JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY

Jefferson County, Colorado

FINANCIAL STATEMENTS

December 31, 2025

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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, 2025, 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, 2025 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.

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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.

Littleton, Colorado
July 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
Management's Discussion and Analysis
For the Year Ended December 31, 2025

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, 2025. The MD&A should be read in conjunction with Jeffcom's financial statements.

Financial Highlights

- Total assets of Jeffcom at December 31, 2025 were $25,721,381. Total assets exceed liabilities by $17,512,849.

- Total net capital assets for 2025 were $13,379,648.

- Total revenues for the year totaled $25,832,455 and consists of member contributions of $10,623,809, user fees of $1,209,293 and Jefferson County Emergency Communications Authority (JCECA) contributions in the amount of $13,051,409. JCECA also contributed an additional $121,077 for network administrator reimbursements, $54,441 for emergency notification coordinator and $175,000 for GIS Support.

- Total amended budgeted general fund expenditures for 2025 were $23,985,161. Actual general fund expenses were $23,985,161.

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.

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.

The table below shows a comparison in Net Position as of December 31, 2025 and 2024.

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

	2024	2024
ASSETS		
Current assets:		
Cash and investments- unrestricted	$ 10,295,432	$ 12,382,685
Receivable from JCECA	1,066,656	969,688
Receivable from members & users	37,647	-
Receivable from vendors	2,607	15,371
Prepaid expenses	939,391	229,561
Non-current assets:		
Capital assets being depreciated, net	13,379,648	11,507,903
Total assets	$ 25,721,381	$ 25,105,207
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	$ 309,468	$ 1,131,177
Accrued salaries and related expenses	188,088	682,107
Unearned revenue	-	716
Due within one year	702,155	316,939
Non-current liabilities		
Due in more than one year	7,008,821	5,060,509
Total non-current liabilities	8,208,532	7,191,449
NET POSITION		
Net investment in capital assets	6,495,200	6,130,455
Unrestricted	11,017,649	11,783,303
Total net position	17,512,849	17,913,758
Total liabilities and net position	$ 25,721,381	$ 25,105,207

The table below shows the change in net position for the years ended December 31, 2025 and 2024.

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

	2025	2024
REVENUES		
Member contributions	$ 10,623,809	$ 10,585,947
User fees	1,209,293	1,116,508
JCECA contributions	13,051,409	11,161,336
JCECA contributions- salaries	-	478,916
JCECA network administrator reimbursement	121,077	115,310
Interest	437,116	677,057
Record request	89,738	-
JCECA GIS Support	175,000	190,107
JCECA emergency notification coordinator	54,441	-
R1 CAD support	47,865	52,189
R1 CAD CentralSquare Licensing	5,912	
Unrealized gain (loss)	41	60
Miscellaneous	16,754	667,110
Total revenue	25,832,455	25,044,540
EXPENDITURES		
Accounting and audit	107,567	91,891
Legal	81,434	81,148
Consulting	337,852	379,774
Dues	8,800	14,144
Software	1,300,194	1,296,372
Hardware	123,736	728,035
Meetings and office expense	102,428	114,905
Insurance	99,976	89,984
Interest	-	87,377
Facility and equipment expenses	256,372	90,710
Salaries	15,496,668	13,777,631
Benefits	4,258,065	3,676,667
Overtime	1,488,409	1,525,340
Employment related expenses	101,733	319,963
Recruiting	26,888	22,685
Training	195,039	157,909
Debt service	890,756	-
Depreciation	1,357,447	862,641
Total expenditures	26,233,364	23,317,176
CHANGE IN NET POSITION	(400,909)	1,727,364
NET POSITION, BEGINNING OF YEAR	17,913,758	16,186,394
NET POSITION, END OF YEAR	$ 17,512,849	$ 17,913,758

Budgetary Highlights

Jeffcom approves a budget in November based on anticipated costs for the following year. The budget was amended at the July 2026 meeting to account for the additional funds transferred to the capital reserve fund. During the budget amendment process, the amended budget was updated to align with actual revenues and expenses, therefore no variances noted.

Next Year's Budget

JCECA contributions are budgeted to be $14,079,865 for 2026, which is an increase of $1,279,988 over the 2025 budget. Member contributions remain unchanged for 2026. User service fees for 2026 are budgeted at $1,230,677, which is an increase of $21,384 from 2025.

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:

Fromm & Company, LLC
PO Box 630588
Highlands Ranch, CO 80163

Telephone: (970) 875-7047
Email: contact@frommco.us

BASIC FINANCIAL STATEMENTS

JEFFERSON COUNTY COMMUNICATIONS CENTER AUTHORITY
STATEMENT OF NET POSITION
December 31, 2025

ASSETS	
Current assets:	
Cash and investments- unrestricted	$ 10,295,432
Receivable from JCECA	1,066,656
Receivable from members & users	37,647
Receivable from vendors	2,607
Prepaid expenses	939,391
Total current assets	12,341,733
Non-current assets:	
Capital assets being depreciated, net	13,379,648
Total non-current assets	13,379,648
Total assets	25,721,381
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	309,468
Accrued salaries and related expenses	188,088
Due within one year	702,155
Total current liabilities	1,199,711
Non-current liabilities	
Due in more than one year	7,008,821
Total non-current liabilities	7,008,821
Total liabilities	8,208,532
NET POSITION	
Net investment in capital assets	6,495,200
Unrestricted	11,017,649
Total net position	17,512,849
Total liabilities and net position	$ 25,721,381

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, 2025

		Program Revenue			Net (Expense) Revenue and Change in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Primary government:					
Governmental activities:					
General government	$ 26,233,364	$ 1,299,031	$ 24,025,736	$ -	$ (908,597)
	$ 26,233,364	$ 1,299,031	$ 24,025,736	$ -	(908,597)
	General revenues:				
	R1 CAD support				53,777
	Interest				437,116
	Miscellaneous				16,754
	Unrealized gain/loss				41
	Total general revenues				507,688
	Change in net position				(400,909)
	Net position - Beginning				17,913,758
	Net position - Ending				$ 17,512,849

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, 2025

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and investments- unrestricted	$ 5,474,293	$ 4,821,139	$ 10,295,432
Receivable from JCECA	1,066,656	-	1,066,656
Receivable from members & users	37,647	-	37,647
Receivable from vendors	2,607	-	2,607
Prepaid expenses	939,391	-	939,391
Total assets	$ 7,520,594	$ 4,821,139	$ 12,341,733
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 301,386	$ 8,082	$ 309,468
Accrued salaries	188,088	-	188,088
Total liabilities	489,474	8,082	497,556
FUND BALANCE			
Nonspendable:			
Prepaid expenses	939,391	-	939,391
Assigned	-	4,813,057	4,813,057
Unassigned	6,091,729	-	6,091,729
Total fund balance	7,031,120	4,813,057	11,844,177
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 7,520,594	$ 4,821,139	

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.	
Capital assets	13,379,648
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	
Long-term debt	(6,884,448)
Accrued compensated absences	(826,528)
Net position of governmental activities	$ 17,512,849

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, 2025

	General	Capital Projects Fund	Total Governmental Funds
REVENUES			
Member contributions	$ 10,623,809	$ -	$ 10,623,809
User fees	1,209,293	-	1,209,293
JCECA contributions	12,799,877	251,532	13,051,409
JCECA network administrator reimbursement	121,077	-	121,077
Interest	195,959	241,157	437,116
Record request	89,738	-	89,738
JCECA GIS Support	175,000	-	175,000
JCECA emergency notification coordinator	54,441	-	54,441
R1 CAD support	47,865	-	47,865
R1 CAD CentralSquare Licensing	5,912	-	5,912
Unrealized gain (loss)	-	41	41
Miscellaneous	16,432	322	16,754
Total revenue	25,339,403	493,052	25,832,455
EXPENDITURES			
Accounting and audit	107,567	-	107,567
Legal	81,434	-	81,434
Consulting	337,852	-	337,852
Dues and memberships	8,800	-	8,800
Software	1,300,194	-	1,300,194
Hardware and hardware maintenance	123,736	-	123,736
Meetings and office expense	102,428	-	102,428
Insurance	99,976	-	99,976
Facility and equipment expenses	256,372	-	256,372
Salaries	15,496,668	-	15,496,668
Benefits	4,258,065	-	4,258,065
Overtime	1,488,409	-	1,488,409
Employment related expenses	101,733	-	101,733
Recruiting	26,888	-	26,888
Training and certification	195,039	-	195,039
Facilities	-	231,568	231,568
Debt Service - Building Lease	-	455,468	455,468
Debt Service - Radio Lease	-	503,064	503,064
Carbyne	-	499,911	499,911
Radio equipment		2,901,213	2,901,213
Equipment and vehicles	-	62,490	62,490
Technology and software	-	33,921	33,921
Total expenditures	23,985,161	4,687,635	28,672,796
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,354,242	(4,194,583)	(2,840,341)
OTHER FINANCING SOURCES (USES)			
Lease proceeds	-	2,901,213	2,901,213
Transfers to (from) other funds	(2,134,431)	2,134,431	-
Total other financing sources	(2,134,431)	5,035,644	2,901,213
NET CHANGE IN FUND BALANCES	(780,188)	841,062	60,874
FUND BALANCES - BEGINNING OF YEAR	7,811,308	3,971,995	11,783,303
FUND BALANCES - END OF YEAR	$ 7,031,120	$ 4,813,057	$ 11,844,177

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, 2025

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

Net change in fund balances - Total governmental funds	$ 60,874
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.	
Depreciation / Amortization	(1,357,447)
Capital outlay	3,229,192
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.	
Increase in debt	(2,901,213)
Reduction in principal	590,545
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	
Net change in compensated absences	(22,860)
Change in net position - Governmental activities	$ (400,909)

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, 2025

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Member contributions	$ 10,585,947	$ 10,623,809	$ 10,623,809	$ -
User fees	1,325,155	1,209,293	1,209,293	-
JCECA contributions	12,799,877	12,799,877	12,799,877	-
JCECA network administrator reimbursement	121,081	121,077	121,077	-
Interest	75,000	195,959	195,959	-
Record request	10,000	89,738	89,738	-
JCECA GIS Support	175,000	175,000	175,000	-
JCECA emergency notification coordinator	103,341	54,441	54,441	-
JCECA radio lease purchase	165,300	-	-	-
R1 CAD support	32,800	47,865	47,865	-
R1 CAD CentralSquare Licensing	20,000	5,912	5,912	-
CDOT Technology	25,000	-	-	-
Miscellaneous	10,000	16,432	16,432	-
Total revenue	25,448,501	25,339,403	25,339,403	-
EXPENDITURES				
Accounting and audit	86,000	107,567	107,567	-
Legal	100,000	81,434	81,434	-
Consulting	375,600	337,852	337,852	-
Dues and memberships	26,080	8,800	8,800	-
Software	1,326,550	1,300,194	1,300,194	-
Hardware and hardware maintenance	201,500	123,736	123,736	-
Meetings and office expense	120,250	102,428	102,428	-
Insurance	75,000	99,976	99,976	-
Facility and equipment expenses	266,400	256,372	256,372	-
Salaries	15,618,626	15,496,668	15,496,668	-
Benefits	4,685,588	4,258,065	4,258,065	-
Overtime	1,710,500	1,488,409	1,488,409	-
Employment related expenses	309,811	101,733	101,733	-
Recruiting	30,000	26,888	26,888	-
Training and certification	175,500	195,039	195,039	-
Total expenditures	25,107,405	23,985,161	23,985,161	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	341,096	1,354,242	1,354,242	-
OTHER FINANCING SOURCES (USES)				
Transfers to capital reserve fund	(250,000)	(2,134,431)	(2,134,431)	-
Transfers to contingency fund	(250,000)	-	-	-
Total other financing uses	(500,000)	(2,134,431)	(2,134,431)	-
NET CHANGE IN FUND BALANCE	(158,904)	(780,188)	(780,188)	-
FUND BALANCE - BEGINNING OF YEAR	5,006,001	7,811,308	7,811,308	-
FUND BALANCE - END OF YEAR	$ 4,847,097	$ 7,031,120	$ 7,031,120	$ -

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

NOTES TO BASIC FINANCIAL STATEMENTS

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.

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.

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- At the commencement of a 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.

Compensated Absences- The Authority accrues leave for compensated absences as an expense and a liability, based on the Authority's estimated usage patterns and future payouts in compliance with GASB issued Statement No. 101, Compensated Absences. All employees who terminate their employment will be paid unused PTO hours at their regular hourly rate for all PTO accrued and not used as of their last date of employment. Sick leave is not paid out on termination and only available to part-time employees.

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.

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.

The Authority implemented GASB Statement No. 102, *Certain Risk Disclosures*. This statement, issued in June 2024, requires local governments to disclose risks from concentration and constraints that could cause a substantial financial impact. There was no material effects to the Authority due to implementation of this standard. (see Note 7)

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying statement of net position as follows:

Statement of net position:	
Cash and investments – unrestricted	$ 10,295,432
Total cash and investments	$ 10,295,432

Cash and investments as of December 31, 2025 consist of the following:

Deposits with financial institutions	$ 531,013
Investments	9,764,419
Total cash and investments	$ 10,295,432

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.

At December 31, 2025, Jeffcom's cash deposits had a bank balance of $1,243,039 and a carrying balance of $531,013.

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, 2025, Jeffcom had the following investments:

Investment	Maturity	Fair Value
Colorado Local Government Liquid Asset Trust	Weighted average under 60 days	$9,764,419

COLOTRUST

During 2025, 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 nay 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 AAAf/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, 2025, Jeffcom had $448 invested in COLOTRUST PLUS+ and $9,763,971 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.

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 in determine value in accordance with FASB guidance. It is the goal of Colotrust to maintain a NAV of S1.00 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, 2025 follows:

Governmental activities:	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Capital assets, being depreciated/amortized:				
Building and improvements	$ 12,143,896	$ 231,568	$ -	$ 12,375,464
Furniture	901,100	1,095	-	902,195
Hardware	258,719	39,428	-	298,147
Software	2,164,371	33,921	-	2,198,292
Communications equipment	1,564,928	2,923,180	-	4,488,108
Vehicle	263,320	-	-	263,320
Total capital assets, being depreciated, net	17,296,334	3,229,192	-	20,525,526
Less accumulated depreciation/amortization for:				
Building and improvements	(1,427,675)	(563,202)	-	(1,990,877)
Furniture	(733,059)	(35,178)	-	(768,237)
Hardware	(205,319)	(18,402)	-	(223,721)
Software	(1,917,247)	(80,246)	-	(1,997,493)
Communications equipment	(1,417,198)	(622,802)	-	(2,040,000)
Vehicle	(87,933)	(37,617)	-	(125,550)
Total accumulated depreciation	(5,788,431)	(1,357,447)	-	(7,145,878)
Total capital assets, being depreciated, net	$ 11,507,903	$ 1,871,745	$ -	$ 13,379,648
Governmental activities capital assets, net	$ 11,507,903	$ 1,871,745	$ -	$ 13,379,648

Depreciation and amortization expense of $1,357,447 is included in general government expenses in the Statement of Activities.

NOTE 5 - LONG-TERM LIABILITIES

Obligations under financed purchases and accrued compensated absences for the year ended December 31, 2025, were as follows.

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025	Due Within One Year
Compensated absences	$ 803,668	$ 1,011,428	$ 988,568	$ 826,528	$ 79,915
Financed purchase- equipment	-	2,901,213	353,521	2,547,692	373,896
Financed purchases- building	4,573,780	-	237,024	4,336,756	248,344
Total	$ 5,377,448	$ 3,912,641	$ 1,579,113	$ 7,710,976	$ 702,155

On September 7, 2023, the Authority entered into a financed 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 commenced on September 7, 2024, and are due September 7th each year thereafter through 2038 The agreement amount was $4,800,000.

The future principal and interest lease payments for the lease purchase, as of December 31, 2025, are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 248,344	$ 207,124	$ 455,468
2027	260,205	195,263	455,468
2028	272,632	182,835	455,467
2029	285,653	169,814	455,467
2030	299,296	156,171	455,467
2031-2035	1,725,050	552,289	2,277,339
2036-2038	1,245,576	120,827	1,366,403
	$ 4,336,756	$ 1,584,323	$ 5,921,079

On March 25, 2024, the Authority entered into a lease purchase agreement for a new radio system. The equipment was not received until January 2025. The agreement requires seven annual payments of $503,064, consisting of both principal and interest at an effective rate of 5.07%. Payments commenced on April 1, 2025, and are due each year thereafter on April 1st through 2031. The lease purchase agreement amount is $2,901,213.

The future principal and interest lease payments for the lease purchase, as of December 31, 2025, are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 373,896	$ 129,168	$ 503,064
2027	392,853	110,211	503,064
2028	412,770	90,294	503,064
2029	433,698	69,366	503,064
2030	455,686	47,378	503,064
2031	478,789	24,275	503,064
	$ 2,547,692	$ 470,692	$ 3,018,384

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, 2025, the Authority contributed $1,660,810 to the plan.

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
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2025

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Interest	$ 250,000	$ 241,157	$ 241,157	$ -
JCECA contribution	-	251,532	251,532	-
Miscellaneous Income	-	322	322	-
Unrealized gain (loss)	-	41	41	-
Total revenue	250,000	493,052	493,052	-
EXPENDITURES				
Facilities	300,000	231,568	231,568	-
Equipment and vehicles	25,000	62,490	62,490	-
Technology and software	65,000	33,921	33,921	-
Carbyne	500,000	499,911	499,911	-
Radio equipment	-	2,901,213	2,901,213	-
Debt Service - Radio Lease	330,600	503,064	503,064	-
Debt Service - Building Lease	455,468	455,468	455,468	-
Total expenditures	1,676,068	4,687,635	4,687,635	-
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(1,426,068)	(4,194,583)	(4,194,583)	-
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	2,901,213	2,901,213	
Transfer from general fund	250,000	2,134,431	2,134,431	-
Total other financing uses	250,000	5,035,644	5,035,644	-
NET CHANGE IN FUND BALANCE	(1,176,068)	841,062	841,062	-
FUND BALANCE - BEGINNING OF YEAR	2,589,042	3,971,995	3,971,995	-
FUND BALANCE - END OF YEAR	$ 1,412,974	$ 4,813,057	$ 4,813,057	$ -

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