

**JEFFERSON COUNTY EMERGENCY
COMMUNICATIONS AUTHORITY**

FINANCIAL STATEMENTS

December 31, 2016

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	
Management's Discussion and Analysis	i - vi
Basic Financial Statements	
Statement of Net Position	1
Statement of Revenues, Expenses and Changes in Net Position	2
Statement of Cash Flows	3
Notes to Financial Statements	4 - 8
Supplementary Information	
Budgetary Comparison Schedule	9



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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the Jefferson County Emergency Communications Authority as of and for the year ended December 31, 2016, 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, 2016, 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 Matters (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.

Ernst & Young LLP

June 9, 2017

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 ("Authority") for the fiscal year ended December 31, 2016. The MD&A should be read in conjunction with the Authority's financial statements.

Financial Highlights

- Total assets of the Authority at the close of 2016 were \$9,240,407. The assets include \$4,999,557 in cash.
- Total Capital Assets for 2016 were \$2,685,704. An increase of \$649,165 over 2015.
- Total Operating Revenue for the year was \$6,309,554 and consists of telephone surcharge revenue of \$6,309,502 and miscellaneous income of \$52. Telephone surcharge revenue is comprised of three (3) components: wireline telephones, wireless telephones including prepaid surcharge collected at the point of sale, and VOIP service.
- Total budgeted expenses for 2016 were \$9,246,981. Actual expenses were \$6,237,620.
- The Authority paid \$777,152 for use by the ten public safety answering points ("PSAPs") through the agency operating fund.
- The largest category for expenditure was the special project fund. This fund is used to reimburse the PSAPs for CAD maintenance, wireless data expenditures and for costs of fiber optic builds to provide transport among the local governments served by the Authority.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the Authority'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. The Authority uses fund accounting to account for all

JEFFERSON COUNTY EMERGENCY COMMUNICATIONS AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

financial activities and to ensure and demonstrate compliance with finance related legal requirements.

The Authority used only one fund for the 2016 fiscal year. It is a proprietary fund and it is intended to account for all financial resources associated with the operating activities of the Authority. There were no capital funds, public utilities trust funds, personnel and benefits funds, or any other funds actively used during 2016. The Board has enacted a policy providing for a 40% operating reserve, which in 2016 was set at \$2,462,544.

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 E911 Emergency Telephone Service Authority was created to assist in funding the operation of the emergency telephone service program. The name of the Authority was subsequently changed to Jefferson County Emergency Communications Authority. The Intergovernmental Agreement includes participants from cities, towns, and special districts within Jefferson and Broomfield Counties, as well as Jefferson County government. The Authority collects revenue through a monthly emergency telephone charge (the "ETC") for each non-governmental telephone (wireless, wireline, and VOIP). The monthly ETC rate for 2016 was \$0.70.

Beginning January 1, 2011, prepay wireless customers began contributing to 911 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"). The DOR will then distribute these funds to each Colorado 911 authority based on each authority's number of wireless 911 calls compared to the number of wireless 911 calls statewide.

The ETC 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 services, and for the monthly recurring charges billed by the service supplier for the emergency telephone service. The Authority also pays for emergency notification to citizens during emergent situations.

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

Authority's Net Position

	<u>Dec 31, 2016</u>	<u>Dec 31, 2015</u>
Cash	\$ 4,999,557	\$ 4,670,436
Accounts Receivable	833,663	927,098
Prepaid Expenses	721,483	663,777
Capital Assets, Not Being Depreciated	1,907,576	1,209,951
Capital Assets, Net of Accumulated Depreciation	<u>778,128</u>	<u>826,588</u>
Total Assets	\$ 9,240,407	\$ 8,297,850
Current Liabilities - Accounts Payable	\$ 471,079	\$ 250,639
Other Liabilities - Accrued Compensated Absences	<u>31,251</u>	<u>35,908</u>
Total Liabilities	\$ 502,330	\$ 286,547
Net Position		
Net Investment in Capital Assets	\$ 2,685,704	\$ 2,036,539
Unrestricted	<u>6,052,373</u>	<u>5,974,764</u>
Total Net Position	\$ 8,738,077	\$ 8,011,303

A portion of the Authority's assets (54.1%) is in cash and (29.1%) are net capital assets. The remaining assets represent accounts receivable and prepaid expenses.

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

Authority's Change in Net Position

For the Years Ended December 31, 2016 and December 31, 2015

	<u>Dec 31, 2016</u>	<u>Dec 31, 2015</u>
Operating Revenues		
Emergency Telephone Charges	\$ 6,309,502	\$ 5,952,071
Miscellaneous	<u>52</u>	<u>22,348</u>
Total Operating Revenues	<u>6,309,554</u>	<u>5,974,419</u>
Operating Expenses		
Administrative	353,173	378,140
Agency Operating	777,152	867,750
Consultants	0	3,858
Depreciation	48,460	43,281
Disaster & Recovery Plan	9,268	478
Emergency Medical Dispatching	31,249	93,844
GIS System	202,221	180,226
Line Charges	569,409	546,501
Logging Systems	328,283	503,938
Notification System	159,457	148,213
Phone System	298,734	435,093
Public Education	22,990	31,821
Programs	1,646,996	1,778,514
Recruiting	16,698	15,880
Special Projects	871,424	506,137
Training	243,618	123,940
Translation Services	<u>9,323</u>	<u>10,319</u>
Total Operating Expenses	<u>5,588,455</u>	<u>5,667,933</u>
Net Operating Income (Loss)	<u>721,099</u>	<u>306,486</u>
Non-operating Revenues		
Investment Income	<u>5,675</u>	<u>3,713</u>
Change in Net Position	<u>726,774</u>	<u>310,199</u>
Net Position, Beginning	<u>8,011,303</u>	<u>7,701,104</u>
Net Position, Ending	<u>\$ 8,738,077</u>	<u>\$ 8,011,303</u>

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

Budgetary Highlights

The Authority 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 \$6,309,502 was \$153,142 more than the anticipated budget amount of \$6,156,360.

Actual Agency Operating expenses of \$777,152 were \$27,152 more than the budgeted amount of \$750,000. Expenditures for radio replacements, microwave upgrade and a logging system upgrade due to an equipment end of life situation that was not anticipated increased the funding needed for PSAPs in this budget line item.

Actual GIS System expenses of \$202,221 were \$4,767 less than the budgeted amount of \$206,988. This was the result of a change in the relationship JCECA has with an imagery vendor resulting in no need to renew software licensing.

Actual Logging System expenses of \$328,283 were \$16,874 more than the budgeted \$311,409 due to unanticipated costs for a multi PSAP upgrade project.

Capital Assets

The capital assets of the Authority 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 PSAPs and associated local governments served by the Authority. Net capital assets were \$2,685,704. Depreciation expense of \$48,460 was reported for the depreciable (fiber optic infrastructure) assets.

Next year’s budget

The Authority anticipates continuing the build out of its Jefferson County Fiber Optic Network (“J-FON”). This project will require the Authority to pay approximately \$950,000 for the North Metro Line fiber. Payment for this project will be anticipated in the 2018 budget. The Authority is working with RTD for the placement of the fiber while RTD is establishing its metro wide mass transit system. The fiber will one day connect the PSAPs in two counties, and with PSAPs outside the two counties. J-FON will also provide the basis for Next Generation 9-1-1 communications systems. The Authority continues work to facilitate the consolidation of 8 public safety answering points (PSAPs) in Jefferson County into the Jefferson County Communications Center Authority (JEFFCOM).

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

REQUESTS 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:

Jeffrey J. Irvin, 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, 2016

ASSETS	
Cash	\$ 4,999,557
Accounts Receivable	833,663
Prepaid Expenses	721,483
Capital Assets, Not Being Depreciated	1,907,576
Capital Assets, Net of Accumulated Depreciation	<u>778,128</u>
TOTAL ASSETS	\$ <u>9,240,407</u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	\$ 471,079
NONCURRENT LIABILITIES	
Accrued Compensated Absences	<u>31,251</u>
TOTAL LIABILITIES	<u>502,330</u>
NET POSITION	
Net Investment in Capital Assets	2,685,704
Unrestricted	<u>6,052,373</u>
TOTAL NET POSITION	<u>8,738,077</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u>9,240,407</u>

The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY EMERGENCY
COMMUNICATIONS AUTHORITY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

Year Ended December 31, 2016

OPERATING REVENUES	
Emergency Telephone Charges	\$ 6,309,502
Miscellaneous	52
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TOTAL OPERATING REVENUES	6,309,554
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OPERATING EXPENSES	
Administrative	353,173
Agency Operating	777,152
Depreciation	48,460
Disaster and Recovery Plan	9,268
Emergency Medical Dispatching	31,249
GIS System	202,221
Line Charges	569,409
Logging Systems	328,283
Notification System	159,457
Phone System	298,734
Public Education	22,990
Programs	1,646,996
Recruiting	16,698
Special Projects	871,424
Training	243,618
Translation Services	9,323
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TOTAL OPERATING EXPENSES	5,588,455
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NET OPERATING INCOME	721,099
NONOPERATING REVENUES	
Investment Income	5,675
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CHANGE IN NET POSITION	726,774
NET POSITION, Beginning	8,011,303
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NET POSITION, Ending	\$ 8,738,077
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The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY EMERGENCY
COMMUNICATIONS AUTHORITY

STATEMENT OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Emergency Telephone Charges	\$ 6,402,989
Cash Paid to Employees	(278,253)
Cash Payments to Suppliers	<u>(5,110,025)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,014,711</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	<u>(691,265)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Earnings Received	<u>5,675</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	329,121
CASH AND CASH EQUIVALENTS, Beginning	<u>4,670,436</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 4,999,557</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Net Operating Income	\$ 721,099
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities	
Depreciation	48,460
Changes in Assets and Liabilities	
Accounts Receivable	93,435
Prepaid Expenses	(57,706)
Accounts Payable	214,080
Accrued Compensated Absences	<u>(4,657)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,014,711</u>

The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY EMERGENCY
COMMUNICATIONS AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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.

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.

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.

JEFFERSON COUNTY EMERGENCY
COMMUNICATIONS AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position

Cash and Investments - Cash equivalents include investments with original maturities of three months or less.

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, 2016, totaling \$649,165.

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
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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.

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.

JEFFERSON COUNTY EMERGENCY
COMMUNICATIONS AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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, 2016, the Authority had bank deposits of \$4,498,729 collateralized with securities held by the financial institution's agent but not in the Authority's name.

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.

JEFFERSON COUNTY EMERGENCY
COMMUNICATIONS AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

- 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 investments to those with certain 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, 2016.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

	<u>Balances</u> 12/31/15	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> 12/31/16
Capital Assets, Not Being Depreciated				
Rights of Way	\$ 379,595	\$ 78,120	\$ -	\$ 457,715
Construction in Progress	<u>830,356</u>	<u>619,505</u>	<u>-</u>	<u>1,449,861</u>
Total Capital Assets, Not Being Depreciated	<u>1,209,951</u>	<u>697,625</u>	<u>-</u>	<u>1,907,576</u>
Capital Assets, Being Depreciated				
Fiber Optic Network	891,509	-	-	891,509
Accumulated Depreciation	<u>(64,921)</u>	<u>(48,460)</u>	<u>-</u>	<u>(113,381)</u>
Total Capital Assets, Being Depreciated	<u>826,588</u>	<u>(48,460)</u>	<u>-</u>	<u>778,128</u>
Total Capital Assets, Net	<u>\$ 2,036,539</u>	<u>\$ 649,165</u>	<u>\$ -</u>	<u>\$ 2,685,704</u>

JEFFERSON COUNTY EMERGENCY
COMMUNICATIONS AUTHORITY

NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5: EMPLOYEE COMPENSATED ABSENCES

Changes in accrued compensated absences for the year ended December 31, 2016, were as follows.

	Balances 12/31/15	Additions	Payments	Balances 12/31/16	Due Within One Year
Compensated Absences	<u>\$ 35,908</u>	<u>\$ 12,419</u>	<u>\$ 17,076</u>	<u>\$ 31,251</u>	<u>\$ 31,251</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, 2016, the Authority contributed \$11,392 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, 2016

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Emergency Telephone Charges	\$ 6,156,360	\$ 6,309,502	\$ 153,142
Miscellaneous	-	52	52
Investment Income	-	5,675	5,675
TOTAL REVENUES	<u>6,156,360</u>	<u>6,315,229</u>	<u>158,869</u>
 EXPENSES			
Administrative	384,515	353,173	31,342
Agency Operating	750,000	777,152	(27,152)
Disaster and Recovery Plan	10,000	9,268	732
Emergency Medical Dispatching	66,000	31,249	34,751
GIS System	206,988	202,221	4,767
Line Charges	543,170	569,409	(26,239)
Logging Systems	311,409	328,283	(16,874)
Notification System	267,181	159,457	107,724
Phone System	387,719	298,734	88,985
Public Education	25,371	22,990	2,381
Programs	1,818,181	1,646,996	171,185
Recruiting	10,000	16,698	(6,698)
Special Projects	4,256,600	1,569,049	2,687,551
Training	200,000	243,618	(43,618)
Translation Services	9,847	9,323	524
TOTAL EXPENSES	<u>9,246,981</u>	<u>6,237,620</u>	<u>3,009,361</u>
CHANGE IN NET POSITION, Budgetary Basis	<u>\$ (3,090,621)</u>	77,609	<u>\$ 3,168,230</u>
 ADJUSTMENTS TO GAAP BASIS			
Capital Outlay		697,625	
Depreciation		<u>(48,460)</u>	
CHANGE IN NET POSITION, GAAP Basis		726,774	
NET POSITION, Beginning		<u>8,011,303</u>	
NET POSITION, Ending		<u>\$ 8,738,077</u>	

See the accompanying Independent Auditors' Report.