



Financial Statements
June 30, 2018

**Central Dispatch Administrative
Authority**

Central Dispatch Administrative Authority

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Executive Board
Central Dispatch Administrative Authority, State of Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Central Dispatch Administrative Authority, State of Nevada (the Authority), as of and for the year ended June 30, 2018, and related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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 Central Dispatch Administrative Authority as of June 30, 2018, 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.

Correction of an Error

As discussed in Note 11 to the financial statements, certain errors occurred in the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73*, resulting in the overstatement of amounts previously reported for deferred outflows of resources, net pension liability-related amounts for the year ended June 30, 2017, and were discovered by management during the current year based on communications from the Public Employees' Retirement System of Nevada (PERS), including a restated Schedule of Employer Allocations for GASB 82 Implementation. Accordingly, amounts for deferred outflows of resources, net pension liability-related amounts, have resulted in a restatement of net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8, the Schedule of Authority's Share of Net Pension Liability on page 29, and the Schedule of Authority's Contributions on page 30, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Equipment Fund listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Equipment Fund 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. Such 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 Changes in Fund Balance – Budget and Actual – Capital Equipment Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior – Year Comparative Information

We have previously audited, in accordance with accounting standards generally accepted in the United States of America, the Authority's 2017 basic financial statements (not presented herein), and we expressed an unmodified opinion on the respective financial statements in our report dated November 27, 2017. In our opinion the summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2017, is consistent, in all material aspects, with the audited financial statements from which it was derived.

Certain supplementary information includes partial summarized comparative information for the year ended June 30, 2017. The summarized comparative information was derived from the Authority's June 30, 2017 financial statements, in which we expressed an opinion that the accompanying supplementary information as of and for the year ended June 30, 2017, was fairly stated in all material respects in relation to the 2017 financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2018, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Dispatch Administrative Authority's internal control over financial reporting and compliance.

Edie Sallie LLP

Elko, Nevada
December 5, 2018

The following discussion and analysis is presented to provide the reader with an overview of the financial activity and overall financial condition of Central Dispatch Administrative Authority (the "Authority").

The Management's Discussion and Analysis (MD&A) is a component of Required Supplementary Information (RSI) and introduces the basic financial statements and provides an analytical overview of the Authority's financial activities.

Overview of the Financial Statements

The Authority's financial statements include the following elements:

Basic Financial Statements

The Authority's financial statements provide both long-term and short-term information about the Authority's overall financial condition. Changes in the Authority's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the Authority's net position changed during the fiscal year is presented in the Statement of Activities.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the financial statements.

Refer to Note 1 to the financial statements for more detailed information on the elements of the financial statements.

Major Features of the Basic Financial Statements

As the Authority has only two funds, the General Fund and the Capital Equipment Fund, there is only information for Governmental type activities. The required financial statements are the Statement of Net Position; Statement of Activities; Balance Sheet; and Statement of Revenues, Expenditures and Changes in Fund Balance.

Refer to Note 1 to the financial statements for more detailed information on the accounting basis and measurement focus, type of asset/liability information, and type of inflow/outflow information.

Condensed Financial Information

Condensed Statement of Net Position

Total net position of the Authority is a deficit of (\$668,216); \$286,331 of the Authority's net position reflects its investment in capital assets, mostly equipment, as they share a building with Nevada Division of Forestry. The Authority uses these capital assets to provide services to its users in the City and County; consequently, these capital assets are not available for future spending. The Authority currently has no restricted net position. The unrestricted portion of net position is a deficit of (\$934,547) mainly due to the net pension liability. As the Authority has no major assets to offset the net pension liability, this leaves the Authority with a negative net position.

**Table 1: Condensed Statement of Net Position
As of June 30, 2018 and 2017**

	Governmental Activities	Governmental Activities
	2018	2017 (as restated)
Current and Other Assets	\$ 571,562	\$ 541,917
Capital Assets, Net	286,331	281,016
Deferred Outflows of Resources	352,666	242,395
Total assets and deferred outflows of resources	1,210,559	1,065,328
Current Liabilities	104,492	110,291
Long-term Liabilities	1,587,520	1,449,893
Deferred Inflows of Resources	186,763	198,447
Total liabilities and deferred inflows of resources	1,878,775	1,758,631
Net Position		
Net investment in capital assets	286,331	281,016
Unrestricted	(954,547)	(974,319)
	\$ (668,216)	\$ (693,303)

Condensed Statement of Activities

Over time, increases and decreases in net position measure whether the Authority's financial position is improving or deteriorating. Total revenue of \$1,524,207 showed a decrease of \$8,964 or 0.5 percent over the prior fiscal year. During the fiscal year, the net position increased by \$25,087 or by 3 percent. There were investments made in capital assets during the fiscal year for a power phone system and Tyler Technology software in the amount of \$59,296.

**Table 2: Condensed Statement of Activities
For Fiscal Year Ended June 30, 2018 and 2017**

	Governmental Activities	Governmental Activities
	2018	2017 (as restated)
Program Revenues		
Charges for services	\$ 1,520,063	\$ 1,528,438
Capital grants and contributions	4,144	4,733
Total revenues	<u>1,524,207</u>	<u>1,533,171</u>
Program Expenses		
Public safety	<u>1,499,120</u>	<u>1,452,704</u>
Change in Net Position	25,087	80,467
Net Position (Deficit), Beginning of Year, as Originally Reported	(693,303)	(638,971)
Prior Period Adjustment	<u>-</u>	<u>(134,799)</u>
Net Position (Deficit), Beginning of Year, as Restated	<u>(693,303)</u>	<u>(773,770)</u>
Net Position (Deficit), End of Year	<u>\$ (668,216)</u>	<u>\$ (693,303)</u>

There is only one function of the Authority, Public Safety, which is funded by user fees paid by entities using the service.

Overall Analysis

Financial highlights for the Authority during the fiscal year ended June 30, 2018, include the following:

The liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the Authority (net position) at the close of the fiscal year by (\$668,216) for governmental activities, due to the net pension liability.

The Authority's total net position decreased during the year by \$25,087 or 3 percent.

Without the pension reporting, there remains \$467,070 of unrestricted net position that may be used to meet the Authority's ongoing obligation to creditors.

Fund Analysis

Governmental Funds

At the close of the fiscal year ended June 30, 2018, the Authority has only two funds both of those governmental funds. The Authority reported a combined ending fund balance of \$529,154; \$165,451 of the ending fund balance is reported as assigned for the next fiscal year's budget shortfall and the remaining amount of \$363,703 is reported as assigned by budget officer for capital projects totaling \$11,268 and unassigned for \$352,435. See Note 1 to the financial statements for an explanation of the different types of fund balance categories.

General Fund

Fund balance at June 30, 2018 totaled \$462,265, this represents an increase of 10 percent. There was a small decrease in expenditures of less than 1 percent. The fees to participating entities remained the same per unit cost for fiscal year 2017/2018.

Capital Equipment Fund

Fund balance at June 30, 2018 totaled \$66,889. The monies are accumulated over several years until such time they are required for major capital expenditures.

Budgetary Highlights – Fiscal Year Ended June 30, 2018

The budget statements reflect a comparison of budgeted revenues and expenditures to actual for the year ended June 30, 2018. The budget statements were prepared from the final and augmented budgets as filed with the Nevada Department of Taxation.

Governmental activities are budgeted on a fund basis.

Actual expenditures of the General Fund were \$1,435,316 which were \$178,064 less than the budgeted amount of \$1,613,380. This is primarily due to employee turnover resulting in less salaries and benefits than originally budgeted.

Capital Equipment Fund – Actual expenditures of the Capital Equipment Fund were made for the purchase of a power phone system and Tyler Technologies software in the amount of \$59,296.

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2018, the Authority reported \$286,331 in capital assets for governmental activities and the Authority had capital acquisitions during the year in the amount of \$59,296. Refer to Note 4 to the financial statements for additional information on capital assets.

Long-Term Debt Activity

The Authority had no long-term debt outstanding at June 30, 2018, except for the net pension liability totaling \$1,587,520 as a result of the net pension liability reported.

Economic Factors and Next Year's Budget and Rates

The rates for Central Dispatch Administrative Authority users remained the same for fiscal year 2017/2018. The Authority monitors its expenditures on an annual basis to determine when and if rates need to be adjusted. The fiscal year 2018/2019 rates will increase by 3 percent.

The Elko County Board of Commissioners received a grant award in the amount of \$313,500 to implement Phase 1 of the Next Gen 911 reporting system. The grant award was signed November 20, 2018.

Requests for Information

This financial report is designed to provide a general overview of the financial activity and condition of the Central Dispatch Administrative Authority to all having an interest in the Authority. Questions concerning any of the information provided in this report or requests of additional financial information should be addressed to the Central Dispatch Administrative Authority, 725 Aspen Way, Elko, Nevada, 89801.

Central Dispatch Administrative Authority
Statement of Net Position
June 30, 2018

	<u>Governmental Activities 2018</u>
Assets	
Current Assets	
Cash	\$ 546,437
Due from other governments	<u>25,125</u>
Total current assets	571,562
Noncurrent Assets	
Capital assets, net	<u>286,331</u>
Total assets	<u>857,893</u>
Deferred outflows of resources	
Net pension liability - related amounts	<u>352,666</u>
Liabilities	
Current Liabilities	
Accounts payable	2,314
Accrued salaries	19,156
Compensated absences	<u>83,022</u>
Total current liabilities	<u>104,492</u>
Noncurrent Liabilities	
Net pension liability	<u>1,587,520</u>
Deferred Inflows of Resources	
Net pension liability - related amounts	<u>186,763</u>
Net Position	
Investment in capital assets	286,331
Unrestricted (deficit)	<u>(954,547)</u>
Total net position (deficit)	<u>\$ (668,216)</u>

Central Dispatch Administrative Authority
Statement of Activities
Year Ended June 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for</u>	<u>Capital</u>	<u>and Changes in Net Position</u>
		<u>Services</u>	<u>Grants and</u>	<u>Primary Government</u>
			<u>Contributions</u>	<u>Governmental Activities</u>
Primary Government				
Governmental Activities				
Public Safety	\$ 1,499,120	\$ 1,520,063	\$ 4,144	\$ 25,087
Change in Net Position				25,087
Net Position (Deficit), Beginning of Year, as Originally Reported				(558,504)
Prior period adjustment				(134,799)
Net Position, Beginning of Year, as Restated				(693,303)
Net Position (Deficit), End of Year				\$ (668,216)

Central Dispatch Administrative Authority
Balance Sheet – Governmental Funds
June 30, 2018

	<u>General Fund</u>	<u>Capital Equipment Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash	\$ 479,548	\$ 66,889	\$ 546,437
Due from other governments	25,125	-	25,125
Total assets	<u>\$ 504,673</u>	<u>\$ 66,889</u>	<u>\$ 571,562</u>
Liabilities			
Accounts payable	\$ 2,314	\$ -	\$ 2,314
Accrued salaries	19,156	-	19,156
Total liabilities	<u>21,470</u>	<u>-</u>	<u>21,470</u>
Deferred Inflows of Resources:			
Unavailable revenue - dispatch fees	20,938	-	20,938
Fund Balances			
Assigned 2018-19 budget	109,830	55,621	165,451
Assigned by budget officer for capital projects	-	11,268	11,268
Unassigned	352,435	-	352,435
Total fund balances	<u>462,265</u>	<u>66,889</u>	<u>529,154</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 504,673</u>	<u>\$ 66,889</u>	<u>\$ 571,562</u>

Central Dispatch Administrative Authority
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 June 30, 2018

Total Fund balances - total governmental funds		\$ 529,154
<p>Capital assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds:</p>		
Governmental capital assets	536,895	
Less accumulated depreciation	<u>(250,564)</u>	286,331
<p>Deferred inflows of resources represent amounts that are not available to fund current year expenditures and, therefore, are not reported in the Governmental Funds.</p>		
		20,938
<p>Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:</p>		
Net pension liability	(1,587,520)	
Compensated absences	<u>(83,022)</u>	(1,670,542)
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:</p>		
Deferred outflows of resources related to pensions	352,666	
Deferred inflows of resources related to pensions	<u>(186,763)</u>	<u>165,903</u>
Total Net Position for Governmental Activities as shown on the Statement of Net Position		<u><u>\$ (668,216)</u></u>

Central Dispatch Administrative Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2018

	General	Capital Equipment Fund	Total Governmental Funds
Revenues			
Intergovernmental	\$ 1,499,125	\$ -	\$ 1,499,125
Miscellaneous	4,144	-	4,144
Total revenues	<u>1,503,269</u>	<u>-</u>	<u>1,503,269</u>
Expenditures			
Current			
Public safety	1,435,316	-	1,435,316
Capital outlay	-	59,296	59,296
Total expenditures	<u>1,435,316</u>	<u>59,296</u>	<u>1,494,612</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>67,953</u>	<u>(59,296)</u>	<u>8,657</u>
Other Financing Sources (Uses)			
Transfers in	-	25,000	25,000
Transfers out	(25,000)	-	(25,000)
Total other financing sources (uses)	<u>(25,000)</u>	<u>25,000</u>	<u>-</u>
Net Change in Fund Balances	42,953	(34,296)	8,657
Fund Balances, Beginning of Year	<u>419,312</u>	<u>101,185</u>	<u>520,497</u>
Fund Balances, End of Year	<u>\$ 462,265</u>	<u>\$ 66,889</u>	<u>\$ 529,154</u>

Central Dispatch Administrative Authority
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
 Funds to the Statement of Activities
 Year Ended June 30, 2018

Net Change in Fund Balances for Governmental Funds as Shown on the Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 8,657
<p>Governmental funds report capital outlays as expenditures and the proceeds from the sale of assets as other financing sources. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold:</p>		
Expenditures for capital assets		
Capital outlay	59,296	
Current year depreciation	<u>(53,981)</u>	
		5,315
<p>Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds:</p>		
Change in unavailable revenue - dispatch fees		20,938
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Change in compensated absences		5,849
<p>Governmental funds report Authority PERS contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned is reported as pension expense:</p>		
Authority PERS contributions	108,078	
Authority pension expense	<u>(123,750)</u>	
		<u>(15,672)</u>
Changes in Net Position of Governmental Activities as Shown on the Statement of Activities		<u>\$ 25,087</u>

Central Dispatch Administrative Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund
Year Ended June 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)

	Budget Original/Final	Actual	Variance	2017
Revenues				
Intergovernmental				
Local government				
Dispatch fee contribution	\$ 1,520,063	\$ 1,499,125	\$ (20,938)	\$ 1,576,716
Miscellaneous				
Other	-	4,144	4,144	4,733
Total revenues	<u>1,520,063</u>	<u>1,503,269</u>	<u>(16,794)</u>	<u>1,581,449</u>
Expenditures				
Current				
Public safety				
Salaries	878,925	821,633	57,292	789,568
Employee benefits	485,700	436,524	49,176	457,313
Services and supplies	248,755	177,159	71,596	193,540
	<u>1,613,380</u>	<u>1,435,316</u>	<u>178,064</u>	<u>1,440,421</u>
Contingency	<u>40,000</u>	-	<u>40,000</u>	-
Total expenditures	<u>1,653,380</u>	<u>1,435,316</u>	<u>218,064</u>	<u>1,440,421</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(133,317)</u>	<u>67,953</u>	<u>201,270</u>	<u>141,028</u>
Other Financing Sources (Uses)				
Transfer out -				
Capital Equipment Fund	<u>(25,000)</u>	<u>(25,000)</u>	-	-
Net Change in Fund Balance	(158,317)	42,953	201,270	141,028
Fund Balance, Beginning of Year	<u>304,457</u>	<u>419,312</u>	<u>114,855</u>	<u>278,284</u>
Fund Balance, End of Year	<u>\$ 146,140</u>	<u>\$ 462,265</u>	<u>\$ 316,125</u>	<u>\$ 419,312</u>

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Central Dispatch Administrative Authority (the "Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the more significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Reporting Entity

The Authority is established under an Interlocal Cooperative Agreement between the Cities of Elko, Carlin, Wells and Elko County, under the direction of a five-member Executive Board. The Authority was created pursuant to Chapter 277.080 through 277.110 of the Nevada Revised Statutes. The Authority was created to organize and administer a single central dispatch system that serves the local law enforcement and public safety needs of the member entities, the other agencies with which the Authority contracts, and the public. The Authority is fiscally independent of all other governmental entities and has no component units nor is it a component unit of another entity. The accounting records for the Authority are maintained by Elko County.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the primary government. The statement of activities demonstrates the degree to which the direct expenses of a function are offset by program revenues. Direct expenses are those that are associated with a specific function. Program revenues include 1) charges to local governments who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest income that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Interest earnings and other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and 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. Expenditures generally are recorded when liabilities are incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Dispatch user contributions are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, when measurable and available.

Expenses relating to the functional activities do not include allocated indirect expenses.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

The Authority reports the following major governmental funds:

The General Fund is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund.

The Capital Equipment Fund is used for the collection and disbursements of funds solely for the purpose of purchasing capital equipment or replacement of existing capital equipment.

Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be cash on hand or demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. In addition, the Authority has a portion of its cash and cash equivalents held by the Elko County Treasurer in their pooled cash accounts.

Accounts Receivable

No allowance for doubtful accounts receivable has been established since management does not anticipate any material collection loss with respect to the balances shown as accounts receivable.

Capital Assets

Capital assets are reported in the applicable governmental activity column in the government-wide financial statements. Capital assets are defined as those assets with an initial cost of \$3,000 or more and an estimated useful life of more than one year. All purchased capital assets are valued at cost or estimated historical cost. Donated assets are recorded at their estimated acquisition value on the date donated in the government-wide financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed using the straight-line method for all assets over the following estimated useful lives:

Building Improvements	100 years
Equipment	5 to 20 years

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Authority had no debt outstanding at June 30, 2018.
2. Restricted – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or law or regulations of other governments; (2) law through constitutional provisions or enabling legislation.
3. Unrestricted – All other assets that do not meet the definition of “restricted” or “net investment in capital assets.”

In the governmental fund financial statements, fund equity is classified as fund balance. The Authority implemented GASB Statement No. 54, *Fund Balances Reporting and Governmental Fund Type Definitions*, as of July 1, 2011. Fund balance components are based primarily on a hierarchy designed to reflect constraints on the use of those amounts. Fund balance is classified in the following components:

- Nonspendable – Amounts that cannot be spent because they are not spendable in form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the law or regulations of other governments.
- Committed – Amounts that can only be used for specific purposes. Committed fund balance is established and may only be rescinded or changed pursuant to resolution passed by the Executive Board, which is the Authority’s highest level of decision making authority.
- Assigned – Amounts that the Authority intends to use for a specific purpose, that do not meet the definition of restricted or committed fund balance. Under the Authority’s adopted policy, amounts may be assigned by the Dispatch Director and reviewed by the Elko County Chief Financial Officer and approved by the Chairman of the Executive Board under the authorization of the Executive Board.
- Unassigned – all other spendable amounts in the General Fund.

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

Interfund Balances

Transfers are used to move unrestricted revenues collected in the General Fund to finance various capital projects in accordance with budgetary authorization.

Compensated Absences

The liability for compensated absences is calculated under the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. The costs involved in vacation, sick leave benefits and compensatory time are accrued and recognized as expenses when earned, to the extent it is likely the Authority will ultimately pay those benefits.

The agreements with the various employee associations provide for payment of accrued and vested compensatory and vacation time in all termination cases. The costs of unused vacation and sick leave benefits are not recorded in the governmental fund financial statements but are in the government-wide financial statements.

Pensions

For purposes of measuring the net position liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position/Governmental Funds Balance Sheet may report a separate section for deferred outflows of resources. This separate statement element represents the consumption of net position/fund balance that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The Authority reported deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date of the net pension liability, changes in assumptions or other inputs, and change in the Authority's proportion and difference between the Authority's contributions and the Authority's proportionate contribution in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position/Governmental Funds Balance Sheet may report a separate section for deferred inflows of resources. This separate statement element represents an acquisition of net position/fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority reflects deferred inflows of resources which are unavailable revenue reported in the governmental fund balance sheet for dispatch fee contributions received beyond 60 days after year end, under the modified accrual basis of accounting. The Authority reported deferred inflows of resources related to pensions resulting from differences between expected and actual experience, change in the Authority's proportion, and the difference between the projected and actual earnings on pension plan investments in the Statement of Net Position.

Note 2 - Stewardship, Compliance and Accountability

Budgetary Information

The Authority adheres to the Local Government Budget and Finance Act incorporated within state statutes, which includes the following major procedures to establish the budgetary data, which is reflected in these financial statements.

1. On or before April 15, the Authority's Board of Trustees files a tentative budget with the Nevada Department of Taxation.
2. Public budget hearings on the tentative budget must be held by the governing body no sooner than the third Monday in May and no later than the last day in May.
3. On or before June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Department of Taxation for review and approval.
4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
5. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). All appropriations lapse at year end.
6. Budget amounts within the funds may be transferred if amounts do not exceed the original budget. Such transfers must be approved by the budget officer and/or the Authority's Executive Board depending on established criteria. Budget augmentations in excess of original budgetary amounts may be made by the Authority's Executive Board with a majority vote and by adopting a resolution providing therefore.
7. The above dates may be adjusted as necessary during legislative years.

In accordance with state statute, actual expenditures may not exceed budgeted appropriations of the various governmental functions (excluding the debt service function) of the General Fund. Per NRS 354.626, expenditures over budgeted appropriations are allowed for bond repayments, medium term obligation repayments, and other long-term contracts expressly authorized by law.

The Authority complied with significant statutes, codes and covenants which governed its financial operations during the fiscal year.

Note 3 - Cash

A summary schedule of cash for the Authority at June 30, 2018 is as follows:

Balances Classified by Depository and Category

Deposits

U.S. Bank - demand deposit	\$ 395,584
Cash held in Elko County pooled cash	150,853
	\$ 546,437

Custodial Credit Risk – the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's bank deposits are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

Note 4 - Property and Equipment

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Balance June 30, 2017</u>	<u>Additions and Transfers In</u>	<u>Deletions and Transfers Out</u>	<u>Balance June 30, 2018</u>
Governmental Activities				
Capital assets being depreciated				
Building Improvements	\$ 15,000	\$ -	\$ -	\$ 15,000
Equipment	482,010	59,296	(19,411)	521,895
	<u>497,010</u>	<u>59,296</u>	<u>(19,411)</u>	<u>536,895</u>
Less Accumulated Depreciation				
Building Improvements	(400)	(150)	-	(550)
Equipment	(215,594)	(53,831)	19,411	(250,014)
	<u>(215,994)</u>	<u>(53,981)</u>	<u>19,411</u>	<u>(250,564)</u>
Governmental Activities				
Capital assets, net	<u>\$ 281,016</u>	<u>\$ 5,315</u>	<u>\$ -</u>	<u>\$ 286,331</u>

Depreciation expense charged to the public safety function/program of the government was \$53,981.

Note 5 - Compensated Absences

	<u>Balance June 30, 2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2018</u>	<u>Balance Due 2018 - 2019</u>
Compensated absences	\$ 88,871	\$ 57,285	\$ (63,134)	\$ 83,022	\$ 83,022

Compensated absences are liquidated in the General Fund.

Note 6 - Defined Benefit Pension Plan

Plan Description

The Authority contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost sharing, multiple employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier and for regular members entering PERS on or after July 1, 2015, there is a 2.25% multiplier for all years of service. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members entering PERS prior to January 1, 2010 are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service or at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Regular members become fully vested as to benefits upon completion of 5 years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was selected, the member cannot convert to the Employee/Employer Contribution plan.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

For the fiscal years ended June 30, 2018 and 2017, the Statutory Employer/employee matching rate was 14.50% and the Employer-pay contribution (EPC) rate was 28%.

The Authority's contributions were \$108,078 for the year ended June 30, 2018.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return</u>
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2017, PERS' long-term inflation assumption was 2.75%.

Net Pension Liability

At June 30, 2018, the Authority reported a liability of \$1,587,520 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2017, the Authority's proportion was 0.01194 percent, which was an increase of 0.00117 from its proportion measured as of June 30, 2016 of 0.01077.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the Authority as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the Authority net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	<u>1% Decrease in Discount Rate (6.5%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase in Discount Rate (8.5%)</u>
Authority's proportionate share of net pension liability	\$ 2,399,887	\$ 1,587,520	\$ 912,836

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Actuarial Assumptions

The Authority's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.75%
Payroll Growth	5.00% including inflation
Investment Rate of Return	7.50%
Productivity Pay Increase	0.50%
Projected Salary Increases	Regular: 4.25% to 9.15%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other Assumptions	Same as those used in the June 30, 2017 funding actuarial valuation

Mortality rates for healthy members were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement were based on Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016. The additional projection of 6 years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2017, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

Changes in assumptions include changes in the inflation rate and consumer price index from 3.50% to 2.75%, changes in the investment rate of return from 8.00% to 7.50%, changes in the productivity pay increase from 0.75% to 0.50%, and changes in the projected salary increases. In addition, the mortality rates are now based on the Headcount-Weighted RP-2014 Mortality Tables rather than the RP-2000 Mortality Tables.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the Authority recognized pension expense of \$123,750. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 104,173
Net difference between projected and actual earnings on pension plan investments	10,308	-
Changes in assumptions or other inputs	105,785	-
Changes in the Authority's proportion and differences between the Authority's contributions and the Authority's proportionate contributions	128,495	82,590
Authority contributions subsequent to the measurement date	108,078	-
Total	\$ 352,666	\$ 186,763

The \$108,078 reported as deferred outflows of resources related to pensions resulting from Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) is 6.39 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2019	\$ (23,397)
2020	41,926
2021	14,590
2022	(20,158)
2023	29,020
Thereafter	15,376

Additional Information –

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

Note 7 - Risk Management

The Authority, like any governmental entity, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Authority has joined together with similar public agencies (cities, counties and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The Authority pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$10,000,000 annual aggregate per member. Property, crime and equipment breakdown is provided to its members up to \$300,000,000 per loss with various sublimits established for earthquake, flood, equipment breakdown and money and securities.

The Authority carries insurance for employee health and accident insurance through the Operating Engineers Union. See Note 9 below for postemployment healthcare information.

The Authority carries cyber security event coverage of \$2,000,000 per event and a \$2,000,000 annual aggregate with a sublimit of \$500,000 for the Privacy Response Expense.

Settled claims from these risks have not exceeded insurance coverage for the past three years.

Note 8 - Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Authority employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or an extreme financial hardship.

Investments are managed by the plan's trustees under one of five investment options or a combination thereof. The choice of the investment option is made by each participant. The assets in the plan are held in trust and for the exclusive benefit of plan participants and their beneficiaries. Therefore, in accordance with GASB 32, the assets are not recorded as an Agency Fund of the Authority.

Note 9 - Postemployment Healthcare Plans

The Authority contributes to an agent multiple-employer defined benefit postemployment healthcare plan, State of Nevada Public Employees' Benefits Plan (PEBP). This plan provides medical, dental, vision, prescription and life insurance benefits to eligible retired Authority employees and beneficiaries.

Benefit provisions for PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. Authority employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 discontinued the option to join PEBP for Authority employees who retired after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in their plan. As of June 30, 2018, one retiree of the Authority was utilizing this benefit.

For PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired Authority employees. The contribution requirements of plan members and the Authority may be amended by the PEBP board. As a participating employer, the Authority is billed for the subsidy on a monthly basis and is legally required to provide for it. For the plan year ended June 30, 2018, the Authority paid subsidies for a qualified retiree of \$30 per month. For fiscal year 2018, the Authority contributed \$769.

The Authority was determined to be a Level 3 governmental entity for the phase-in of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* reporting requirements. This means the Authority should have implemented these provisions beginning in fiscal year 2010 and 2017 with the implementation of GASB No. 75. As part of GASB 45 and GASB 75 requirements, an actuarial study needs to be performed to determine the unfunded actuarial liability, the annual OPEB cost, net OPEB obligation, and other information. The Authority should also provide prior year information for comparison as to funding progress made. The Authority evaluated its potential liability using the Fidelity Municipal Government AA 20 years index rate of 3.62%, readily available actuarial life expectancy tables, and current PEBP premiums to estimate its future liability. The Authority determined the net OPEB obligation required to be recorded on its financial statements was immaterial. Based on this determination, the Authority did not have a formal actuarial study performed. The Authority will evaluate this estimate of liability in each future year and will have the actuarial study performed when it estimates the liability to be recorded would materially misstate the financial statements, if not included. At June 30, 2018, not all information required to be reported by GASB 45 and GASB 75 is available and therefore is not included in this report.

Note 10 - Commitments

On September 7, 2016 the Board approved a payment in the amount of \$40,143 for HVAC repair for the Authority's portion of the costs for the building they occupy with other departments within the State of Nevada. The building is owned by the State of Nevada, the work was performed in fiscal year 2015/2016 and the Authority has never been billed or provided any further information regarding these repairs. Therefore, no liability is included in these financial statements.

Note 11 - Correction of Error

During 2018, the Authority identified misstatements in the June 30, 2017 financial statements related to the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73*. Based on the restated Schedule of Employer Allocations for GASB 82 Implementation provided by the Public Employee’s Retirement System of Nevada (PERS), beginning net position was restated as of July 1, 2017 to report the previous overstatement of the balances reported for deferred outflows of resources, net pension-liability amounts at June 30, 2017.

	Governmental Activities
Net Position at June 30, 2017, as Originally Reported	\$ (558,504)
Deferred outflows of resources related to 2016 deferrals for the difference between employer contributions and proportionate share contributions	(27,192)
Deferred outflows of resources related to Authority contributions subsequent to the measurement date	(107,607)
Net Position at July 1, 2017, as Restated	\$ (693,303)



Required Supplementary Information
June 30, 2018

Central Dispatch Administrative Authority

Central Dispatch Administrative Authority
 Schedule of Authority's Share of Net Pension Liability –
 Public Employee's Retirement System of Nevada (PERS)
 Last Ten Fiscal Years*

<u>Fiscal Year Ending</u>	<u>Authority's Proportion of the Net Pension Liability</u>	<u>Authority's Proportionate Share of the Net Pension Liability</u>	<u>Authority's Covered Payroll</u>	<u>Authority's Proportionate Share of the Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2014	0.01171%	\$ 1,220,799	\$ 689,084	177.16%	76.30%
2015	0.01163%	1,333,138	697,458	191.14%	75.13%
2016	0.01077%	1,449,893	656,363	220.90%	72.23%
2017	0.01194%	1,587,520	768,506	206.57%	74.42%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

Central Dispatch Administrative Authority
 Schedule of Authority's Contributions –
 Public Employee's Retirement System of Nevada (PERS)
 Last Ten Fiscal Years*

Fiscal Year Ending	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution**	Contribution Deficiency (Excess)	Authority's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 179,569	\$ 89,784	\$ -	\$ 697,458	12.87%
2016	182,698	91,349	-	656,363	13.92%
2017	215,214	107,607	-	768,506	14.00%
2018	217,092	108,078	-	775,515	13.94%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

Changes in assumptions include changes in the inflation rate and consumer price index from 3.5% to 2.75%, changes in the investment rate of return from 8.00% to 7.50%, changes in the productivity pay increase from 0.75% to 0.50%, and changes in the projected salary increases. In addition, the mortality rates are now based on the Headcount-Weighted RP-2014 Mortality Tables rather than the RP-2000 Mortality Tables.

**All contributions shown reflect employer-paid contributions only. Member contributions are excluded.



Supplementary Information
June 30, 2018

Central Dispatch Administrative Authority

Central Dispatch Administrative Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Capital Equipment Fund
Year Ended June 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2017</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Public safety				
Capital outlay	<u>86,185</u>	<u>59,296</u>	<u>26,889</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(86,185)	(59,296)	26,889	-
Other Financing Sources (Uses)				
Transfer in - General Fund	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(61,185)	(34,296)	26,889	-
Fund Balance, Beginning of Year	<u>61,185</u>	<u>101,185</u>	<u>40,000</u>	<u>101,185</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 66,889</u>	<u>\$ 66,889</u>	<u>\$ 101,185</u>



Compliance Section
June 30, 2018

Central Dispatch Administrative Authority



CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Executive Board
Central Dispatch Administrative Authority, State of Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Central Dispatch Administrative Authority, State of Nevada (the Authority) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 5, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses to be a material weakness (Finding 2018-A).

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's Response to Finding

The Authority's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Elko, Nevada
December 5, 2018



Auditor's Comments

To the Executive Board
Central Dispatch Administrative Authority, State of Nevada

In connection with our audit of the financial statements of the governmental activities and each major fund of the Central Dispatch Administrative Authority as of and for the year ended June 30, 2018, and the related notes to the financial statements, nothing came to our attention that caused us to believe that Central Dispatch Administrative Authority failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance

The Central Dispatch Administrative Authority conformed to all significant statutory constraints on its financial administration during the year.

Progress on Prior Year Statute Compliance

There were no prior year statute violations.

Disposition of Prior Year Audit Recommendations

Prior year audit finding 2017-A is included in the current year as finding 2018-A.

Current Year Audit Recommendations

See Schedule of Findings and Responses.

Eide Bailly LLP

Elko, Nevada
December 5, 2018

**2018-A Report Preparation and Audit Adjustment
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the components of an effective system of internal control over financial reporting is the preparation of full disclosure financial statements that do not require adjustment as part of the audit process.

Condition: During our audit testing, we noted several instances where the Authority records required audit adjustments. Based on the audit adjustments, it appears the Authority would have difficulty preparing the financial statements in accordance with generally accepted accounting principles. The Authority contracts the external audit firm to prepare the Authority's audited financial statements and related note disclosures from the general ledger and applicable Authority records provided by the Authority staff.

The following adjustments were recorded:

- Adjustment to properly record revenues, deferred inflows of resources and due from other governments totaling \$25,125.
- Adjustment to properly record beginning fund balance, cash, and accrued payroll totaling \$19,532.
- Adjustment to properly record capital assets totaling \$59,296 in the Capital Equipment Fund, which were included in services and supplies in the General Fund.

Cause: Procedures have not been implemented to ensure Authority personnel possess the experience to prepare the Authority's financial statements in accordance with generally accepted accounting principles.

Effect: Prior to adjustment, financial information prepared by the Authority did not comply with generally accepted accounting principles.

Recommendation: We recommend the Authority implement procedures to provide training in the preparation of governmental financial statements in accordance with generally accepted accounting principles.

Views of Responsible Officials: Management will annually review whether to accept the degree of risk associated with the auditors preparing the Authority's financial statements.