

cPa DIXON, WALLER & CO., INC.

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HUERFANO COUNTY EMERGENCY

TELEPHONE SERVICE AUTHORITY

WALSENBURG, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2020

**DIXON, WALLER & CO., INC.**

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**HUERFANO COUNTY EMERGENCY**

**TELEPHONE SERVICE AUTHORITY**

**DECEMBER 31, 2020**

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**FINANCIAL SECTION**

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

Independent Auditor's Report

Board of Directors  
Huerfano County Emergency Telephone Service Authority  
Walsenburg, CO 81089

We have audited the accompanying financial statements of the business-type activities of Huerfano County Emergency Telephone Service Authority as of and for the year ended December 31, 2020, 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.

***Auditor's 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 from 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.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Huerfano County Emergency Telephone Service Authority as of December 31, 2020, and the 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.

## *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 v 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Huerfano County Emergency Telephone Service Authority's basic financial statements. The statement of revenues and expenses, budget (non-GAAP) and actual is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of revenues and expenses, budget (non-GAAP) and actual 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. Such 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 schedule of revenues and expenses, budget (non-GAAP) and actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



July 23, 2021

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Huerfano County Emergency Telephone Service Authority  
Management Discussion and Analysis  
Year Ended December 31, 2020**

*Introduction*

Our discussion and analysis of the Huerfano County Emergency Telephone Service Authority's financial performance provides an overview of the Huerfano County Emergency Telephone Service Authority's financial activities for the year 2020. It should be read with the accompanying financial statements of the Huerfano County Emergency Telephone Service Authority.

*Financial Highlights*

The Huerfano County Emergency Telephone Service Authority's net position at the end of 2020 was \$377,153 compared to \$351,816 in 2019.

*Using this Annual Report*

Huerfano County Emergency Telephone Service Authority's financial statements consist of three statements: 1 – Statement of Net Position 2 – Statement of Revenues, Expenditures & Changes in Net Position 3 – Statement of Cash Flows. These statements provide information about the activities of the Huerfano County Emergency Telephone Service Authority, including resources held by the Huerfano County Emergency Telephone Service Authority but restricted for specific purposes by creditors, contributors, grantors or enabling legislation.

*Huerfano County Emergency Telephone Service Authority's Net Position*

The Huerfano County Emergency Telephone Service Authority's Net position is the difference between its assets and liabilities reports in the Statement of Net Position. The Huerfano County Emergency Telephone Service Authority's net position increased in the 2020 year by \$25,337.00.

Table 1 provides a summary of the Authority's net position for 2020 compared to 2019

	<u>2020</u>	<u>2019</u>
	<b>Business Type</b>	<b>Business Type</b>
	<b>Activities</b>	<b>Activities</b>
<b>ASSETS</b>		
Current and Other Assets	327061	287822
Capital Assets	50092	63994
<b>Total Assets</b>	<b>377153</b>	<b>351816</b>
<b>LIABILITIES</b>		
Current and Other Liabilities	0	0
Long Term Liabilities	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>
<b>NET POSITION</b>		
Invested in capital assets, Net of Related Debt	50,092	63,994
Restricted for:		
Tabor Reserve		
Unrestricted	327,061	287,822
	<b>377,153</b>	<b>351,816</b>

*Operating Results and Changes in the Huerfano County Emergency Telephone Service Authority's Net Position*

*Operating Revenue*

Table 2: Operating Results and Changes in Net Position

		2020	2019
<u>Operating Revenues</u>			
	Surcharges	52,887	50,576
<u>Operating Expenses</u>			
	Repairs	495	117
	Maintenance Contract	5127	-
	Dispatch Training	0	524
	Professional Services	3,000	2,800
	Line Charges	4,643	4,617
	Purchased Services	1800	1650
	Miscellaneous	56	0
	Depreciation	13,902	17,664
	<u>Total Operating Expenses</u>	<u>29,023</u>	<u>27,372</u>
<u>Operating Income</u>			
		23,864	23,204
<u>Non-Operating Revenue</u>			
	Interest Income	1473	1183

The Huerfano County Emergency Telephone Service Authority's operating revenue increased \$290.00 in 2020.

*Non-operating Revenues and Expenses*

Non-operating revenues consists of investment interest. Our reserve monies were invested in Certificates of Deposit.

*Huerfano County Emergency Telephone Service Authority's Cash Flows*

Changes in the Huerfano County Emergency Telephone Service Authority's operating cash flows are consistent with changes in operating income and non-operating revenues and expenses.

<b><u>Cash Flows from Operating Activities</u></b>	
Receipts from Customers	53890
Payments to Employees	0
Payments to Vendors	-15121
<b>Cash Provided (Used) by Operating Activities</b>	<b>38769</b>
<b><u>Cash Flows from Non-Capital Financing Activities</u></b>	<b>0</b>
<b>Net Cash from Non-Capital Financing Activities</b>	<b>0</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Purchase of Fixed Assets	0
<b>Net Cash from Capital and Related Financing Activities</b>	
<b><u>Cash Flows from Investing Activities</u></b>	
Interest Earnings	1090
<b>Net Cash from Investing Activities</b>	
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>39859</b>
<b>Cash and Equivalents-Beginning of Year</b>	<b>282456</b>
<b>Cash and Equivalents-End of Year</b>	<b>322315</b>
<b><u>Reconciliation of Cash Flows from Operating Activities</u></b>	
Operating Income (Loss)	23864
<b><u>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</u></b>	
Depreciation	13902
(Increase) Decrease in Accounts Receivable	1003
Increase (Decrease) in Accounts Payable	
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>38769</b>

*Capital Asset and Debt Administration*  
*Capital Assets*

Plans for the future continue to include providing the best 911 Emergency Telephone Service to Huerfano County residents through better training for dispatchers and ensuring proper maintenance of equipment, and upgrading/updating equipment as necessary to provide exceptional service to the community. A summary of changes in Huerfano County Emergency Telephone Service Authority's capital assets are as follows.

Capital Assets	Balance	Additions	Deletions	Balance
	January 1, 2020			December 31, 2020
Equipment	408,874	-	-	408,874
Accumulated Depreciation	(344,880)	(13,902)	-	(358,782)
Total	63,994	(13,902)	-	50,092

*Debt*

At the end of 2020, the Huerfano County Emergency Telephone Service Authority had no debt.

*Contacting the Huerfano County Emergency Telephone Service Authority's Financial Management*

This financial report designed to provide our citizens with a general overview of the Huerfano County Emergency Telephone Service Authority's finances and accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Huerfano County Emergency Telephone Service Authority, 209 S Main Street, P.O. Box 801, La Veta, Colorado 81055.

**BASIC FINANCIAL STATEMENTS**

HUERFANO COUNTY EMERGENCY  
TELEPHONE SERVICE AUTHORITY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020

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**ASSETS**

**Current Assets**

Cash	322,315
Accounts Receivable	3,680
Accrued Interest Receivable	<u>1,066</u>
<b><u>Total Current Assets</u></b>	<b><u>327,061</u></b>

**Plant Investment**

Office Equipment	26,337
Telephone Emergency Equipment	<u>382,537</u>
<b><u>Totals</u></b>	<b><u>408,874</u></b>
Less Accumulated Depreciation	<u>(358,782)</u>
<b><u>Net Plant Investment</u></b>	<b><u>50,092</u></b>

**TOTAL ASSETS**

**377,153**

**LIABILITIES AND NET POSITION**

**Liabilities**

Accounts Payable	<u>-</u>
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**NET POSITION**

<b><u>Net Investment in Capital Assets</u></b>	<b>50,092</b>
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**Unrestricted**

Unreserved	<u>327,061</u>
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**TOTAL NET POSITION**

**377,153**

The accompanying notes to financial statements are an integral part of these statements.

**HUERFANO COUNTY EMERGENCY  
TELEPHONE SERVICE AUTHORITY  
STATEMENT OF REVENUES, EXPENSES  
& CHANGES IN NET POSITION  
For the Year Ended December 31, 2020**

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**Operating Revenues:**

<b>Surcharges</b>	<b>52,887</b>
<b>Other</b>	<b>—</b>
<b><u>Total Operating Revenues</u></b>	<b><u>52,887</u></b>

**Operating Expenses**

<b>Repairs</b>	<b>495</b>
<b>Maintenance Contract</b>	<b>5,127</b>
<b>Dispatch Training</b>	<b>-</b>
<b>Professional Services</b>	<b>3,000</b>
<b>Line Charges</b>	<b>4,643</b>
<b>Purchased Services</b>	<b>1,800</b>
<b>Miscellaneous</b>	<b>56</b>
<b>Depreciation</b>	<b><u>13,902</u></b>
<b><u>Total Operating Expenses</u></b>	<b><u>29,023</u></b>

**Operating Income** **23,864**

**Non-Operating Revenue**

**Interest Income** **1,473**

**Change in Net Position** **25,337**

**Net Position, Beginning of Year** **351,816**

**Net Position, End of Year** **377,153**

The accompanying notes to financial statements are an integral part of these statements.

**HUERFANO COUNTY EMERGENCY  
 TELEPHONE SERVICE AUTHORITY  
 STATEMENT OF CASH FLOWS  
 For the Year Ended December 31, 2020**

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<b><u>Cash Flows from Operating Activities</u></b>	
Receipts from Customers	53,890
Payments to Employees	-
Payments to Vendors	<u>(15,121)</u>
<b><u>Cash Provided (Used) by Operating Activities</u></b>	<b><u>38,769</u></b>
<b><u>Cash Flows from Non-Capital Financing Activities</u></b>	
	<u>-</u>
<b><u>Net Cash from Non-Capital Financing Activities</u></b>	<u>-</u>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Purchase of Fixed Assets	<u>-</u>
<b><u>Net Cash from Capital and Related Financing Activities</u></b>	<u>-</u>
<b><u>Cash Flows from Investing Activities</u></b>	
Interest Earnings	<u>1,090</u>
<b><u>Net Cash from Investing Activities</u></b>	<u>1,090</u>
<b><u>Net Increase (Decrease) in Cash and Cash Equivalents</u></b>	<b>39,859</b>
<b><u>Cash and Equivalents-Beginning of Year</u></b>	<b><u>282,456</u></b>
<b><u>Cash and Equivalents-End of Year</u></b>	<b><u>322,315</u></b>
<b><u>Reconciliation of Cash Flows from Operating Activities</u></b>	
Operating Income (Loss)	23,864
<b><u>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</u></b>	
Depreciation	13,902
(Increase) Decrease in Accounts Receivable	1,003
Increase (Decrease) in Accounts Payable	<u>-</u>
<b><u>Net Cash Provided by (Used in) Operating Activities</u></b>	<b><u>38,769</u></b>

The accompanying notes to financial statements are an integral part of these statements.

HUERFANO COUNTY EMERGENCY  
TELEPHONE SERVICE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

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**NOTE 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING**

The accounting policies of Huerfano County Emergency Telephone Service Authority (Authority) conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

The Authority operates under an appointed Board with three members.

**A.    Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement No. 14, (as amended by Statements No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This Authority is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basis financial statements present the Authority (the primary government) and its component units.

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

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the Authority's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

HUERFANO COUNTY EMERGENCY  
TELEPHONE SERVICE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

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

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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

**C. Fund Accounting**

The accounts of the Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- **Major Proprietary Funds – Business –Type Activities**

Enterprise Funds – used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

Depreciation of all exhaustible fixed assets used by proprietary funds should be charged as an expense against their operations.

Accumulated depreciation should be reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

<b>Equipment</b>	<b>3-15 Years</b>
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HUERFANO COUNTY EMERGENCY  
TELEPHONE SERVICE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020

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

**D.    Budgets and Budgetary Accounting**

The authority has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Authority submits to the Huerfano County Board of County Commissioners 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. Prior to December 31, the budget is legally enacted through passage of a resolution.
3. Formal budgetary integration should be employed as a management control device during the year for the Enterprise Fund.
4. The budget for the Enterprise Fund is adopted on a Non-GAAP Basis.

**E.    Encumbrances:**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrance accounting is not used.

**F.    Use of Estimates**

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

**G.    Interest**

Interest income is recognized as revenue when earned.

**H.    Cash, Interest Bearing**

The Authority's deposits are covered by Federal depository insurance or secured under the Public Deposit Protection Act of the State of Colorado. The Authority's custodial bank pledges collateral for amounts on deposit in excess of the amount guaranteed by the FDIC for governmental entities.

**HUERFANO COUNTY EMERGENCY  
 TELEPHONE SERVICE AUTHORITY  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2020**

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

**I.      Cash and Cash Equivalents**

For purpose of the Statement of Cash Flows, the Authority considers cash in bank and highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

**NOTE 2      CASH**

**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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group.

At December 31, 2020, the Authority's cash deposits had a bank balance and corresponding carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
<b>Categorized Deposits</b>		
Deposits Covered by Federal Insurance	250,000	250,000
Uninsured, Collateralized Under the Public Deposit Protection Act (See Above)	<u>72,315</u>	<u>72,315</u>
<u>Total Cash</u>	<u>322,315</u>	<u>322,315</u>

As presented above deposits with a bank balance of \$72,315 and a carrying balance of \$72,315 as of December 31, 2020 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

**NOTE 3      ACCOUNTS RECEIVABLE**

The accounts receivable are stated at gross, and represent amounts receivable from Enterprise Fund customers.

**HUERFANO COUNTY EMERGENCY  
TELEPHONE SERVICE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020**

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**NOTE 4      AMENDMENT ONE**

Colorado voters passed an amendment to the State Constitution, Article X, Section 30, 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 entity has made certain interpretations of the amendment's language and believes the amendment does not apply to Huerfano County Emergency Telephone Service Authority.

**NOTE 5      RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The Authority maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 6      CONTINGENCIES**

There were no contingent liabilities payable at December 31, 2020.

**NOTE 7      CAPITAL ASSETS**

**Business – Type Activities**

A summary of changes in Authority's capital assets is as follows:

	<u>Balance</u> <u>Jan. 1, 2020</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Equipment	408,874	-	-	408,874
Accumulated Depreciation	(344,880)	(13,902)	-	(358,782)
<b><u>Total</u></b>	<b><u>63,994</u></b>	<b><u>(13,902)</u></b>	<b><u>-</u></b>	<b><u>50,092</u></b>

**Business – Type Activities Depreciation Expense:**

Huerfano County Emergency Telephone Service Authority	<u>13,902</u>
<b><u>Total Depreciation Expense – Business Type Activities</u></b>	<b><u>13,902</u></b>

**SUPPLEMENTAL INFORMATION**

**HUERFANO COUNTY EMERGENCY  
TELEPHONE SERVICE AUTHORITY  
SCHEDULE OF REVENUES AND EXPENSES  
BUDGET (NON-GAAP) AND ACTUAL  
For the Year Ended December 31, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>Operating Revenues:</u></b>			
Surcharges	58,000	52,887	(5,113)
Other	131,458	-	(131,458)
<u>Total Operating Revenues</u>	<u>189,458</u>	<u>52,887</u>	<u>(136,571)</u>
<b><u>Operating Expenses</u></b>			
Repairs	50,000	495	49,505
Maintenance Contract	5,000	5,127	(127)
Dispatch Training	5,500	-	5,500
Professional Services	2,900	3,000	(100)
Line Charges	5,650	4,643	1,007
Purchased Services	1,800	1,800	-
Miscellaneous	2,000	56	1,944
Capital Expenditures	-	-	-
Depreciation	15,000	13,902	1,098
Contingency	139,244	-	139,244
<u>Total Operating Expenses</u>	<u>227,094</u>	<u>29,023</u>	<u>198,071</u>
<b><u>Operating Income (Loss)</u></b>	<b>(37,636)</b>	<b>23,864</b>	
<b><u>Non-Operating Revenue</u></b>			
Interest Income	1,200	1,473	273
<b><u>Net Income (Loss)</u></b>	<b>(36,436)</b>	<b>25,337</b>	
<b><u>Reconciliation:</u></b>			
Capital Assets	-	-	
<b><u>Net Position, Beginning of Year</u></b>	<b>156,761</b>	<b>351,816</b>	
<b><u>Net Position, End of Year</u></b>	<b>120,325</b>	<b>377,153</b>	

The accompanying notes to financial statements are an integral part of these statements.