



FINANCIAL STATEMENTS

Year Ended December 31, 2016



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Independent Auditors' Report

Board of Directors
Juvenile Assessment Center
Jefferson County, Colorado

We have audited the accompanying balance sheet/statement of net position, and the statement of revenues, expenditures and changes in fund balance/statement of activities of the governmental activities and the major fund and the budgetary comparison statement of Jefferson County Juvenile Assessment Center as of and for the year ended December 31, 2016, and the related notes to the financial statements.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Jefferson County Juvenile Assessment Center as of December 31, 2016, and the changes in its financial position and the budgetary comparison for the year then ended, in conformity with accounting principles generally accepted in the United States.

Other Matter

Accounting principles generally accepted in the United States require that management discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, 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 evidence sufficient to express an opinion or provide any assurance.

Anderson & Whitney, P.C.

March 28, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of the Juvenile Assessment Center (JAC) for the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of JAC's financial performance.

FINANCIAL HIGHLIGHTS

- * JAC's assets exceeded liabilities by \$357,639 at December 31, 2016.
- * The General Fund balance was \$342,817 as of December 31, 2016. Of this amount, \$78,740 is committed for contingencies.
- * The December 31, 2016 General Fund balance is \$1,310 more than the previous year. The total fund balance is 43% of 2016 General Fund operating expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position (on page 6) and the Statement of Activities (on page 7) provide information about the activities of JAC as a whole and present a longer-term view of JAC's finances. For governmental activities, these statements also explain how these services were financed in the short term, as well as what remains for future spending.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 through 14 of this report.

JAC adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund on pages 8 and 9 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2016, assets exceeded liabilities by \$357,639.

The following table provides a summary of JAC's net position:

December 31	2016	2015
Assets:		
Current and other assets	\$ 387,311	\$ 394,953
Capital assets	14,822	20,593
Total Assets	402,133	415,546
Liabilities:		
Current liabilities	44,494	53,446
Total Liabilities	44,494	53,446
Net Position:		
Investment in capital assets	14,822	20,593
Unrestricted	342,817	341,507
Total Net Position	\$ 357,639	\$ 362,100

A significant portion of JAC's net position represents unrestricted net position of \$342,817 which may be used to meet JAC's ongoing obligations to citizens and participating governments.

Another significant portion of JAC's net position reflects its investment in capital assets. These assets include primarily software and equipment. These capital assets are used to provide services to participating governments; consequently, they are not available for future spending.

The following table indicates the changes in net position:

Years Ended December 31	2016	2015
Revenues:		
Intergovernmental contributions	\$ 628,297	\$ 628,297
Senate Bill 94 grant	178,090	174,250
Interest	279	330
Total Revenues	806,666	802,877
Expenses:		
Salaries and benefits	665,860	605,370
Administration	73,874	80,341
Office	16,634	18,462
Operations	48,988	44,396
Depreciation	5,771	3,777
Total Expenses	811,127	752,346
Increase (Decrease) in Net Position	\$ (4,461)	\$ 50,531

Governmental Activities. Governmental activities decreased JAC's net position by \$4,461 in 2016. Key elements of this decrease are as follows:

- * IGA contributions did not change between 2015 and 2016.
- * Expenses increased by approximately 8% due to higher salary costs during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Center's budget is prepared according to Colorado statutes.

Year Ended December 31, 2016	Budget	Actual
Beginning Fund Balance	\$ 341,507	\$ 341,507
Revenue	798,247	806,666
Expenditures	(810,133)	(805,356)
Ending Fund Balance	\$ 329,621	\$ 342,817

CAPITAL ASSET ADMINISTRATION

Capital Assets. JAC's investment in capital assets for its governmental type activities as of December 31, 2016, totals \$14,822 (net of accumulated depreciation). This investment includes primarily equipment.

JAC implemented the straight-line depreciation method under GASB 34 for its capital assets. Additional information on JAC's capital assets can be found in Note 2 of this report.

OTHER MATTERS

The following factors are expected to have a significant effect on JAC's financial position and results of operations and were taken into account in developing the 2017 budget:

- * Intergovernmental contributions are expected to increase by 4% in 2017.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of JAC's finances for all those with an interest in JAC's finances. Questions concerning any of the information provided or for additional financial information should be addressed to Weld Adolescent Resources, Inc., 1750 25th Avenue, Suite 305, Greeley, Colorado 80634.

JUVENILE ASSESSMENT CENTER

GENERAL FUND BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2016	General Fund	Adjustments (Note 8)	Statement of Net Position
<u>ASSETS</u>			
Cash	\$ 327,337	\$ -	\$ 327,337
Assessments Receivable	59,974	-	59,974
Capital Assets	-	14,822	14,822
TOTAL ASSETS	\$ 387,311	\$ 14,822	\$ 402,133
<u>LIABILITIES</u>			
Accounts Payable	\$ 24,592	\$ -	\$ 24,592
Compensated Absences	4,765	-	4,765
Accrued Payroll Liabilities	11,907	-	11,907
Other Current Liabilities	3,230	-	3,230
Total Liabilities	44,494	-	44,494
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance:			
Committed for contingencies	78,740	(78,740)	-
Unassigned	264,077	(264,077)	-
Total Fund Balance	342,817	(342,817)	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 387,311		
Net Position:			
Investment in capital assets		14,822	14,822
Unrestricted		342,817	342,817
TOTAL NET POSITION		\$ 357,639	\$ 357,639

See Accompanying Notes to Financial Statements.

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STATEMENT OF GENERAL FUND REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES

Year Ended December 31, 2016	General Fund	Adjustments (Note 9)	Statement of Activities
Revenue:			
Intergovernmental contributions	\$ 628,297	\$ -	\$ 628,297
Senate Bill 94 grant	178,090	-	178,090
Investment earnings	279	-	279
Total Revenue	806,666	-	806,666
Expenditures:			
Current Operating:			
Salaries	526,003	-	526,003
Fringe benefits	139,857	-	139,857
Administrative	73,874	-	73,874
Office	16,634	-	16,634
Operations	48,988	-	48,988
Depreciation	-	5,771	5,771
Total Expenditures	805,356	5,771	811,127
Change in Fund Balance/Net Position	1,310	(5,771)	(4,461)
Fund Balance/Net Position, Beginning of Year	341,507	20,593	362,100
Fund Balance/Net Position, End of Year	\$ 342,817	\$ 14,822	\$ 357,639

See Accompanying Notes to Financial Statements.

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BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2016	Actual	Original and Final Budget	Variance from Budget
Revenue:			
Intergovernmental contributions	\$ 628,297	\$628,297	\$ -
Senate Bill 94 grant	178,090	169,950	8,140
Investment earnings	279	-	279
Miscellaneous	-	-	-
Total Revenue	806,666	798,247	8,419
Expenditures:			
Salaries and benefits:			
Salaries	502,730	514,186	11,456
Overtime	23,273	12,818	(10,455)
Payroll taxes and retirement	50,847	46,430	(4,417)
Benefits	59,925	83,604	23,679
Workers compensation and other	1,473	2,160	687
Per diem staff	23,354	13,000	(10,354)
Miscellaneous	398	979	581
Training	3,860	3,000	(860)
Total Salaries and Benefits	665,860	676,177	10,317
Administrative:			
Fiscal management	65,681	65,681	-
Dues, fees and licenses	-	1,000	1,000
Professional fees	8,075	8,000	(75)
Personnel advertising	118	-	(118)
Total Administrative	73,874	74,681	807
Office:			
Office and computer supplies	14,331	7,000	(7,331)
Printing and copies	2,303	2,500	197
Postage	-	175	175
Total Office	16,634	9,675	(6,959)

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BUDGETARY COMPARISON STATEMENT - Continued

Year Ended December 31, 2016	Actual	Original and Final Budget	Variance from Budget
Operations:			
Rent/janitorial	\$ 3,620	\$ 2,500	\$ (1,120)
Insurance	5,820	6,000	180
Utilities and telephone	7,162	11,000	3,838
Minor equipment	164	1,500	1,336
Emergency supplies	5,806	5,000	(806)
Miscellaneous	2,817	3,000	183
Pagers/Cell Phones	247	3,600	3,353
Mileage	9,236	7,000	(2,236)
IT Maintenance	14,116	10,000	(4,116)
Total Operations	48,988	49,600	612
Total Expenditures	805,356	810,133	4,777
Revenue Over Expenditures	1,310	(11,886)	13,196
Fund Balance, January 1, 2016	341,507	341,507	-
Fund Balance, December 31, 2016	\$ 342,817	\$329,621	\$ 13,196

See Accompanying Notes to Financial Statements.

JUVENILE ASSESSMENT CENTER

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Juvenile Assessment Center (the Center) conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the Center's financial statements.

Reporting Entity:

The Center was formed January 1, 2001, by an intergovernmental agreement among eleven governments and special districts located in Jefferson County, Colorado. It is governed by a board consisting of one member from the County and from each sponsor and law enforcement participant. Annual assessments to support the Center's operations are received from Jefferson County (56%), Jefferson County R-1 School District (14%) and various local law enforcement agencies (30%).

The agreement shall be in force for 35 years from January 1, 2001. Any party terminating its participation shall not be entitled to any reimbursement of its contributions.

The financial report of the Center includes all of the integral parts of the Center's operations. The Center has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

Government-wide and Fund Financial Statements:

The Center reports as a special purpose government engaged in a single governmental program. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported primarily by intergovernmental revenues.

Separate financial statements are provided for the General Fund through a separate column.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

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 related cash flows. Intergovernmental contributions are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

JUVENILE ASSESSMENT CENTER

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued:

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 a 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.

Intergovernmental contributions and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Center.

The Center reports the following major governmental fund:

The *general fund* is the Center's primary operating fund. It accounts for all financial resources of the Center.

Capital Assets:

Capital assets consist primarily of software and equipment for the operations.

All capital assets are valued at historical cost or estimated cost, if actual historical cost is not available.

Acquisitions of capital assets are recorded as capital outlay expenditures within the governmental funds, but are reclassified for the government-wide statements. Depreciation has been provided on capital assets using straight-line methods. The Center's capitalization level is \$1,000.

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Center or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments, if any.

The Center first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Budget:

An annual budget and appropriation resolution is adopted by the Board of Directors in accordance with the Local Government Budget Law. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States for all funds. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Board is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Board through a supplemental appropriation resolution.

Vacation and Sick Leave:

Some employees receive annual leave which may accumulate to varying levels. Unused vacation is paid upon termination, up to 120 hours. Sick leave does not vest and is not paid out upon termination.

Salaries and Benefits:

Three of the staff at the Center are paid 50% by another organization administering Senate Bill 94 funds and 50% by the Juvenile Assessment Center. This is the estimated allocation of their job responsibilities.

Commitment of Fund Balance:

The intergovernmental agreement requires the Center to maintain an amount for contingencies not to exceed 10% of prior year expenditures. Thus, a portion of the General Fund balance is committed for this purpose. Restricted funds are considered to be spent first, if any, followed by committed and unassigned, for an expenditure for which any could be used.

NOTE 2 - Changes in Capital Assets:

Capital assets as of December 31, 2016 are as follows:

	Balance, 1/1/16	Additions	Deletions	Balance, 12/31/16
Database Software	\$ 64,310	\$ --	\$ --	\$ 64,310
Furniture and Equipment	138,327	--	(46,702)	91,625
Less Accumulated Depreciation	(182,044)	(5,771)	46,702	(141,113)
Total Capital Assets	\$ 20,593	\$ (5,771)	\$ --	\$ 14,822

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NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Cash and Investments:

The Center's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Center's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust.

State statutes authorize the Center to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

NOTE 4 – Contingencies:

The Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters. The Center has commercial insurance through its fiscal agent for risks of loss in excess of deductible amounts. Insurance coverages have not been significantly reduced from prior years and settlements have not exceeded insurance coverage in the past three years.

In 1992, Colorado voters approved the Taxpayer's Bill of Rights (TABOR). The Center believes that it is exempt from TABOR since it does not have the authority to levy taxes.

NOTE 5 – In-Kind Contributions:

The Center's facilities are provided by Jefferson County. Also, the Jefferson County District Attorney provides a computer system and related support.

NOTE 6 – Fiscal Agent Agreement:

The Center has a fiscal agent agreement with Weld Adolescent Resources, Inc. (WAR) to provide administrative services. The Center paid WAR approximately \$65,681 in 2016 for these services.

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NOTES TO FINANCIAL STATEMENTS

NOTE 7 – Retirement Plan:

The Center has established a simple retirement and savings plan. The plan allows eligible employees to defer a portion of their compensation. The Center is required to match up to 3% of the employee's contribution. Total expense recorded for the Center's match was \$4,302 and \$2,901 for 2016 and 2015, respectively. The plan is administered by C.B. Securities.

NOTE 8 – Reconciliation Between General Fund Balance Sheet and the Statement of Net Position:

Amounts reported in the statement of net position are different because:

December 31, 2016	
Fund balance of General Fund	\$ 342,817
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	14,822
Total Net Position	\$ 357,639

NOTE 9 – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the General Fund to the Statement of Activities:

Year Ended December 31, 2016	
Net change in fund balance – General Fund	\$ 1,310
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
The general fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year.	(5,771)
Change in Net Position of Governmental Activities	\$ (4,461)
