692,176
<b>Liabilities</b>			
Total Liabilities	129,235	55,322	599,163
<b>Revenues</b>			
Total Revenue	2,588,111	2,450,990	2,557,789
<b>Expenses</b>			
Total Expenses	1,809,952	3,398,614	5,674,100
<b>Change in Net Assets</b>			
Total Change	778,159	947,624	(3,116,311)
<b>Net Assets</b>			
End of Year	7,727,955	6,689,871	3,573,560

### **Proprietary Fund**

The proprietary fund was established and continually funded to account for all financial resources related to the operating activities of the Authority. The primary funding source for the proprietary fund is a monthly emergency telephone service charge (\$0.70) for each non-government telephone (hard line, cellular and VOIP) in the service area where the emergency telephone service is provided. Other sources of revenue income include interest income. The year-end net assets for 2016 were \$4,172,723. This represents a decrease of \$2,572,470 from the 2015 fund balance of \$6,745,193.

The Authority operated within the proprietary fund budget in 2016. The difference between the original budgeted expenditures of \$7,473,402 and the actual expenditures of \$5,674,100 was a favorable variance of \$1,799,302. Actual revenues of \$2,557,789 represent an increase from budgeted revenues of \$2,379,000 a increase of \$178,789.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Michael T. McIntosh  
Attn: Treasurer  
Adams County E911 Emergency Telephone Service Authority  
332 N. 19<sup>th</sup> Ave.  
Brighton, Colorado 80601

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AMERICAN INSTITUTE OF CPAs  
COLORADO SOCIETY OF CPAs

ROBERT R. FEIS, CPA

**Independent Auditors' Report**

**Board of Directors  
Emergency Telephone Service Authority  
Adams County, Colorado**

We have audited the accompanying basic financial statements of the Emergency Telephone Service Authority (the Authority) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Auditor Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Emergency Telephone Service Authority as of December 31, 2016, and the respective changes in financial position, and cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i through iv be presented to supplement the basic financial statements. Such 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. 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.

*Other Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The Other Supplementary information on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Feis & Co., P.C.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Brighton, CO

August 9, 2017

**EMERGENCY TELEPHONE SERVICE AUTHORITY  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 DECEMBER 31, 2016**

**ASSETS**

	<u>2016</u>	<u>(Memorandum Only) 2015</u>
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 3,692,176	\$ 6,354,931
Accounts receivable - surcharges	480,157	389,872
Prepaid expenses	390	390
Total Current Assets	<u>4,172,723</u>	<u>6,745,193</u>
Total Assets	<u>\$ 4,172,723</u>	<u>\$ 6,745,193</u>

**LIABILITIES AND NET POSITION**

<b>Current Liabilities</b>		
Accounts payable	\$ 599,163	\$ 55,322
Total Current Liabilities	<u>599,163</u>	<u>55,322</u>
Total Liabilities	<u>599,163</u>	<u>55,322</u>
<b>Net Position</b>		
Net Position		
Reserved (Note 5)	<u>3,573,560</u>	<u>6,689,871</u>
Total Net Position	<u>3,573,560</u>	<u>6,689,871</u>
Total Liabilities and Net Position	<u>\$ 4,172,723</u>	<u>\$ 6,745,193</u>

See independent auditors' report.  
 The accompanying notes are an integral  
 part of the financial statements

**EMERGENCY TELEPHONE SERVICE AUTHORITY  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 DECEMBER 31, 2016**

	<b>2016</b>	<b>(Memorandum Only) 2015</b>
<b>Revenues:</b>		
Telephone surcharges	\$ 2,518,362	\$ 2,415,388
Interest income	27,417	9,715
Other Income	12,010	25,887
<b>Total Revenue</b>	<u>2,557,789</u>	<u>2,450,990</u>
 <b>Operating Expenses:</b>		
Monthly service charge	188,701	149,234
Vendor's fees	310,276	332,020
Audit fees	4,325	4,070
Legal fees	68,948	41,151
Insurance expense	1,333	1,321
Other services/expenses	5,277	6,322
Equipment and supplies	5,095,240	2,864,496
<b>Total Operating Expenses</b>	<u>5,674,100</u>	<u>3,398,614</u>
 <b>Change in net position</b>	 (3,116,311)	 (947,624)
 <b>Net Position, Beginning of Year</b>	 <u>6,689,871</u>	 <u>7,637,495</u>
 <b>Net Position, End of Year</b>	 <u>\$ 3,573,560</u>	 <u>\$ 6,689,871</u>

See independent auditors' report.  
 The accompanying notes are an integral  
 part of the financial statements

**STATEMENT  
OF  
CASH FLOW**

**EMERGENCY TELEPHONE SERVICE AUTHORITY  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 DECEMBER 31, 2016**

**DIRECT METHOD**

	<u>2016</u>	<u>(Memorandum Only) 2015</u>
<b>Cash flows from operating activities:</b>		
<b>Surcharges received</b>	\$ 2,440,087	\$ 2,703,845
<b>Interest income received</b>	27,417	9,715
<b>Payments to vendors</b>	(5,130,259)	(3,472,527)
<b>Interest expense paid</b>	-	-
	<hr/>	<hr/>
<b>Net cash provided (used) by operating activities</b>	<b>(2,662,755)</b>	<b>(758,967)</b>
	<hr/>	<hr/>
<b>Cash flows provided (used) for investing activities:</b>		
<b>Purchases of equipment</b>	-	-
	<hr/>	<hr/>
<b>Net cash provided (used) by investing activities</b>	-	-
	<hr/>	<hr/>
<b>Cash flows provided (used) by financing activities</b>		
<b>Principal payments on long-term debt</b>	-	-
	<hr/>	<hr/>
<b>Net cash provided (used) by financing activities</b>	-	-
	<hr/>	<hr/>
<b>Net increase (decrease) in cash</b>	<b>(2,662,755)</b>	<b>(758,967)</b>
<b>Cash, beginning of year</b>	<b>6,354,931</b>	<b>7,113,898</b>
	<hr/>	<hr/>
<b>Cash, end of year</b>	<b>\$ 3,692,176</b>	<b>\$ 6,354,931</b>
	<hr/> <hr/>	<hr/> <hr/>

**Reconciliation of Net Cash Provided (used) by  
Operating Activities to Increase (decrease) in Net Position**

	2016	(Memorandum Only) 2015
Increase (decrease) in Net Position	\$ (3,116,311)	\$ (947,624)
<b>Adjustment to Reconcile Net Income to Cash Provided by Operating Activities:</b>		
<b>Changes in Assets and Liabilities:</b>		
Accounts receivable - (increase) decrease	(90,285)	262,570
Prepaid expenses - (increase) decrease	-	-
Accounts payable - increase (decrease)	543,841	(73,913)
Net cash provided by operating activities	\$ (2,662,755)	\$ (758,967)

See independent auditors' report.  
The accompanying notes are an integral  
part of the financial statements

**EMERGENCY TELEPHONE SERVICE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

During 1987, pursuant to Article 11, Title 29 of the Colorado Revised Statutes, the following entities--Adams County, the Town of Bennett, the Cities of Brighton, Commerce City, Federal Heights, Thornton, and Northglenn; Bennett Fire District #7, Brighton Fire District #6, Byers Fire District #9, Deertrail Fire District #10, North Washington Fire District #3, Sable-Altura Fire District #11, South Adams County Fire District #4, Southeast Weld Fire Protection District #5, Southwest Adams County Fire District #2, Strasburg Fire Protection District #8, and West Adams County Fire Protection District #1--entered into an intergovernmental agreement and established the E911 Emergency Telephone Service Authority (the Authority). The Authority was created to administer the operation of the emergency telephone service program. The Board of Directors is comprised of 5 members, as chosen by the Adams County Board of Commissioners from the following entities: 2 members from the cities and towns, 2 members from the special districts, and 1 member from Adams County.

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

The following is a summary of significant accounting policies:

**A. Principles Determining Scope of Reporting Entity**

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

**B. Government-Wide and Fund Financial Statements**

The Government-Wide financial statements (i.e. the statement of activities) report information on all of the non-fiduciary activities of the government. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

See independent auditors' report.

**EMERGENCY TELEPHONE SERVICE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Government-Wide and Fund Financial Statements (Continued)**

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 the related cash flows. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

**Fund Accounting**

The accounts of the Authority are organized on the basis of funds and account groups. Each fund and account group is considered an independent fiscal and accounting entity with a self-balancing set of accounts recording assets together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following funds were used by the Authority during 2016:

**PROPRIETARY FUND**

Emergency Telephone Service Authority - To account for all financial resources associated with the operating activities of the Authority.

**C. Measurement Focus and Basis of Accounting**

**Measurement Focus**

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 government 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.

See independent auditors' report.

**EMERGENCY TELEPHONE SERVICE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting (Continued)**

The accrual basis of accounting is used for reporting purposes of the proprietary fund of the Authority. Under the accrual method of accounting, revenues and the related assets are reported when they are earned, regardless of when they are received and expenses and the related liabilities are reported when they are incurred, regardless of when they are paid.

Encumbrance accounting is not used.

The Authority prepares its budget on a basis consistent with generally accepted accounting principles and Colorado Revised Budgetary Statutes. All annual appropriations are at the total fund level and lapse at fiscal year-end.

**D. Cash and Cash Equivalents**

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

**E. Estimates in the Financial Statements**

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

**2. CASH AND DEPOSITS**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral determined by the PDPA. The institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

See independent auditors' report.

**EMERGENCY TELEPHONE SERVICE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**2. CASH AND DEPOSITS (Continued)**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. As of year-end the Authority’s bank balance was insured, collateralized with securities of the financial institution’s trust or collateralized with securities held by the pledging financial institution through PDPA.

At December 31, 2016, the Authority's cash deposits had a carrying balance of \$3,692,176 and corresponding bank balances as follows:

	<u>2016</u>	Memorandum Only <u>2015</u>
Insured deposits	\$ 250,000	\$ 250,000
Uninsured: Collateralized by financial institution	167,682	857,777
Deposits Collateralized in Single institution pool (s)	<u>3,274,494</u>	<u>5,247,154</u>
Total cash and cash equivalents	<u>\$ 3,692,176</u>	<u>\$ 6,354,931</u>

The bank balance of the deposits listed above are classified in three categories of credit risk as follows: a) Uncollateralized; b) Collateralized with securities held by the pledging financial institution’s trust department or agent in the entity’s name; c) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

Total cash and cash equivalents as of December 31, 2016 include the investments at Colorado Local Government Liquid Asset Trust (COLOTRUST).

As of December 31, 2016, the Authority has \$3,274,494 invested in COLOTRUST. COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S Title 24, Article 75, Section 6. The fair value of the investments in COLOTRUST is the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book entry form. COLOTRUST is rated AAAM by Standard and Poor’s rating agency.

See independent auditors' report.

**EMERGENCY TELEPHONE SERVICE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**2. CASH AND DEPOSITS (Continued)**

<u>Investments:</u>	<u>Maturity Year</u>	<u>Fair Value</u>	<u>Credit Rating</u>
COLOTRUST	Variable	<u>\$ 3,274,494</u>	AAAm
Total Investments		<u>\$ 3,274,494</u>	

Interest Rate Risk – The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado revised statute 24-75-601 limits investment maturities to five years or less without governing board approval.

**3. CAPITAL ASSETS**

Pursuant to the Authority's asset transfer resolution of December 1, 2010, the Authority transferred all communication equipment and fiber optic materials to Adams County Communication Center, Inc. (ADCOM) and the City of Federal Heights during 2010. The resolution stipulates that assets purchased by the Authority and utilized by ADCOM in its day-to-day operations are to be transferred to ADCOM. Respectively, the resolution also stipulates that assets purchased by the Authority and utilized by the City of Federal Heights in its day-to-day operations are to be transferred to the City of Federal Heights.

**4. CONTRIBUTED CAPITAL**

The Adams County Board of Commissioners contributed \$3,000 in 1989 and \$3,000 in 1987 as start-up capital. For reporting purposes, contributed capital is included in reserved net position.

**5. RESERVED NET POSITION**

The Authority collects a monthly emergency telephone charge of seventy cents (\$.70) for each non-governmental telephone in those portions of the service area for which emergency telephone service is to be provided. The collected funds may be used as authorized in C.R.S. 29-11-101 et. seq.

**6. COMMITMENTS**

The Authority is required to pay a monthly service charge of approximately \$10,500 to CenturyLink for emergency telephone services.

See independent auditors' report.

**EMERGENCY TELEPHONE SERVICE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**7. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; damage to and destruction of assets; errors and omissions and natural disasters for which the Authority carries commercial insurance. There have been no significant reductions in coverage from the prior year and to date there have been no claims made against the Authority. The Authority is subject to the Colorado Governmental Immunity Act, CRS 24-10-101, et. Seq.

**8. TAX, SPENDING AND DEBT LIMITATIONS**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. Based on the structure of the Authority as a "quasi-governmental" entity and restriction of financial activities, including the lack of ability to assess and collect tax revenue, the Authority does not believe that it is directly subject to the "TABOR" limitations.

**9. TELEPHONE SURCHARGES**

The Authority's primary source of revenue is emergency telephone service surcharges on all phone lines in the service area. The fee per line is \$0.70 per month and is collected from the telecommunications carriers by the Authority. In September 2016, the Public Utilities Commission approved an increase in the monthly fee to \$1.50. The increased fees were to be implemented by the carriers by December 12, 2016.

**10. SUBSEQUENT EVENTS**

The Authority has adopted the provisions of Statement of Financial Accounting Standards Codification 855, *Subsequent Events*. This statement requires management to evaluate, through the date the financial statements are issued or are available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Authority's financial statements were available to be issued on August 9, 2017 and this is the date through which subsequent events were evaluated. The Authority did not identify any subsequent events requiring disclosure.

See independent auditors' report.

**OTHER SUPPLEMENTAL  
INFORMATION**

**EMERGENCY TELEPHONE SERVICE AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**BUDGET AND ACTUAL**  
**DECEMBER 31, 2016**

	Budget		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Telephone surcharges	\$ 2,600,000	\$ 2,600,000	\$ 2,518,362	\$ (81,638)
Interest income	7,800	7,800	27,417	19,617
Other Income	112,000	112,000	12,010	(99,990)
Total Revenue	2,719,800	2,719,800	2,557,789	(162,011)
<b>Operating Expenses:</b>				
Monthly service charge	202,000	202,000	188,701	13,299
Vendor's fees	225,153	225,153	310,276	(85,123)
Audit fees	4,070	4,070	4,325	(255)
Legal fees	60,000	60,000	68,948	(8,948)
Insurance expense	1,321	1,321	1,333	(12)
Other services/expenses	6,100	6,100	5,277	823
Equipment and supplies	6,974,758	6,974,758	5,095,240	1,879,518
Total Operating Expenses	7,473,402	7,473,402	5,674,100	1,799,302
Change in net position	(4,753,602)	(4,753,602)	(3,116,311)	1,637,291
Net position, Beginning of Year	6,689,871	6,689,871	6,689,871	-
Net position, End of Year	\$ 1,936,269	\$ 1,936,269	\$ 3,573,560	\$ 1,637,291

See independent auditors' report.  
The accompanying notes are an integral  
part of the financial statements