

**ADAMS COUNTY EMERGENCY
TELEPHONE SERVICE AUTHORITY**

BASIC FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

For the year ended December 31, 2025



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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Adams County Emergency Telephone Service Authority
Adams County, Colorado

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of Adams County Emergency Telephone Service 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of December 31, 2025 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 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 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.

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-6 and budgetary comparison information on page 17 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Sincerely,

A handwritten signature in black ink, appearing to read "Haynie", written in a cursive style.

Littleton, Colorado

July 15, 2026

Adams County Emergency Telephone Service Authority Management's Discussion and Analysis December 31, 2025

This management's discussion and analysis (MD&A) is designed to provide an overview of the financial activities of the Adams County Emergency Telephone Service Authority ("the Authority") for the fiscal year ending December 31, 2025. The MD&A should be read in conjunction with the Authority's financial statements.

Financial Highlights

- Total assets of the Authority at the close of 2025 were \$4,378,803. The assets include \$3,158,920 in cash and investments, \$1,219,492 in accounts receivable, and \$390 in prepaid expenses.
- Total Net Position for 2025 was \$4,378,802 compared to \$5,124,920 for 2024; a decrease of \$746,118.
- Total revenue for the year ended December 31, 2025 was \$8,996,875, consisting of telephone surcharge revenue of \$8,887,636 and interest income of \$109,239. This is a decrease of \$7,587 in revenues. Telephone surcharge revenue is comprised of three components: CenturyLink (non-cell) telephone surcharges, prepaid surcharges and 911 surcharges.
- Total budgeted expenses for 2025 were \$9,755,950, but actual expenses were \$9,742,994 resulting in a favorable variance of \$12,956.
- Combined, the additional revenue and lower expenses equal a favorable variance from total budgeted change in net position of \$183,828.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of government-wide financial statements, governmental 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 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 net position. Historically, changes (increases or decreases) in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The statement of net position is displayed on page 6 of the annual financial statements.

The statement of activities 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.

Governmental 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 Authority used only one fund for the 2025 fiscal budget year. It is the general fund and it is intended to account for all financial resources associated with the operating activities of the Authority.

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 statements.

Financial Analysis

In 1987 the 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 statement of net position may serve as a useful indicator of the Authority's financial position.

The Authority does not have any adjustments to the basic financial statements for capital assets or debt. The table below compares the 2025 financial information to 2024 and 2023.

As of December 31, 2025

Assets	2025	2024	2023
Total assets	\$4,378,802	\$5,124,920	\$ 6,540,236
Liabilities			
Total liabilities	-	-	-
Revenues			
Total revenues	8,996,875	9,004,462	8,445,206
Expenses			
Total expenses	9,742,993	10,419,778	10,560,731
Change in Net Position	(746,118)	(1,415,316)	(2,115,525)
Net Position - beginning of year	<u>5,124,920</u>	<u>6,540,236</u>	<u>8,655,761</u>
Net Position - end of year	<u><u>\$4,378,802</u></u>	<u><u>\$5,124,920</u></u>	<u><u>\$ 6,540,236</u></u>

General Fund

The general 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 general fund is a monthly emergency telephone service charge (\$2.12) 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 include interest income. The year-end net position for 2025 was \$4,378,802. This represents a decrease of \$746,118 from the 2024 net position of \$5,124,920.

The Authority operated within the general fund budget in 2025. The difference between the original budgeted expenditures of \$9,755,950 and the actual expenditures of \$9,742,994 was a favorable variance of \$12,956. Actual revenues of \$8,996,875 represent an increase of \$170,871 from the budgeted revenues of \$8,826,004 due to an increase in telephone surcharges in 2025.

Factor's Affecting the E911 Authority

The Adams County Communication Center (ADCOM) began construction of a new multimillion-dollar facility in 2022, funded by ADCOM Certificate of Participation (COP) bonds. The COP bonds have an annual payment of approximately \$360k, which is currently scheduled to be reimbursed by the E911 Authority to ADCOM.

The E911 Authority was approved by the Colorado Public Utilities Commission (PUC) to raise the telephone surcharges from \$2.05 to \$2.12 effective February 2025. In October 2025 an increase to \$2.17 was approved, and is effective in 2026.

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:

Chief Matthew Domenico

Attn: Treasurer

Adams County E911 Emergency Telephone Service Authority

322 N. 19th Avenue

Brighton, Colorado 80601

Adams County Emergency Telephone Service Authority
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2025

	General Fund	Adjustments	Statement of Net Position	December 31, 2024
Assets:				
Cash and Investments	\$ 3,158,920	\$ -	\$ 3,158,920	\$ 4,173,562
Accounts receivable	1,219,492	-	1,219,492	950,968
Prepaid items	390	-	390	390
Total assets	<u>\$ 4,378,802</u>	<u>\$ -</u>	<u>\$ 4,378,802</u>	<u>\$ 5,124,920</u>
Fund Balance / Net Position:				
Fund Balance				
Nonspendable	390	(390)	-	\$ -
Assigned: Operations and 911 Projects	4,378,412	(4,378,412)	-	-
Net Position				
Unassigned / Unrestricted	-	4,378,802	4,378,802	5,124,920
Total Fund Balance / Net Position	<u>4,378,802</u>	<u>-</u>	<u>4,378,802</u>	<u>5,124,920</u>
Total Liabilities				
and Fund Balance / Net Position	<u>\$ 4,378,802</u>	<u>\$ -</u>	<u>\$ 4,378,802</u>	<u>\$ 5,124,920</u>

See accompanying notes to the financial statements.

Adams County Emergency Telephone Service Authority
Statement of Activities and Governmental Funds Statement of Revenues,
Expenditures, and Change in Fund Balance
For the Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
Revenues: General Fund		
Telephone surcharges	\$ 7,607,882	\$ 7,454,419
Prepaid surcharges	1,009,084	1,148,917
911 surcharges	270,670	231,802
Investment earnings	109,239	169,324
Total Revenues	<u>8,996,875</u>	<u>9,004,462</u>
 Expenses / Expenditures: General Fund		
ADCOM - Projects	1,749,811	2,910,637
ADCOM - Salaries	5,231,663	4,645,756
ADCOM - Operations	1,353,948	1,301,960
ADCOM - Maintenance	1,344,778	1,499,371
Legal fees	41,227	44,306
Other services/expenses	20,292	16,469
Insurance expense	1,274	1,279
Total Expenses / Expenditures	<u>9,742,993</u>	<u>10,419,778</u>
 Change in Net Position / fund balance	<u>(746,118)</u>	<u>(1,415,316)</u>
 Net position / fund balance, beginning of year	<u>5,124,920</u>	<u>6,540,236</u>
 Net position / fund balance, end of year	<u><u>\$ 4,378,802</u></u>	<u><u>\$ 5,124,920</u></u>

There were no adjustments to reconcile the Government Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Government-Wide Statement of Activities.

See accompanying notes to the financial statements

Adams County Emergency Telephone Service Authority
Notes to Financial Statements
December 31, 2025

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 Authority #7, Brighton Fire Authority #6, Byers Fire Authority #9, Deer Trail Fire Authority #10, North Washington Fire Authority #3, Sable-Altura Fire Authority #11, South Adams County Fire Authority #4, Southeast Weld Fire Protection Authority #5, Southwest Adams County Fire Authority #2, Strasburg Fire Protection Authority #8, and West Adams County Fire Protection Authority #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.

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:

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.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

Adams County Emergency Telephone Service Authority
Notes to Financial Statements
December 31, 2025

1. Summary of Significant Accounting Policies (continued)

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 segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Authority reports the following major governmental funds:

The *General Fund* is the general operating fund of the Authority. It is used to account for all financial resources and operating activities of the Authority.

Measurement Focus and Basis of Accounting

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.

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.

Budgets

In accordance with the State Budget Law, the Authority's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The Authority's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end.

Adams County Emergency Telephone Service Authority
Notes to Financial Statements
December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Net Position and Fund Balance

In the government-wide financial statements, net position is classified in the following categories:

- *Unrestricted Net Position* – This category represents the net position of the Authority, which are not restricted for any project or other purpose. A deficit will require future funding.

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – amounts that are available for any purpose.

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. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Adams County Emergency Telephone Service Authority
Notes to Financial Statements
December 31, 2025

1. Summary of Significant Accounting Policies (continued)

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.

Receivables

Receivables include telephone surcharges, 911 surcharges, and prepaid surcharges. Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible..

Estimates

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 Investments

At December 31, 2025 and 2024, the Authority's cash and investments consist of the following:

	<u>2025</u>	<u>2024</u>
Deposits with financial institutions	\$ 706,751	\$ 1,280,633
Investments	<u>2,452,169</u>	<u>2,892,929</u>
Total Cash and Investments	<u>\$ 3,158,920</u>	<u>\$ 4,173,562</u>

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Adams County Emergency Telephone Service Authority
Notes to Financial Statements
December 31, 2025

2. Cash and Investments (continued)

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 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.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025 and 2024, the Authority's cash deposits had carrying balances of \$706,751 and \$1,280,633 respectively, and bank balances of \$3,128,102 and \$1,282,106, respectively.

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.

Investments

The Authority has not adopted a formal investment policy; however, the Authority follows state statutes regarding investments. The Colorado Revised Statute (CRS) 24-75-601 limits investment maturities to five years or less without governing board approval.

The Authority is required to comply with state statutes, which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk. Investment instruments that fall under those statutes include:

- Obligations of the United States and U.S. Agency securities
- Corporate debt
- Commercial paper
- Bankers' acceptances
- Repurchase agreements collateralized by authorized securities

Adams County Emergency Telephone Service Authority
Notes to Financial Statements
December 31, 2025

2. Cash and Investments (continued)

- General obligations of U.S. local government entities
- Guaranteed investment contracts
- Money market funds
- Local government investment pools

As of December 31, 2025, the Authority had the following investments:

<u>Investments:</u>	<u>Maturity Year</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (Colotrust)	Weighted-Average Under 60 days	\$ 2,452,169

COLOTRUST

The Authority invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable net asset value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAsf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the Authority records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

Adams County Emergency Telephone Service Authority
Notes to Financial Statements
December 31, 2025

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.

4. Contributions

The Adams County Board of Commissioners contributed \$3,000 in 1989 and \$3,000 in 1987 as start-up capital.

5. Net Position

The Authority has adopted a minimum fund balance policy of \$2,500,000.

6. Commitments

The Authority is required to pay a monthly service charge of approximately \$1,500 to CenturyLink for emergency telephone services.

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.

Adams County Emergency Telephone Service Authority
Notes to Financial Statements
December 31, 2025

9. Telephone Surcharges

The Authority's primary source of revenue is a monthly emergency telephone service surcharge collected on each non-governmental telephone line within the portions of the service area where emergency telephone service is provided. The surcharge is \$2.12 per line per month and will increase to \$2.17 in 2026. Telecommunications carriers collect the surcharge and remit the funds to the Authority. Revenues may be used only for purposes authorized under C.R.S. § 29-11-101 et seq.

10. Subsequent Events

In accordance with GASB 54, Adams County 911 has evaluated subsequent events through July 15, 2026, the date which the financial statements were issued.

REQUIRED SUPPLEMENTAL INFORMATION

Adams County Emergency Telephone Service Authority
Statement of Revenues, Expenditures
and Change in Fund Balance - Budget and Actual General Fund
For the Year Ended December 31, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenues			
Telephone surcharges	\$ 7,451,193	\$ 7,607,882	\$ 156,689
Prepaid surcharges	1,015,813	1,009,084	(6,729)
911 surcharges	198,998	270,670	71,672
Investment earnings	160,000	109,239	(50,761)
Total revenues	<u>8,826,004</u>	<u>8,996,875</u>	<u>170,871</u>
Expenditures			
ADCOM - Projects	1,749,811	1,749,811	-
ADCOM - Salaries	5,231,663	5,231,663	-
ADCOM - Operations	1,353,948	1,353,948	-
ADCOM - Maintenance	1,344,778	1,344,778	-
Legal fees	50,000	41,227	8,773
Other services/expenses	24,300	20,293	4,007
Insurance expense	1,450	1,274	176
Total Expenditures	<u>9,755,950</u>	<u>9,742,994</u>	<u>12,956</u>
Change in Fund balance	<u>(929,946)</u>	<u>(746,118)</u>	<u>183,828</u>
Fund Balance, beginning of year	<u>4,967,152</u>	<u>5,124,920</u>	
Fund Balance, end of year	<u><u>\$ 4,037,206</u></u>	<u><u>\$ 4,378,802</u></u>	