



# FINANCIAL STATEMENTS

Year Ended December 31, 2018



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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, 2018, 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, 2018, 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.*

April 6, 2019

## 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, 2018. 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 \$353,663 at December 31, 2018.
- \* The General Fund balance was \$328,281 as of December 31, 2018. Of this amount, \$210,000 is committed for contingencies.
- \* The December 31, 2018 General Fund balance is \$12,898 less than the previous year. The total fund balance is 39% of 2018 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, 2018, assets exceeded liabilities by \$353,663.

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

December 31	2018	2017
Assets:		
Current and other assets	\$ 483,409	\$ 391,670
Capital assets	25,382	12,671
<b>Total Assets</b>	<b>508,791</b>	<b>404,341</b>
Liabilities:		
Current liabilities	155,128	50,491
<b>Total Liabilities</b>	<b>155,128</b>	<b>50,491</b>
Net Position:		
Investment in capital assets	25,382	12,671
Unrestricted	328,281	341,179
<b>Total Net Position</b>	<b>\$ 353,663</b>	<b>\$ 353,850</b>

A significant portion of JAC’s net position represents unrestricted net position of \$328,281 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	2018	2017
<b>Revenues:</b>		
Intergovernmental contributions	\$ 658,066	\$ 651,550
Senate Bill 94 grant	168,000	172,975
Miscellaneous	4,996	2,212
<b>Total Revenues</b>	<b>831,062</b>	<b>826,737</b>
<b>Expenses:</b>		
Salaries and benefits	680,354	696,360
Administration	77,144	77,742
Office	24,951	21,144
Operations	42,577	30,902
Depreciation	6,223	4,378
<b>Total Expenses</b>	<b>831,249</b>	<b>830,526</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ (187)</b>	<b>\$ (3,789)</b>

**Governmental Activities.** Governmental activities decreased JAC’s net position by \$187 in 2018. Key elements of this decrease are as follows:

### GENERAL FUND BUDGETARY HIGHLIGHTS

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

Year Ended December 31, 2018	Budget	Actual
Beginning Fund Balance	\$ 341,179	\$ 341,179
Revenue	826,066	831,062
Expenditures	843,512	843,960
<b>Ending Fund Balance</b>	<b>\$ 323,733</b>	<b>\$ 328,281</b>

## **CAPITAL ASSET ADMINISTRATION**

*Capital Assets.* JAC's investment in capital assets for its governmental type activities as of December 31, 2018, totals \$25,382 (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 2019 budget:

- \* Intergovernmental contributions are expected to increase by 1% in 2019.

## **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 Trestle Programs, Inc., 1750 25<sup>th</sup> Avenue, Suite 305, Greeley, Colorado 80634.

## JUVENILE ASSESSMENT CENTER

### GENERAL FUND BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2018	General Fund	Adjustments (Note 8)	Statement of Net Position
<b>ASSETS</b>			
Cash	\$ 441,255	\$ -	\$ 441,255
Assessments Receivable	22,443	-	22,443
Prepaid Items	19,711	-	19,711
Capital Assets		25,382	25,382
<b>TOTAL ASSETS</b>	<b>\$ 483,409</b>	<b>\$ 25,382</b>	<b>\$ 508,791</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 28,868	\$ -	\$ 28,868
Compensated Absences	10,361	-	10,361
Accrued Payroll Liabilities	9,062	-	9,062
Unearned Revenue	95,051	-	95,051
Other Liabilities	11,786	-	11,786
<b>Total Liabilities</b>	<b>155,128</b>	<b>-</b>	<b>155,128</b>
<b>FUND BALANCE/NET POSITION</b>			
Fund Balance:			
Committed for contingencies	210,000	(210,000)	-
Unassigned	118,281	(118,281)	-
<b>Total Fund Balance</b>	<b>328,281</b>	<b>(328,281)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 483,409</b>		
<b>Net Position:</b>			
Investment in capital assets		25,382	25,382
Unrestricted		328,281	328,281
<b>TOTAL NET POSITION</b>		<b>\$ 353,663</b>	<b>\$ 353,663</b>

See Accompanying Notes to Financial Statements.

## JUVENILE ASSESSMENT CENTER

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

Year Ended December 31, 2018	General Fund	Adjustments (Note 9)	Statement of Activities
Revenue:			
Intergovernmental contributions	\$ 658,066	\$ -	\$ 658,066
Senate Bill 94 grant	168,000	-	168,000
Investment earnings	996	-	996
Miscellaneous	4,000	-	4,000
Total Revenue	831,062	-	831,062
Expenditures:			
Current Operating:			
Salaries	514,574	-	514,574
Fringe benefits	165,780	-	165,780
Administrative	77,144	-	77,144
Office	43,885	(18,934)	24,951
Operations	42,577	-	42,577
Depreciation	-	6,223	6,223
Total Expenditures	843,960	(12,711)	831,249
Change in Fund Balance/Net Position	(12,898)	12,711	(187)
Fund Balance/Net Position, Beginning of Year	341,179	12,671	353,850
Fund Balance/Net Position, End of Year	\$ 328,281	\$ 25,382	\$ 353,663

See Accompanying Notes to Financial Statements.

# JUVENILE ASSESSMENT CENTER

## BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2018	Actual	Original and Final Budget	Variance from Budget
Revenue:			
Intergovernmental contributions	\$ 658,066	\$658,066	\$ -
Senate Bill 94 grant	168,000	168,000	-
Investment earnings	996	-	996
Miscellaneous	4,000	-	4,000
<b>Total Revenue</b>	<b>831,062</b>	<b>826,066</b>	<b>4,996</b>
Expenditures:			
Staff			
Salaries	496,812	535,730	38,918
Overtime	17,762	15,840	(1,922)
Payroll taxes and retirement	44,402	44,626	224
Benefits	64,243	88,113	23,870
Per diem staff	39,313	18,000	(21,313)
Job posting and other staff costs	1,074	600	(474)
Training	16,748	14,665	(2,083)
<b>Total Staff</b>	<b>680,354</b>	<b>717,574</b>	<b>37,220</b>
Administrative:			
Fiscal management	67,474	67,350	(124)
Audit/legal services	9,670	8,900	(770)
<b>Total Administrative</b>	<b>77,144</b>	<b>76,250</b>	<b>(894)</b>
Occupancy:			
Office and computer supplies	43,046	13,719	(29,327)
Copies and printing	799	1,080	281
Postage	40	173	133
<b>Total Occupancy</b>	<b>43,885</b>	<b>14,972</b>	<b>(28,913)</b>

Continued on next page.

# JUVENILE ASSESSMENT CENTER

## BUDGETARY COMPARISON STATEMENT - Continued

Year Ended December 31, 2018	Actual	Original and Final Budget	Variance from Budget
Operations:			
Linen service/janitorial	\$ 1,812	\$ 1,496	\$ (316)
Insurance	6,163	5,820	(343)
Telephones	8,619	7,950	(669)
Emergency supplies	1,633	1,750	117
Miscellaneous	12,413	6,260	(6,153)
Mileage	647	1,440	793
IT Maintenance	11,290	10,000	(1,290)
Total Operations	42,577	34,716	(7,861)
Total Expenditures	843,960	843,512	(448)
Revenue Over Expenditures	(12,898)	(17,446)	4,548
Fund Balance, January 1, 2018	341,179	341,179	-
Fund Balance, December 31, 2018	\$ 328,281	\$323,733	\$ 4,548

See Accompanying Notes to Financial Statements.

# JUVENILE ASSESSMENT CENTER

## NOTES TO FINANCIAL STATEMENTS

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### **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.

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#### 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%).

A new agreement was entered into on June 1, 2017 and shall be in full force until January 1, 2050, or until sooner terminated by a majority of the parties. 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.

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#### 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.

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#### 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

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### 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.

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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.

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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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# JUVENILE ASSESSMENT CENTER

## NOTES TO FINANCIAL STATEMENTS

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### 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.

The Center's actual expenditures exceeded the budgeted appropriations in the General Fund which may be a violation of State Budget Law.

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#### 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.

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#### 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.

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#### 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.

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# JUVENILE ASSESSMENT CENTER

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - Changes in Capital Assets:

Capital assets as of December 31, 2018 are as follows:

	Balance, 1/1/18	Additions	Deletions	Balance, 12/31/18
Database Software	\$ 64,310	\$ 10,787	\$ --	\$ 75,097
Furniture and Equipment	93,852	8,147	--	101,999
Less Accumulated Depreciation	(145,491)	(6,223)	--	(151,714)
<b>Total Capital Assets</b>	<b>\$ 12,671</b>	<b>\$ 12,711</b>	<b>\$ --</b>	<b>\$ 25,382</b>

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### 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.

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### 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.

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### 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.

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# JUVENILE ASSESSMENT CENTER

## NOTES TO FINANCIAL STATEMENTS

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### 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 \$67,474 in 2018 for these services.

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### 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 \$4,473 and \$7,017 for 2018 and 2017, respectively. The plan is administered by C.B. Securities.

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### 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:

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December 31, 2018	
Fund balance of General Fund	\$ 328,281
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	25,382
<b>Total Net Position</b>	<b>\$ 353,663</b>

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

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Year Ended December 31, 2018	
Net change in fund balance – General Fund	\$(12,898)
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.	12,711
<b>Change in Net Position of Governmental Activities</b>	<b>\$ (187)</b>

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