

**Jefferson County Emergency
Communications Authority**

**Financial Statements
with Independent Auditors' Report**

December 31, 2017



**Jefferson County Emergency
Communications Authority**
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December 31, 2017

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**HINKLE &
COMPANY**
Strategic PC
Business Advisors

Independent Auditors' Report

Board of Directors
Jefferson County Emergency Communications Authority
Jefferson County, Colorado

We have audited the accompanying financial statements of the Jefferson County Emergency Communications Authority as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Jefferson County Emergency Communications 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 an opinion 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 auditors' 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 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jefferson County Emergency Communications Authority as of December 31, 2017, and the changes in financial position and cash flows 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 listed in the table of contents 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 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 an opinion on the financial statements that collectively comprise the Jefferson County Emergency Communications Authority's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hill & Company, PC

Greenwood Village, Colorado
April 18, 2018



JEFFERSON COUNTY EMERGENCY COMMUNICATIONS AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

This management discussion and analysis (this "MD&A") is designed to provide an overview of the financial activities of the Jefferson County Emergency Communications Authority ("JCECA") for the fiscal year ended December 31, 2017. The MD&A should be read in conjunction with JCECA's financial statements.

Financial Highlights

- Total assets of JCECA at the close of 2017 were \$6,126,635. The assets include \$61,584 in cash.
- Total Capital Assets for 2017 were \$4,892,312. An increase of \$2,206,608 over 2016.
- Total Operating Revenue for the year was \$6,559,809 and consists of telephone surcharge revenue of \$6,559,665 and miscellaneous income of \$144. Telephone surcharge revenue is derived from the emergency telephone charge authorized under C.R.S. § 29-11-202 (the "ETC") and the prepaid wireless E9-1-1 charge authorized under C.R.S. § 29-11-102.5.
- Total budgeted expenses for 2017 were \$14,391,987. Actual expenses were \$12,144,948.
- JCECA paid \$8,307,839 for Special Projects that included transition costs to facilitate consolidation of eight public safety answering points ("PSAP's") into the Jefferson County Communications Center Authority ("Jeffcom").

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the JCECA's basic financial statements, which are comprised of Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows and Notes to Financial Statements. Additionally, there is a Budgetary Comparison Schedule.

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. JCECA uses fund accounting to account for all financial activities and to ensure and demonstrate compliance with finance related legal requirements.

JCECA used only one fund for the 2017 fiscal budget year. It is a proprietary fund and it is intended to account for all financial resources associated with the operating activities of JCECA. There were no capital funds, public utilities trust funds, personnel and benefits

JEFFERSON COUNTY EMERGENCY COMMUNICATIONS AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

funds, or any other funds actively used during 2017. The Board has enacted a policy providing for a 17% operating reserve, which in 2017 was set at \$1,491,108.

Notes to Financial Statements

The notes provide detail clarifying additional information necessary for a complete understanding of the data contained in the financial statements.

Financial Analysis

In 1983 the Jefferson County E9-1-1 Emergency Telephone Service Authority was created to assist in funding the operation of the emergency telephone service. The name of the Authority was subsequently changed to the Jefferson County Emergency Communications Authority ("JCECA"). The Intergovernmental Agreement includes participants from cities, towns, and special districts within Jefferson and Broomfield Counties, as well as Jefferson County government. JCECA collects revenue through a monthly emergency telephone charge (the "ETC") for each non-governmental telephone (wireless, wireline, and VOIP). The monthly ETC rate for 2017 was \$0.70.

Beginning January 1, 2011, prepay wireless customers began contributing to 9-1-1 funding, with the vendors collecting 1.4% of the price of the prepaid minutes, and remitting the funds to the Colorado Department of Revenue ("DOR"). DOR then distributes these funds to each Colorado 9-1-1 authority based on each authority's number of wireless 9-1-1 calls compared to the number of wireless 9-1-1 calls statewide.

ETC and prepaid wireless E9-1-1 charge funds are used to pay for equipment and software purchase and installation, operating costs directly related to an emergency telephone service, costs for emergency telephone notification for emergency medical dispatch services, for the monthly recurring charges billed by the service supplier for the emergency telephone service, and for other 9-1-1 related costs authorized under C.R.S. § 29-11-104(2). JCECA also pays for emergency notification to citizens during emergent situations.

**JEFFERSON COUNTY EMERGENCY COMMUNICATIONS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JCECA's Net Position

	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>
Cash and Investments	\$ 61,584	\$ 4,999,557
Accounts Receivable	854,276	833,663
Prepaid Expenses	318,463	721,483
Capital Assets, Not Being Depreciated	4,162,644	1,907,576
Capital Assets, Net of Accumulated Depreciation	<u>729,668</u>	<u>778,128</u>
Total Assets	\$ 6,126,635	\$ 9,240,407
Current Liabilities - Accounts Payable	\$ 732,529	\$ 471,079
Other Liabilities - Accrued Compensated Absences	<u>30,914</u>	<u>31,251</u>
Total Liabilities	\$ 763,443	\$ 502,330
Net Position		
Net Investment in Capital Assets	\$ 4,892,312	\$ 2,685,704
Unrestricted	<u>470,880</u>	<u>6,052,373</u>
Total Net Position	\$ 5,363,192	\$ 8,738,077

A portion of JCECA's assets (1%) is in cash and (80%) are net capital assets. The remaining assets represent accounts receivable and prepaid expenses.

**JEFFERSON COUNTY EMERGENCY COMMUNICATIONS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JCECA's Change in Net Position

For the Years Ended December 31, 2017 and December 31, 2016

	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>
Operating Revenues		
Emergency Telephone Charges	\$ 6,559,665	\$ 6,309,502
Miscellaneous	<u>144</u>	<u>52</u>
Total Operating Revenues	<u>6,559,809</u>	<u>6,309,554</u>
Operating Expenses		
Administrative	476,822	353,173
Agency Operating	400,022	777,152
Depreciation	48,460	48,460
Disaster & Recovery Plan	242,377	9,268
Emergency Medical Dispatching	34,631	31,249
GIS System	274,027	202,221
Line Charges	625,689	569,409
Logging Systems	282,422	328,283
Notification System	137,078	159,457
Phone System	241,691	298,734
Public Education	18,328	22,990
Programs	905,069	1,646,996
Recruiting	28,308	16,698
Special Projects	6,052,771	871,424
Training	158,915	243,618
Translation Services	<u>11,730</u>	<u>9,323</u>
Total Operating Expenses	<u>9,938,340</u>	<u>5,588,455</u>
Net Operating Income (Loss)	<u>(3,378,531)</u>	<u>721,099</u>
Non-operating Revenues		
Investment Income	<u>3,646</u>	<u>5,675</u>
Change in Net Position	<u>(3,374,885)</u>	<u>726,774</u>
Net Position, Beginning	<u>8,738,077</u>	<u>8,011,303</u>
Net Position, Ending	<u>\$ 5,363,192</u>	<u>\$ 8,738,077</u>

JEFFERSON COUNTY EMERGENCY COMMUNICATIONS AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Budgetary Highlights

JCECA approves a budget in December based on anticipated costs for the following year. The following summarizes significant budget to actual variances.

Actual revenue from Emergency Telephone Charges of \$6,559,665 was \$2,211,560 less than the anticipated budget amount of \$8,771,225. The 2017 budget anticipated increasing the ETC to \$1.15 effective 07/01/17. The application process took longer than expected resulting in the increase taking effect 01/01/18.

Actual Agency Operating expenses of \$400,022 were \$349,978 less than the budgeted amount of \$750,000. The needs of the consolidating agencies were less because of the Jeffcom consolidation process.

Actual GIS System expenses of \$274,027 were \$36,056 more than the budgeted amount of \$237,971. Unanticipated GIS costs were incurred because of the transition from a regional computer assisted ("CAD") fire dispatch system to the multi-discipline Jeffcom CAD system.

Actual Phone System expenses of \$241,691 were \$873,733 less than the budgeted \$1,115,424 because of delays in the start of a planned 9-1-1 phone system upgrade for the Broomfield and Westminster PSAP's.

Actual Programs expenses of \$905,069 were \$534,759 less than the budgeted \$1,439,828 because of a decrease in costs associated with the regional fire CAD system and CAD maintenance for the consolidating PSAP's. The anticipated purchase of replacement operating position consoles for the Westminster PSAP did not occur as a result of the 9-1-1 phone system upgrade project delays.

Capital Assets

The capital assets of the JCECA are the fiber optic cable, associated appurtenances and right-of-way licenses for the Jefferson County Public Safety Fiber Optic Network (J-FON). These assets will eventually provide for high bandwidth, very low recurring cost connectivity for the PSAP's and associated local governments served by JCECA. Net capital assets were \$4,892,312. Depreciation expense of \$48,460 was reported for the depreciable (fiber optic infrastructure) assets.

Next year's budget

JCECA plans to continue the build out of its Jefferson County Public Safety Fiber Optic Network ("J-FON"). It is anticipated in the 2018 budget that JCECA will expend approximately \$524,676 on fiber projects. JCECA is working with the Regional Transportation District ("RTD") for the placement of fiber while RTD is establishing its metro wide mass transit system. The fiber will one day connect PSAP's and local governments in the two-county region served by JCECA with PSAP's and local

**JEFFERSON COUNTY EMERGENCY COMMUNICATIONS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

governments outside of the JCECA service area. J-FON will also provide the basis for a highly secure network to augment evolution to a Next Generation 9-1-1 communications system. Funding from JCECA in 2017 has been instrumental in facilitating the consolidation of eight PSAP's in Jefferson County into the Jefferson County Communications Center Authority (Jeffcom). JCECA will continue to support transition costs for Jeffcom in 2018 and provide a source of funding for 9-1-1 call taker and dispatcher personnel expenses going forward.

REQUESTS FOR INFORMATION

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

Jeffrey J. Irvin, JCECA Executive Director
433 S Allison Pkwy, Ste 224
Lakewood, CO 80226

Telephone: 303-539-9410, Email: jirvin@jceca.org, Web: <https://jceca.org>

Basic Financial Statements

**Jefferson County Emergency
Communications Authority**

Statement of Net Position
December 31, 2017

Assets

Current Assets

Cash	\$ 61,584
Accounts Receivable	854,276
Prepaid Expenses	<u>318,463</u>
Total Current Assets	<u>1,234,323</u>

Noncurrent Assets

Capital Assets, <i>not being depreciated</i>	4,162,644
Capital Assets, <i>net of Accumulated Depreciation</i>	<u>729,668</u>
Total Noncurrent Assets	<u>4,892,312</u>

Total Assets \$ 6,126,635

Liabilities and Net Position

Current Liabilities

Accounts Payable	\$ 732,529
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Noncurrent Liabilities

Accrued Compensated Absences	<u>30,914</u>
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Total Liabilities 763,443

Net Position

Net Investment in Capital Assets	4,892,312
Unrestricted	<u>470,880</u>

Total Net Position 5,363,192

Total Liabilities and Net Position \$ 6,126,635

**Jefferson County Emergency
Communications Authority**

Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2017

Operating Revenues	
Emergency Telephone Charges	\$ 6,559,665
Miscellaneous	144
	<hr/>
Total Operating Revenues	6,559,809
	<hr/>
Operating Expenses	
Administrative	476,822
Agency Operating	400,022
Depreciation	48,460
Disaster and Recovery Plan	242,377
Emergency Medical Dispatching	34,631
GIS System	274,027
Line Charges	625,689
Logging Systems	282,422
Notification System	137,078
Phone System	241,691
Public Education	18,328
Programs	905,069
Recruiting	28,308
Special Projects	6,052,771
Training	158,915
Translation Services	11,730
	<hr/>
Total Operating Expenses	9,938,340
	<hr/>
Net Operating Loss	(3,378,531)
Nonoperating Revenues	
Investment Income	3,646
	<hr/>
Change in Net Position	(3,374,885)
Net Position, Beginning of year	8,738,077
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Net Position, End of year	\$ 5,363,192
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**Jefferson County Emergency
Communications Authority**
Statement of Cash Flows
Year Ended December 31, 2017

Cash Flows From Operating Activities	
Cash Received from Emergency Telephone Charges	\$ 6,539,196
Cash Paid to Employees	(470,713)
Cash Payments to Suppliers	<u>(8,755,034)</u>
Net Cash Used by Operating Activities	<u>(2,686,551)</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	<u>(2,255,068)</u>
Cash Flows From Investing Activities	
Investment Earnings Received	<u>3,646</u>
Net Decrease in Cash	(4,937,973)
Cash, Beginning of year	<u>4,999,557</u>
Cash, End of year	<u>\$ 61,584</u>
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities	
Net Operating Loss	\$ (3,378,531)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation	48,460
Changes in Assets and Liabilities	
Accounts Receivable	(20,613)
Prepaid Expenses	403,020
Accounts Payable	261,450
Accrued Compensated Absences	<u>(337)</u>
Net Cash Used by Operating Activities	<u>\$ (2,686,551)</u>

Jefferson County Emergency Communications Authority

Notes to Financial Statements
December 31, 2017

Note 1: Summary of Significant Accounting Policies

The Jefferson County Emergency Communications Authority (the Authority) was formed in October, 1983. The Authority provides emergency telephone service in Jefferson and Broomfield Counties, Colorado, financed by fees assessed on telephones in the Counties.

During the year ended December 31, 2017, the Authority's special projects included start-up costs related to the Jefferson County Communications Center Authority (Jeffcom), an entity formed to consolidate eight existing Public Safety Answering Points (PSAPs) and expected to begin operations in 2018.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. 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.

Reporting Entity

The financial reporting entity consists of the Authority, organizations for which the Authority is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Authority. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Authority. Legally separate organizations for which the Authority is financially accountable are considered part of the reporting entity. Financial accountability exists if the Authority appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the Authority.

Based on the application of this criteria, the Authority does not include additional organizations in its reporting entity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority uses an enterprise fund to account for its operations. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where a fee is charged to external users for goods or services.

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Jefferson County Emergency
Communications Authority**

Notes to Financial Statements
December 31, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

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

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific purpose, the Authority uses restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position

Accounts Receivable - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses.

Capital Assets - Under an amendment to the intergovernmental agreement forming the Authority, effective January 1, 1998, the Authority transferred title and ownership of equipment purchased for the operation of emergency telephone service to the governmental entities that are parties to the agreement, if such equipment is located at, and operated by, the governmental entities. The Authority purchased equipment for the benefit of other governmental entities during the year ended December 31, 2017, totaling \$2,206,608.

The Authority capitalizes all assets with an original cost of \$5,000 or more, and a useful life of more than one year. Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives of the assets.

Fiber Optic Network

5 - 20 years

Compensated Absences - The Authority's employees are allowed to accumulate unused leave time within limits specific to each employee. Upon separation of employment from the Authority, the employees will be compensated for unused leave time at each employee's pro rata salary. These compensated absences are recognized as a liability in the financial statements when earned.

Net Position - Net position is restricted when constraints placed on the use of resources are externally imposed.

Jefferson County Emergency Communications Authority

Notes to Financial Statements
December 31, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority maintains commercial insurance for these risks of loss.

Note 2: Stewardship, Compliance and Accountability

Budgets

Budgets are required by State statutes and are adopted on a non-GAAP budgetary basis. Capital outlay is budgeted as an expense and depreciation is not budgeted. The Authority follows these procedures to establish the budgetary information reflected in the financial statements:

- Prior to October 15, management submits to the Board of Directors 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.
- Public hearings are conducted to obtain citizen comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- Expenditures may not legally exceed appropriations. Revisions that alter total appropriations must be approved by the Board of Directors.
- All appropriations lapse at year end.

Note 3: Cash and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to 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 as determined by the PDPA. The PDPA allows the financial institution 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2017, the Authority had bank deposits of \$374,621 collateralized with securities held by the financial institution's agent but not in the Authority's name.

Jefferson County Emergency Communications Authority

Notes to Financial Statements
December 31, 2017

Note 3: Cash and Investments (Continued)

Investments

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, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings established by the nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the Authority may invest in a single issuer, except for corporate securities.

The Authority had no investments at December 31, 2017.

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balances 12/31/16	Additions	Deletions	Balances 12/31/17
Capital Assets, Not Being Depreciated				
Right of Way	\$ 457,715	\$ 60,147	\$ -	\$ 517,862
Construction in Progress	<u>1,449,861</u>	<u>2,194,921</u>	<u>-</u>	<u>3,644,782</u>
Total Capital Assets, Not Being Depreciated	<u>1,907,576</u>	<u>2,255,068</u>	<u>-</u>	<u>4,162,644</u>
Capital Assets, Being Depreciated				
Fiber Optic Network	891,509	-	-	891,509
Accumulated Depreciation	<u>(113,381)</u>	<u>(48,460)</u>	<u>-</u>	<u>(161,841)</u>
Total Capital Assets, Being Depreciated	<u>778,128</u>	<u>(48,460)</u>	<u>-</u>	<u>729,668</u>
Total Capital Assets, Net	<u>\$ 2,685,704</u>	<u>\$ 2,206,608</u>	<u>\$ -</u>	<u>\$ 4,892,312</u>

**Jefferson County Emergency
Communications Authority**

Notes to Financial Statements
December 31, 2017

Note 5: Employee Compensated Absences

Changes in accrued compensated absences for the year ended December 31, 2017, were as follows.

	<u>Balance 12/31/16</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/17</u>	<u>Due Within One Year</u>
Compensated Absences	\$ <u>31,251</u>	\$ <u>12,503</u>	\$ <u>(12,840)</u>	\$ <u>30,914</u>	\$ <u>-</u>

Note 6: Retirement Commitments

The Authority has established a flexible 401(k) profit-sharing plan on behalf of its employees. The Authority will contribute a matching amount up to 10% of each participating employee's compensation, depending on the employee's contract terms. Employees become fully vested in all contributions immediately. The plan provisions and contribution requirements are established and may be amended by the Board of Directors. For the year ended December 31, 2017, the Authority contributed \$11,146 to the plan.

Note 7: Contingency

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Authority's management believes it is exempt from the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

Note 8: Concentration of Risk

The Authority operates solely in Jefferson and Broomfield Counties, Colorado, and its only significant source of revenue is a surcharge on telephone service in that geographic region. A reduction in this revenue, if it were to occur, may have a significant effect on the Authority's activities.

Supplementary Information

**Jefferson County Emergency
Communications Authority**
Budgetary Comparison Schedule
Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Emergency Telephone Charges	\$ 8,771,225	\$ 6,559,665	\$ (2,211,560)
Miscellaneous	-	144	144
Investment Income	-	3,646	3,646
	<u>8,771,225</u>	<u>6,563,455</u>	<u>(2,207,770)</u>
Expenses			
Administrative	443,834	476,822	(32,988)
Agency Operating	750,000	400,022	349,978
Disaster and Recovery Plan	10,000	242,377	(232,377)
Emergency Medical Dispatching	50,200	34,631	15,569
GIS System	237,971	274,027	(36,056)
Line Charges	635,683	625,689	9,994
Logging Systems	306,625	282,422	24,203
Notification System	148,109	137,078	11,031
Phone System	1,115,424	241,691	873,733
Public Education	33,500	18,328	15,172
Programs	1,439,828	905,069	534,759
Recruiting	15,300	28,308	(13,008)
Special Projects	8,945,513	8,307,839	637,674
Training	250,000	158,915	91,085
Translation Services	10,000	11,730	(1,730)
	<u>14,391,987</u>	<u>12,144,948</u>	<u>2,247,039</u>
Change in Net Position, Budgetary Basis	<u>\$ (5,620,762)</u>	(5,581,493)	<u>\$ 39,269</u>
Adjustments to GAAP Basis			
Capital Outlay		2,255,068	
Depreciation		(48,460)	
Change in net Position, GAAP Basis		(3,374,885)	
Net Position, Beginning of year		8,738,077	
Net Position, End of year		\$ 5,363,192	