

**Jefferson County
Communication Center Authority**

**Financial Statements
with Independent Auditors' Report**

December 31, 2018

**Jefferson County
Communication Center Authority**
Table of Contents
December 31, 2018

Independent Auditors' Report	1
Management's Discussion and Analysis	i
Basic Financial Statements	
<i>Proprietary Fund</i>	
Statement of Net Position	3
Statement of Revenues, Expenses and Changes in Net Position	4
Statement of Cash Flows.....	5
<i>Notes to Financial Statements</i>	6
Supplementary Information	
Budgetary Comparison Schedule - Proprietary Fund	12



Independent Auditors' Report

Board of Directors
Jefferson County
Communication Center Authority
Lakewood, Colorado

We have audited the accompanying financial statements of the Jefferson County Communication Center Authority as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Jefferson County Communication Center 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 Communication Center Authority as of December 31, 2018, 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 Communication Center 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.

Hick & Company, PC

Greenwood Village, Colorado
August 13, 2019



JEFFERSON COUNTY COMMUNICATIONS CENTER 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 Communications Center Authority (“Jeffcom”) for the fiscal year ended December 31, 2018. The MD&A should be read in conjunction with Jeffcom’s financial statements.

Financial Highlights

- Total assets of Jeffcom at December 31, 2018 were \$7,154,015.
- Total capital assets net of depreciation for 2018 were \$4,616,870.
- Total operating revenue for the year was \$15,163,750 and consists of member contributions of \$10,586,022, user fees of \$400,994, and Jefferson County Emergency Communications Authority (“JCECA”) contributions in the amount of \$4,161,667. Also included in operating revenue is income received for record requests in the amount of \$6,458 and other miscellaneous income of \$8,609.
- Total budgeted expenses for 2018 were \$17,674,261. Actual expenses were \$13,763,065, a positive difference of \$3,911,196. The primary factor for the lower actual expenses was that salaries were lower than anticipated. Employees transitioned to Jeffcom on a staggered basis. Also, for part of 2018 Jeffcom was not fully staffed.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management discussion and analysis serves as an introduction to the Jeffcom’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.

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

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The Jefferson County Communications Center Authority (Jeffcom) was formed in June 2016 and began 911 dispatch operations in 2018. Jeffcom is a consolidation of eight pre-existing Public Safety Answering Points (PSAPs). These PSAPs include Arvada Police Department, Golden Police Department, Jefferson County Sheriff's Office, Lakewood Police Department, Wheat Ridge Police Department, Arvada Fire Protection District, Evergreen Fire Protection District, and West Metro Fire Protection District. Jeffcom serves as the PSAP for nearly all of Jefferson County.

Jeffcom is financed by contributions from the JCECA, member contributions, and service user fees.

The member contributions are determined annually based upon the Equitable Sharing Cost Allocation Funding Formula contained in the 2017 Intergovernmental Agreement, which established Jeffcom. Service user fees are also determined annually and are based upon the prior year's utilization of Jeffcom's emergency dispatch services in the prior year. Member contributions and service user fees are paid quarterly and are due the first day of each quarter.

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Jeffcom's Net Position
For the Year Ended December 31,2018

ASSETS

Cash and investments	\$ 1,802,409
Receivable from JCECA - contributions	650,000
Receivable from JCECA - expense reimbursement	17,055
Receivable from vendors	10,250
Prepaid expenses	57,431
Capital assets being depreciated, net	<u>4,616,870</u>
Total assets	<u><u>\$ 7,154,015</u></u>

LIABILITIES

Accounts payable	156,285
Deferred income	438,941
Capital lease - current portion	199,377
Capital lease payable	495,586
Accrued salaries	284,427
Accrued compensated absences	<u>254,244</u>
Total liabilities	<u>1,828,860</u>

NET POSITION

Net investment in capital assets	3,921,907
Unrestricted	<u>1,403,248</u>
Total net position	<u>5,325,155</u>

Total liabilities and net position	<u><u>\$ 7,154,015</u></u>
------------------------------------	----------------------------

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Jeffcom's Change in Net Position
For the Year Ended December 31, 2018

Operating Revenues

Member contributions	\$ 10,586,022
User fees	400,994
JCECA contributions	4,161,667
Records requests	6,458
Miscellaneous	8,609
Total operating revenues	15,163,750

Operating Expenses

Accounting and audit	78,592
Consulting	586,089
Legal	122,613
Dues	15,548
Software	299,865
Hardware	34,974
Meetings / Office Expense	58,890
Website / Marketing	48,048
Rent	342,674
Insurance	71,065
Facility Maintenance	37,902
Salaries	8,000,122
Benefits	2,076,162
Overtime	1,172,973
Employment related expenses	2,046
Recruiting	76,667
Training	135,311
Communications and other equipment	24,596
Furniture	870
Depreciation expense	939,538
Interest expense	30,261
Total operating expenditures	14,154,806

Net Operating Gain 1,008,944

Nonoperating Revenue

Interest	2,563
----------	-------

CHANGE IN NET POSITION 1,011,507

NET POSITION - BEGINNING OF YEAR, as restated 4,313,648

NET POSITION - END OF YEAR \$ 5,325,155

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Budgetary Highlights

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

Actual contributions from JCECA of \$4,161,666 were \$3,271,309 less than the anticipated budget amount of \$7,432,976. The shortfall is due to the budgetary constraints of JCECA and a decision by the JCECA Board not to contribute the full budgeted amount.

Actual total operating expenses of \$13,763,065 were \$3,911,196 less than the budgeted amount of \$17,674,261. One primary reason for the lower expenses was that actual salaries and benefits of \$11,249,257 were \$776,875 less than the budgeted amount of \$12,026,132.

Next year's budget

JCECA contributions are budgeted to be \$6,325,767 for 2019. Member contributions are budgeted at \$10,585,934, which is almost equal to member contributions for 2018. User service fees for 2019 are budgeted at \$385,325, which is \$15,669 lower than the 2018 service user fees of \$400,994.

REQUESTS FOR INFORMATION

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

Jeff Streeter
Executive Director
433 S Allison Pkwy
Lakewood, CO 80226

Telephone: 303-539-9419
Email: jeff.streeter@jeffcom911.org
Web: <https://jeffcom911.org>

Basic Financial Statements

Jefferson County
Communication Center Authority
Statement of Net Position
Proprietary Fund
December 31, 2018

Assets

Current Assets

Cash	\$ 1,802,409
Accounts Receivable	677,305
Prepaid Expenses	<u>57,431</u>

Total Current Assets 2,537,145

Noncurrent Assets

Capital Assets, <i>net of Accumulated Depreciation</i>	<u>4,616,870</u>
--	------------------

Total Noncurrent Assets 4,616,870

Total Assets \$ 7,154,015

Liabilities and Net Position

Current Liabilities

Accounts Payable	\$ 156,285
Deferred Income	438,941
Accrued Salaries	284,427
Capital Lease Payable - Current Portion	<u>199,377</u>

Total Current Liabilities 1,079,030

Noncurrent Liabilities

Capital Lease Payable	495,586
Accrued Compensated Absences	<u>254,244</u>

Total Non-Current Liabilities 749,830

Total Liabilities 1,828,860

Net Position

Net Investment in Capital Assets	3,921,907
Unrestricted	<u>1,403,248</u>

Total Net Position 5,325,155

Total Liabilities and Net Position \$ 7,154,015

Jefferson County
Communication Center Authority
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2018

Operating Revenues	
Member Contributions	\$ 10,586,022
User Fees	400,994
JCECA Contributions	4,161,667
Records Requests	6,458
Miscellaneous	<u>8,609</u>
 Total Operating Revenues	 <u>15,163,750</u>
Operating Expenses	
Accounting and Audit	78,592
Consulting	586,089
Legal	122,613
Dues	15,548
Software	299,865
Hardware	34,974
Meetings/Office Expense	58,890
Website Marketing	48,048
Rent	342,674
Insurance	71,065
Facility Maintenance	37,902
Salaries	8,000,122
Benefits	2,076,162
Overtime	1,172,973
Employment Related Expenses	2,046
Recruiting	76,667
Training	135,311
Communications and Other Equipment	24,596
Furniture	870
Depreciation Expense	939,538
Interest Expense	<u>30,261</u>
 Total Operating Expenses	 <u>14,154,806</u>
 Net Operating Gain	 <u>1,008,944</u>
Nonoperating Revenues	
Interest	<u>2,563</u>
 Change in Net Position	 <u>1,011,507</u>
 Net Position, Beginning of year, as restated	 <u>4,313,648</u>
 Net Position, End of year	 <u>\$ 5,325,155</u>

See Notes to Financial Statements.

**Jefferson County
Communication Center Authority**

Statement of Cash Flows

Proprietary Fund

For the Year Ended December 31, 2018

Cash Flows From Operating Activities

Cash Received from Contributions and User Fees	\$ 13,758,790
Cash Paid to Employees	(10,710,586)
Cash Payments to Suppliers	<u>(2,059,140)</u>

Net Cash Provided by Operating Activities	<u>989,064</u>
---	----------------

Cash Flows From Capital and Related Financing Activities

Acquisition and Construction of Capital Assets	<u>(355,814)</u>
--	------------------

Cash Flows From Investing Activities

Investment Earnings Received	<u>2,563</u>
------------------------------	--------------

Net Increase in Cash	635,813
-----------------------------	---------

<i>Cash, Beginning of year</i>	<u>1,166,596</u>
--------------------------------	------------------

<i>Cash, End of year</i>	<u><u>\$ 1,802,409</u></u>
--------------------------	----------------------------

Reconciliation of Net Operating Income to

Net Cash Used by Operating Activities

Net Operating Income	\$ 1,008,944
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities	
Depreciation	939,538
Changes in Assets and Liabilities	
Accounts Receivable	(677,305)
Prepaid Expenses	(57,431)
Accounts Payable	156,285
Deferred Revenue	(727,655)
Accrued Expenses	254,244
Accrued salaries	284,427
Capital Lease Principal Payments	<u>(191,983)</u>

Net Cash Provided by Operating Activities	<u><u>\$ 989,064</u></u>
---	--------------------------

**Jefferson County
Communication Center Authority**
Notes to Financial Statements
December 31, 2018

Note 1: Summary of Significant Accounting Policies

The Jefferson County Communication Center Authority (the Authority) was formed in May, 2016. The Authority is a consolidation of eight previously existing Public Safety Answering Points (PSAPs) within Jefferson County and provides dispatch services to most of Jefferson County. Operations began in January of 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.

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.

Jefferson County
Communication Center Authority
Notes to Financial Statements
December 31, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

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

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 - 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.

Building Improvements	5 - 10 years
Furniture	3 - 5 years
Hardware	5 years
Software	5 years
Communications Equipment	5 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.

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
Communication Center Authority
Notes to Financial Statements
December 31, 2018

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, 2018, the Authority had bank deposits of \$1,392,745 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.

- 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

**Jefferson County
Communication Center Authority**

Notes to Financial Statements
December 31, 2018

Note 3: Cash and Investments (Continued)

Investments (Continued)

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, 2018.

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

Governmental Activities	Balance			Balance
Capital Assets, <i>Being Depreciated</i>	12/31/17	Additions	Deletions	12/31/18
Buildings and Improvements	\$ 1,638,640	\$ -	\$ -	\$ 1,638,640
Furniture	725,942	-	-	725,942
Hardware	179,852	-	-	179,852
Software	1,763,143	-	-	1,763,143
Communications Equipment	1,010,963	355,814	-	1,366,777
Total Capital Assets, <i>Being Depreciated</i>	<u>5,318,540</u>	<u>355,814</u>	<u>-</u>	<u>5,674,354</u>
Less Accumulated Depreciation				
Buildings and Improvements	-	(172,193)	-	(172,193)
Furniture	-	(154,512)	-	(154,512)
Hardware	-	(35,970)	-	(35,970)
Software	-	(352,629)	-	(352,629)
Communications Equipment	<u>(117,946)</u>	<u>(224,234)</u>	<u>-</u>	<u>(342,180)</u>
Total Accumulated Depreciation	<u>(117,946)</u>	<u>(939,538)</u>	<u>-</u>	<u>(1,057,484)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>5,200,594</u>	<u>(583,724)</u>	<u>-</u>	<u>4,616,870</u>
Governmental Activities Capital Assets, <i>net</i>	<u>\$ 5,200,594</u>	<u>\$ (583,724)</u>	<u>\$ -</u>	<u>\$ 4,616,870</u>

**Jefferson County
Communication Center Authority**

Notes to Financial Statements
December 31, 2018

Note 5: Long Term Debt

In 2017, the Authority entered into a lease/purchase agreement for Communication equipment. The equipment requires sixty monthly payments of \$18,520 consisting of both principal and interest at an effective rate of 3.785%. Payments are due through April, 2022. The Communication equipment was valued at \$1,010,963. Depreciation amounted to \$320,138.

Changes in accrued compensated absences and capital leases for the year ended December 31, 2018, are as follows:

Governmental Activities	Balance 12/31/17	Additions	Deletions	Balance 12/31/18	Due Within One Year
Capital Lease	\$ 886,946	\$ -	\$ (191,983)	\$ 694,963	\$ 199,377
Compensated Absences	-	254,244	-	254,244	-
Total	\$ 886,946	\$ 254,244	\$ (191,983)	\$ 949,207	\$ 199,377

Future minimum payments on the capital lease are as follows:

Year Ended December 31,	Principal	Interest	Total
2019	\$ 199,377	\$ 22,867	\$ 222,244
2020	207,055	15,189	222,244
2021	215,029	7,215	222,244
2022	73,502	580	74,082
Total	\$ 694,963	\$ 45,851	\$ 740,814

Note 6: Operating Lease

The Authority entered into an operating lease in September of 2017, which continues through to 2027. During the year ended December 31, 2018, the Authority paid \$342,674 in rent.

Future lease commitments for the office are as follows:

Year Ended December 31,	Rent
2019	\$ 342,674
2020	342,674
2021	342,674
2022	342,674
2023	342,674
Thereafter	1,285,026
Total Rent	\$ 2,998,396

**Jefferson County
Communication Center Authority**
Notes to Financial Statements
December 31, 2018

Note 7: Retirement Commitments

The Authority has established a flexible 401(a) 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 as follows:

One year completed:	20% vested
Two years completed:	40% vested
Three years completed:	60% vested
Four years completed:	80% vested
Five years completed:	100% vested

The plan provisions and contribution requirements are established and may be amended by the Board of Directors. For the year ended December 31, 2018, the Authority contributed \$784,628 to the plan.

Note 8: 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. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

Note 9: Concentration of Risk

The Authority provides dispatch services throughout Jefferson County, Colorado. It's major sources of revenues include contributions from Jefferson County Emergency Communications Authority (which come from a surcharge on telephone service in that geographic region), and member contributions, with a smaller portion from user fees. A reduction in this revenue, if it were to occur, may have a significant effect on the Authority's activities. In addition, there is a concentration of receivables and revenue from the Jefferson County Communication Center Authority. A reduction in this revenue, if it were to occur, may have a significant effect on the Authority's activities.

Supplementary Information

Jefferson County
Communication Center Authority
 Budgetary Comparison Schedule
 Proprietary Fund
 For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Member contributions	\$ 10,586,023	\$ 10,586,022	\$ (1)
User Fees	400,994	400,994	-
JCECA contributions	6,500,000	4,161,667	(2,338,333)
Additional Funding from JCECA	932,976	-	(932,976)
Miscellaneous	-	17,630	17,630
	<u>18,419,993</u>	<u>15,166,313</u>	<u>(3,253,680)</u>
Expenses			
Consultants and Professional Services	688,465	787,294	(98,829)
General and Administrative	1,176,496	908,966	267,530
Salary and benefits	12,026,132	11,249,257	776,875
Other employment expenses	1,530,554	239,490	1,291,064
Capital Outlay	1,252,614	355,814	896,800
Debt Service	-	222,244	(222,244)
Contingency	1,000,000	-	1,000,000
	<u>17,674,261</u>	<u>13,763,065</u>	<u>3,911,196</u>
Change in Net Position, Budgetary Basis	<u>\$ 745,732</u>	<u>1,403,248</u>	<u>\$ 657,516</u>
Adjustments to GAAP Basis			
Principal payments		191,983	
Capital Outlay		355,814	
Depreciation		(939,538)	
Change in net Position, GAAP Basis		<u>1,011,507</u>	
Net Position, Beginning of year, as restated		<u>4,313,648</u>	
Net Position, End of year		<u>\$ 5,325,155</u>	