



JEFFERSON COUNTY COMMUNICATIONS

CENTER AUTHORITY

Jefferson County, Colorado

FINANCIAL STATEMENTS

December 31, 2023


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INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Jefferson County Communications Center Authority
Lakewood, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Jefferson County Communications Center Authority as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Jefferson County Communications Center Authority as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Jefferson County Communications Center Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jefferson County Communications Center Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Jefferson County Communications Center Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jefferson County Communications Center Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jefferson County Communications Center Authority's basic financial statements. The Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – Capital Projects Fund is presented for the 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 such 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 Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – Capital Projects Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Haynie & Company

Littleton, Colorado
July 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Introduction

This management discussion and analysis (MD&A) is designed to provide an overview of the financial services of the Jefferson County Communications Center Authority (Jeffcom) for the fiscal year ended December 31, 2023. The MD&A should be read in conjunction with Jeffcom's financial statements.

Financial Highlights

- Total assets of Jeffcom at December 31, 2023 were \$23,592,365. Total assets exceed liabilities by \$16,185,394.
- Total net capital assets for 2023 were \$7,274,058.
- Total revenues for the year totaled \$22,068,940 and consists of member contributions of \$10,585,947 user fees of \$360,908 and Jefferson County Emergency Communications Authority (JCECA) contributions in the amount of \$8,444,292. JCECA also contributed an additional \$1,665,187 towards salary restricted for Jeffcom employees and \$315,681 for network administrator reimbursements.
- Total budgeted general fund expenditures for 2023 were \$20,722,811. Actual general fund expenses were \$19,683,805 a positive difference of \$1,039,006. Similar to 2022, salaries and benefits were lower than anticipated. Total expenditures increased in 2023 primarily due to Salaries and Benefits and the purchase of additional software.

Overview of the Financial Statements

The discussion and analysis serves as an introduction to Jeffcom's basic financial statements, which are comprised of the statement of net position, statement of activities, balance sheet, statement of revenues, expenditures and changes in fund balances, reconciliation and notes to financial statements.

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

For the Year Ended December 31, 2023

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 Jefferson County Emergency Communication Authority (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
For the Year Ended December 31, 2023

The table below shows a comparison in Net Position as of December 31, 2023 and 2022.

Jefferson County Communications Center Authority
Comparison Net Position at December 31,

	2023	2022
ASSETS		
Current assets:		
Cash and investments- unrestricted	\$ 15,099,249	\$ 13,506,388
Cash and investments- restricted	8,420	-
Receivable from JCECA	839,206	893,005
Receivable from members & users	25,207	-
Receivable from vendors	4,207	7,000
Prepaid expenses	342,018	17,054
Non-current assets:		
Capital assets being depreciated, net	7,274,058	2,700,248
Total assets	\$ 23,592,365	\$ 17,123,695
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 260,812	\$ 265,224
Accrued salaries and related expenses	530,752	503,147
Unearned revenue	13,640	13,640
Due within one year	593,607	356,726
Non-current liabilities		
Due in more than one year	6,007,160	1,724,076
Total non-current liabilities	7,405,971	2,862,813
NET POSITION		
Net investment in capital assets	1,337,660	1,287,039
Unrestricted	14,848,734	12,973,843
Total net position	16,186,394	14,260,882
Total liabilities and net position	\$ 23,592,365	\$ 17,123,695

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY**Management's Discussion and Analysis****For the Year Ended December 31, 2023**

The table below shows the change in net position for the years ended December 31, 2023 and 2022.

**Jefferson County Communications Center Authority
Comparison of Statement of Activities at December 31,**

	<u>2023</u>	<u>2022</u>
REVENUES		
Member contributions	\$ 10,585,947	\$ 10,585,947
User fees	360,908	334,900
JCECA contributions	8,444,292	7,945,878
JCECA contributions- salaries	1,665,187	1,252,740
JCECA network administrator reimbursement	315,681	107,000
Interest	428,213	115,351
Record request	45	16,820
COVID relief funds	-	2,396
Reports	-	2,400
R1 CAD support	31,827	30,900
Unrealized gain (loss)	18,588	(12,837)
Rent income	98,023	-
Miscellaneous	120,229	2,370
Total revenue	<u>22,068,940</u>	<u>20,383,865</u>
EXPENDITURES		
Accounting and audit	68,915	63,717
Legal	98,257	39,081
Consulting	327,351	227,601
Dues	15,751	19,834
Software	1,069,362	756,889
Hardware	289,363	204,927
Meetings and office expense	78,801	133,888
Insurance	51,470	67,216
Interest	47,697	57,962
Facility and equipment expenses	151,095	52,895
Salaries	11,842,819	10,071,105
Benefits	3,119,794	2,730,001
Overtime	1,457,662	1,349,404
Employment related expenses	581,945	218,450
Recruiting	42,041	58,353
Training	161,448	159,223
Depreciation	739,657	1,179,380
Total expenditures	<u>20,143,428</u>	<u>17,389,926</u>
CHANGE IN NET POSITION	1,925,512	2,993,939
NET POSITION, BEGINNING OF YEAR	<u>14,260,882</u>	<u>11,266,943</u>
NET POSITION, END OF YEAR	<u>\$ 16,186,394</u>	<u>\$ 14,260,882</u>

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
Management's Discussion and Analysis
For the Year Ended December 31, 2023

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 \$8,444,292 were \$5,001 less than the budgeted amount of \$8,449,293. JCECA also contributed an additional \$1,665,187 towards salary expense.

Actual total operating expenses of \$19,683,805 were \$1,039,006 less than the budgeted amount of \$20,722,811. The primary reason for the lower expenses was that actual salaries and benefits of \$14,965,836 were less than the budgeted amount of \$16,422,054.

Next Year's Budget

JCECA contributions are budgeted to be \$11,636,252 for 2024, which is an increase of \$3,186,959 over the 2023 budget. Member contributions remain unchanged for 2024 and are budgeted at \$10,585,947. User service fees for 2024 are budgeted at \$386,113, which is an increase of \$25,205 from 2023.

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:

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BASIC FINANCIAL STATEMENTS

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
STATEMENT OF NET POSITION
December 31, 2023

ASSETS

Current assets:

Cash and investments- unrestricted	\$ 15,107,669
Receivable from JCECA	839,206
Receivable from members & users	25,207
Receivable from vendors	4,207
Prepaid expenses	342,018
Total current assets	16,318,307

Non-current assets:

Capital assets being depreciated, net	7,274,058
Total non-current assets	7,274,058

Total assets

23,592,365

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	260,812
Accrued salaries and related expenses	530,752
Unearned revenue	13,640
Due within on year	593,607
Total current liabilities	1,398,811

Non-current liabilities

Due in more than one year	6,007,160
Total non-current liabilities	6,007,160

Total liabilities

7,405,971

NET POSITION

Net investment in capital assets	1,337,660
Unrestricted	14,848,734
Total net position	16,186,394

Total liabilities and net position

\$ 23,592,365

These financial statements should be read only in connection with
the accompanying notes to financial statements.

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Capital Grants and Contributions</u>	<u>Net Revenue (Expense) and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 20,143,428	\$ 360,908	\$ 21,011,107	\$ -	\$ 1,228,587
	<u>\$ 20,143,428</u>	<u>\$ 360,908</u>	<u>\$ 21,011,107</u>	<u>\$ -</u>	<u>1,228,587</u>
General revenues:					
Record requests					45
R1 CAD support					31,827
Interest and investment earnings					446,801
Rent income					98,023
Miscellaneous					120,229
Total general revenues					<u>696,925</u>
Change in net position					<u>1,925,512</u>
Net position - Beginning					<u>14,260,882</u>
Net position - Ending					<u>\$ 16,186,394</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and investments- unrestricted	\$ 10,058,832	\$ 5,048,837	\$ 15,107,669
Receivable from JCECA	839,206	-	839,206
Receivable from members & users	25,207	-	25,207
Receivable from vendors	4,207	-	4,207
Prepaid expenses	314,918	27,100	342,018
Total assets	\$ 11,242,370	\$ 5,075,937	\$ 16,318,307
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 201,917	\$ 58,895	\$ 260,812
Accrued salaries and benefits	530,752	-	530,752
Unearned revenue	13,640	-	13,640
Total liabilities	746,309	58,895	805,204
FUND BALANCE			
Nonspendable:			
Prepaid expenses	314,918	27,100	342,018
Assigned	-	4,989,942	4,989,942
Unassigned	10,181,143	-	10,181,143
Total fund balance	10,496,061	5,017,042	15,513,103
TOTAL LIABILITIES AND FUND BALANCE			
	\$ 11,242,370	\$ 5,075,937	

Amounts reported for governmental activities in the Statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		7,274,058
Capital assets		7,274,058
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Long-term debt		(5,936,398)
Accrued compensated absences		(664,369)
Net position of governmental activities		\$ 16,186,394

These financial statements should be read only in connection with
the accompanying notes to financial statements.

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Member contributions	\$ 10,585,947	\$ -	\$ 10,585,947
User fees	360,908	-	360,908
JCECA contributions	8,444,292	-	8,444,292
JCECA contributions- salaries	1,665,187	-	1,665,187
JCECA network administrator reimbursement	315,681	-	315,681
Interest	277,374	150,839	428,213
Record request	45	-	45
RI CAD support	31,827	-	31,827
Unrealized gain	9,832	8,756	18,588
Rent Income	-	98,023	98,023
Miscellaneous	118,341	1,888	120,229
Total revenue	<u>21,809,434</u>	<u>259,506</u>	<u>22,068,940</u>
EXPENDITURES			
Accounting and audit	68,915	-	68,915
Legal	98,257	-	98,257
Consulting	327,351	-	327,351
Dues and memberships	15,751	-	15,751
Software	1,069,362	-	1,069,362
Hardware and hardware maintenance	289,363	-	289,363
Meetings and office expense	78,801	-	78,801
Insurance	51,470	-	51,470
Rent	276,811	-	276,811
Facility and equipment expenses	151,095	-	151,095
Interest expense	47,697	-	47,697
Salaries	11,846,042	-	11,846,042
Benefits	3,119,794	-	3,119,794
Overtime	1,457,662	-	1,457,662
Employment related expenses	581,945	-	581,945
Recruiting	42,041	-	42,041
Training and certification	161,448	-	161,448
Facilities	-	51,690	51,690
Indiana Facility Building	-	4,835,089	4,835,089
Indiana Facility - improvements	-	198,137	198,137
Equipment and vehicles	-	198,151	198,151
Technology and software	-	30,400	30,400
Total expenditures	<u>19,683,805</u>	<u>5,313,468</u>	<u>24,997,273</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,125,629</u>	<u>(5,053,962)</u>	<u>(2,928,333)</u>
OTHER FINANCING SOURCES (USES)			
Lease proceeds	-	4,800,000	4,800,000
Transfers to (from) other funds	(2,500,000)	2,500,000	-
Total other financing sources	<u>(2,500,000)</u>	<u>7,300,000</u>	<u>4,800,000</u>
NET CHANGE IN FUND BALANCES	<u>(374,371)</u>	<u>2,246,038</u>	<u>1,871,667</u>
FUND BALANCES - BEGINNING OF YEAR	<u>10,870,432</u>	<u>2,771,004</u>	<u>13,641,436</u>
FUND BALANCES - END OF YEAR	<u>\$ 10,496,061</u>	<u>\$ 5,017,042</u>	<u>\$ 15,513,103</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - Total governmental funds	<u>\$ 1,871,668</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Depreciation / Amortization	(739,657)
Capital outlay	5,313,467
<p>Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the government-wide statement of net position. Lease proceeds are a revenue in the governmental funds but a liability in the government-wide statement of net position.</p>	
Reduction in lease principal	276,811
Increase in debt	(4,800,000)
<p>Some expenses reported in the statement of activities do not require the use of the financial resources and, therefore, are not reported as expenditures in governmental funds</p>	
Net change in compensated absences	<u>3,224</u>
Change in net position - Governmental activities	<u><u>\$ 1,925,512</u></u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2023

	<u>Budget Amounts Original & Final</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
REVENUES			
Member contributions	\$ 10,585,947	\$ 10,585,947	\$ -
User fees	360,908	360,908	-
JCECA contributions	8,449,293	8,444,292	(5,001)
JCECA contributions- salaries	252,907	1,665,187	1,412,280
JCECA network administrator reimbursement	285,875	315,681	29,806
Interest	16,000	277,374	261,374
Record request	10,000	45	(9,955)
R1 CAD support	30,000	31,827	1,827
Unrealized gain	-	9,832	9,832
Miscellaneous	7,000	118,341	111,341
Total revenue	<u>19,997,930</u>	<u>21,809,434</u>	<u>1,811,504</u>
EXPENDITURES			
Accounting and audit	68,000	68,915	(915)
Legal	100,000	98,257	1,743
Consulting	268,650	327,351	(58,701)
Dues and memberships	21,036	15,751	5,285
Software	930,075	1,069,362	(139,287)
Hardware and hardware maintenance	442,571	289,363	153,208
Meetings and office expense	111,600	78,801	32,799
Insurance	53,500	51,470	2,030
Rent	324,508	276,811	47,697
Facility and equipment expenses	112,950	151,095	(38,145)
Interest expense	-	47,697	(47,697)
Salaries	11,986,901	11,846,042	140,859
Benefits	4,435,153	3,119,794	1,315,359
Overtime	1,282,467	1,457,662	(175,195)
Employment related expenses	377,400	581,945	(204,545)
Recruiting	40,000	42,041	(2,041)
Training and certification	168,000	161,448	6,552
Total expenditures	<u>20,722,811</u>	<u>19,683,805</u>	<u>1,039,006</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(724,881)</u>	<u>2,125,629</u>	<u>2,850,510</u>
OTHER FINANCING SOURCES (USES)			
Transfers to capital reserve fund	(5,000,000)	(2,500,000)	2,500,000
Total other financing uses	<u>(5,000,000)</u>	<u>(2,500,000)</u>	<u>2,500,000</u>
NET CHANGE IN FUND BALANCE	<u>(5,724,881)</u>	<u>(374,371)</u>	<u>5,350,510</u>
FUND BALANCE - BEGINNING OF YEAR	<u>10,058,068</u>	<u>10,870,432</u>	<u>812,364</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,333,187</u>	<u>\$ 10,496,061</u>	<u>\$ 6,162,874</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – DEFINITION OF REPORTING ENTITY

Jefferson County Communications Center Authority (Jeffcom or Authority) was formed in May 2016. Jeffcom is a consolidation of eight pre-existing Public Safety Answering Points within Jefferson County and provides dispatch services to most of Jefferson County. Operations began in January of 2018.

Jeffcom follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organizations, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

In general, 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, Jeffcom does not include additional organizations in its reporting entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of Jeffcom are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of the net position and the statement of activities. These financial statements include all of the activities of Jeffcom. For the most part, the effect of inter-fund activity has been removed from these statements.

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The statement of net position reports all financial and capital resources of Jeffcom. The difference between the assets and liabilities of Jeffcom is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurements Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurements 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. Grants and similar items are recognized as revenues as soon as eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets and redemption of bonds and promissory notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurements 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 the 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. The major sources of revenue susceptible to accrual are member contributions, user fees and JCECA contributions. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or when the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by Jeffcom.

Jeffcom reports the following major governmental funds:

The General Fund is Jeffcom's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of capital equipment and facilities.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, then unrestricted resources as they are needed.

Budgets

In accordance with the Local Government Budget Law of Colorado, Jeffcom's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. Jeffcom's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

Jeffcom follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Capital Assets

Capital assets, which include building improvements, equipment and furniture, are reported in the applicable governmental activities columns in the government-wide financial statements, capital assets are defined by Jeffcom as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. 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
Hardware	5 years
Software	5 years
Communications equipment	5 years
Furniture	3-5 years

Leases- The Authority is a lessee for a lease of property. The Authority recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset) reported with other capital assets, in the government-wide fund financial statements.

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

At the commencement of the lease, the Authority initially measures the lease liability at present value of the payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to the lease include how the Authority determines the (1) discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its incremental borrowing rate as the discount rate.
- The lease term includes the noncancellable period of the lease, if applicable.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the Authority is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Fund Balances – Governmental Funds

Jeffcom's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance - the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance - the amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by Jeffcom itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless Jeffcom takes the same highest level action to remove or change the constraint.

**JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Assigned fund balance - amounts Jeffcom intends to use for a specific purpose. Intent can be expressed by Jeffcom's Board of Directors or by an official or body to which Jeffcom's Board of Directors delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, Jeffcom considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, Jeffcom considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Jeffcom's Board of Directors has provided otherwise in its commitment or assignment actions.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 are classified in the accompanying statement of net position as follows:

Statement of net position:	
Cash and investments – unrestricted	<u>\$ 15,107,669</u>
Total cash and investments	<u>\$ 15,107,669</u>

Cash and investments as of December 31, 2023 consist of the following:

Deposits with financial institutions	\$ 3,530,842
Investments	<u>11,576,827</u>
Total cash and investments	<u>\$ 15,107,669</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The state commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - CASH AND INVESTMENTS - continued

At December 31, 2023, Jeffcom's cash deposits had a bank balance of \$3,644,410 and a carrying balance of \$3,522,422.

Investments

Credit Risk

Jeffcom has adopted a formal investment policy entitled, *Financial Management Policies: Accounting, Budgeting and Fiscal Guidelines*. Jeffcom also follows state statutes regarding investments.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

Jeffcom generally limits its concentration of investments to those noted with an asterisk (*) above, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, Jeffcom is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

As of December 31, 2023, Jeffcom had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Colorado Local Government Liquid Asset Trust	Weighted average under 60 days	\$11,576,827

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - CASH AND INVESTMENTS - continued

COLOTRUST

During 2023, Jeffcom invested in the Colorado Local Government Liquid Asset Trust (Colotrust) an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust currently offers three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE. COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AA Af/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

As of December 31, 2023, Jeffcom had \$2,798,420 invested in COLOTRUST PLUS+ and \$8,778,407 invested in COLOTRUST EDGE. Colotrust is rated AAAM by S&P Global Ratings.

Investment Valuation

Certain investments measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - CASH AND INVESTMENTS - continued

Jeffcom's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. Jeffcom held investments in Colotrust at yearend for which the investment valuations were determined as follows.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of Colotrust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from \$1.00 per share.

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

Governmental activities:	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Capital assets, being depreciated/amortized:				
Building and improvements	\$ 1,638,640	\$ 5,058,225	\$ -	\$ 6,696,865
Furniture	725,942	26,690	-	752,632
Hardware	228,318	30,401	-	258,719
Software	2,000,760	-	-	2,000,760
Communications equipment	1,366,777	198,151	-	1,564,928
Right-to-use building	1,679,753	-	-	1,679,753
Vehicle	255,925	-	-	255,925
Total capital assets, being depreciated, net	<u>7,896,115</u>	<u>5,313,467</u>	<u>-</u>	<u>13,209,582</u>
Less accumulated depreciation/amortization for:				
Building and improvements	(861,555)	(227,462)	-	(1,089,017)
Furniture	(725,942)	(1,779)	-	(727,721)
Hardware	(179,852)	(9,693)	-	(189,545)
Software	(1,800,386)	(47,523)	-	(1,847,909)
Communications equipment	(1,317,655)	(59,913)	-	(1,377,568)
Right-to-use building	(296,282)	(356,726)	-	(653,008)
Vehicle	(14,195)	(36,561)	-	(50,756)
Total accumulated depreciation	<u>(5,195,867)</u>	<u>(739,657)</u>	<u>-</u>	<u>(5,935,524)</u>
Total capital assets, being depreciated, net	<u>\$ 2,700,248</u>	<u>\$ 4,573,810</u>	<u>\$ -</u>	<u>\$ 7,274,058</u>
Governmental activities capital assets, net	<u>\$ 2,700,248</u>	<u>\$ 4,573,810</u>	<u>\$ -</u>	<u>\$ 7,274,058</u>

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - CAPITAL ASSETS - continued

Depreciation and amortization expense of \$739,657 is included in general government expenses in the Statement of Activities.

NOTE 5 - LONG-TERM LIABILITIES

Changes in lease purchases and accrued compensated absences for the year ended December 31, 2023, were as follows.

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023	Due Within One Year
Compensated absences	\$ 667,593	\$ 366,577	\$ 369,801	\$ 664,369	\$ 79,915
Right-to-Use lease	1,413,209	-	276,811	1,136,398	287,472
Lease purchase	-	4,800,000	-	4,800,000	226,220
Total	\$ 2,080,802	\$ 5,166,577	\$ 646,612	\$ 6,600,767	\$ 593,607

On September 7, 2023, the Authority entered into a lease purchase agreement for a new building. The agreement requires fifteen annual payments of \$455,468, consisting of both principal and interest at an effective rate of 4.776%. Payments commence on September 7, 2024, and are due September 7th each year thereafter through 2038. Depreciation of the leased building and subsequent improvements is included in the current year depreciation expense. The depreciation expense for 2023 is \$227,462.

The future principal and interest lease payments for the lease purchase, as of December 31, 2023, are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 226,220	\$ 229,248	\$ 455,468
2025	237,024	218,444	455,468
2026	248,344	207,124	455,468
2027	260,205	195,263	455,468
2028	272,632	182,835	455,467
2029 - 2033	1,571,368	705,969	2,277,337
2034 - 2038	1,984,207	293,132	2,277,339
	\$ 4,800,000	\$ 2,032,015	\$ 6,832,015

Jeffcom has entered into a multiple year lease agreement as lessee. The lease allows the right-to-use property over the term of the lease. Jeffcom is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the lease. Jeffcom entered into the lease in September of 2017, which continues through 2027. At the beginning of 2019 the

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

monthly rental payment was recalculated. During the year ended December 31, 2023, Jeffcom paid \$324,508 in rent, adjusted for Jeffcom's share of utilities. The annual rent is trued-up each year for the amount of utilities owed by Jeffcom.

The lease rate term and ending lease liability are as follows:

	<u>Interest Rate</u>	<u>Liability at Commencement</u>	<u>Lease Term In Years</u>	<u>Ending Balance</u>
Governmental Activities				
Leased office space	3.785%	\$ 3,359,506	10 years	<u>\$ 1,136,398</u>
Right-to-use lease				<u><u>\$ 1,136,398</u></u>

The future principal and interest lease payments for the Right-to-use lease, as of December 31, 2023, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 287,472	\$ 37,036	\$ 324,508
2025	298,543	25,965	324,508
2026	310,041	14,467	324,508
2027	240,342	3,039	243,381
Right-to-use lease	<u><u>\$ 1,136,398</u></u>	<u><u>\$ 80,507</u></u>	<u><u>\$ 1,216,905</u></u>

NOTE 6 - RETIREMENT COMMITMENTS

Jeffcom 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, 2023, the Authority contributed \$1,103,706 to the plan.

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, Jeffcom may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God.

Jeffcom is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Jeffcom pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. An excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Jeffcom provides dispatch services throughout Jefferson County, Colorado. Its major sources of revenues include contributions from Jefferson County Emergency Communications Authority (which come from a surcharge on telephone service in that geographic region), membership contributions, and a smaller portion from user fees. A reduction in this revenue, if it were to occur, may have a significant effect on Jeffcom's activities.

NOTE 8 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments, except Enterprise.

Based on the structure of Jeffcom as a "quasi-governmental" entity and restriction of financial activities, including the lack of ability to assess and collect tax revenue, Jeffcom does not believe that it is directly subject to the TABOR limitation.

SUPPLEMENTAL INFORMATION

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2023

	<u>Budgeted Amounts Original</u>	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Interest	\$ 7,500	\$ 150,839	\$ 150,839	\$ -
Rent Income	-	98,023	98,023	-
Miscellaneous Income	-	1,888	1,888	-
Unrealized gain	-	8,756	8,756	-
Total revenue	<u>7,500</u>	<u>259,506</u>	<u>259,506</u>	<u>-</u>
EXPENDITURES				
Facilities	105,000	105,000	51,690	53,310
Equipment and vehicles	450,000	200,000	198,151	1,849
Technology and software	205,000	155,000	30,400	124,600
Indiana Facility Building	-	4,900,000	4,835,089	64,911
Indiana Facility	-	200,000	198,137	1,863
Total expenditures	<u>760,000</u>	<u>5,560,000</u>	<u>5,313,468</u>	<u>246,532</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(752,500)</u>	<u>(5,300,494)</u>	<u>(5,053,962)</u>	<u>246,532</u>
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	4,800,000	4,800,000	-
Transfer from general fund	5,000,000	5,000,000	2,500,000	(2,500,000)
Total other financing uses	<u>5,000,000</u>	<u>9,800,000</u>	<u>7,300,000</u>	<u>(2,500,000)</u>
NET CHANGE IN FUND BALANCE	<u>4,247,500</u>	<u>4,499,506</u>	<u>2,246,038</u>	<u>(2,253,468)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,575,720</u>	<u>2,771,004</u>	<u>2,771,004</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,823,220</u>	<u>\$ 7,270,510</u>	<u>\$ 5,017,042</u>	<u>\$ (2,253,468)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.