



FINANCIAL STATEMENTS

Year Ended December 31, 2018





Independent Auditors' Report

Board of Directors
Larimer Emergency Telephone Authority
Loveland, Colorado

We have audited the accompanying basic financial statements of the governmental activities and the General Fund of the Larimer Emergency Telephone Authority as of and for the year ended December 31, 2018 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Larimer Emergency Telephone Authority as of December 31, 2018, and the changes in its financial position and the budgetary comparison for the year then ended, in conformity with accounting principles generally accepted in the United States.

Other Matters

Accounting principles generally accepted in the United States require that management discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Anderson & Whitney, P.C.

May 31, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) General Fund budgetary comparison, and (3) notes to the financial statements.

The Statement of Net Position (on page 6) and the Statement of Activities (on page 7) provide information about the activities of LETA as a whole and present a longer-term view of LETA's finances. For governmental activities, these statements also explain how these services were financed in the short term, as well as what remains for future spending.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2018, assets exceeded liabilities by \$5,387,802.

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

December 31	2018	2017
Assets:		
Cash and investments	\$ 4,552,672	\$ 4,517,807
Receivables and prepaid items	448,468	331,114
Capital assets	384,499	627,386
Total Assets	5,385,639	5,476,307
Liabilities:		
Accounts payable	(2,163)	(2,163)
Total Liabilities	(2,163)	(2,163)
Net Position:		
Investment in capital assets	384,499	627,386
Unrestricted	5,003,303	4,851,084
Total Net Position	\$ 5,387,802	\$ 5,478,470

A significant portion of LETA's net position represents unrestricted net position of \$5,003,303 which may be used to meet the Authority's ongoing obligations to citizens and coordinating governments.

Another significant portion of the Authority's net position reflects its investment in capital assets. These assets include primarily equipment at various sites. These capital assets are used to provide services to citizens; consequently, they are not available for future spending.

The following table indicates the changes in net position:

Years Ended December 31	2018	2017
Revenues:		
Program revenue:		
Telephone surcharges	\$ 2,007,632	\$ 1,963,822
General revenue:		
Investment earnings and other	54,512	30,881
Total Revenues	2,062,144	1,994,703
Expenses:		
Telephone Charges	346,254	276,016
Administration	622,208	589,053
Board	120,190	199,569
Public Safety Answering Points	361,792	306,269
Depreciation	357,328	348,224
Projects	345,040	905,992
Total Expenses	2,152,812	2,625,123
Increase (Decrease) in Net Position	\$ (90,668)	\$ (630,420)

Governmental Activities. Governmental activities decreased LETA's net position by \$90,668 in 2018. Key elements of this decrease are as follows:

- * There was a 1% increase in surcharge revenue primarily due to less hardwire revenue than was expected.
- * There was a 22% decrease in expenses from 2017, primarily due to decreased projects, such as pictometry.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Authority's budget is prepared according to Colorado statutes on the modified accrual method, which does not include depreciation.

Year Ended December 31, 2018	Original and Final	
	Budget	Actual
Beginning Fund Balance	\$ 4,851,084	\$ 4,851,084
Revenue	2,194,000	2,062,144
Expenditures	4,094,000	1,909,925
Ending Fund Balance	\$ 2,951,084	\$ 5,003,303

Actual expenditures were less than budget primarily due to special projects not occurring that were anticipated during 2018.

CAPITAL ASSET ADMINISTRATION

Capital Assets. LETA's investment in capital assets for its governmental type activities as of December 31, 2018, totals \$384,499 net of accumulated depreciation. This investment includes emergency telephone equipment at various sites. There was no increase in capital assets for the current year.

The Authority implemented the straight-line depreciation method under GASB 34 for its capital assets. Additional information on the Authority's capital assets can be found in Note 3 to the financial statements.

OTHER MATTERS

The following factors are expected to have a significant impact on LETA's financial position and results of operations:

- The surcharge is increasing to \$0.70 per month per line in 2019.
- The statewide 9-1-1 tariff has been finalized, beginning in 2019.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of LETA's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the Authority, 380 N. Wilson, Loveland, Colorado 80537.

LARIMER EMERGENCY TELEPHONE AUTHORITY

GENERAL FUND BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2018	General Fund	Adjustments (Note 6)	Statement of Net Position
<u>ASSETS</u>			
Cash	\$ 51,986	\$ -	\$ 51,986
Investments	4,500,686	-	4,500,686
Accounts Receivable	242,379	-	242,379
Prepaid Items	206,089	-	206,089
Capital Assets	-	384,499	384,499
TOTAL ASSETS	\$ 5,001,140	384,499	5,385,639
<u>LIABILITIES</u>			
Accounts Payable	(2,163)	-	(2,163)
Total Liabilities	(2,163)	-	(2,163)
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance:			
Nonspendable	206,089	(206,089)	-
Assigned:			
Operations and 9-1-1 Projects	4,797,214	(4,797,214)	-
Total Fund Balance	5,003,303	(5,003,303)	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 5,001,140		
Net Position:			
Investment in capital assets		384,499	384,499
Unrestricted		5,003,303	5,003,303
TOTAL NET POSITION		\$ 5,387,802	\$ 5,387,802

See Accompanying Notes to Financial Statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

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

Year Ended December 31, 2018	General Fund	Adjustments (Note 7)	Statement of Activities
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 238,212	\$ -	\$ 238,212
Wireless	1,388,750	-	1,388,750
Voice-over internet protocol (VOIP)	267,439	-	267,439
Prepaid wireless	113,231	-	113,231
Investment earnings and other	54,512	-	54,512
Total Revenue	2,062,144	-	2,062,144
Expenditures:			
Current Operating:			
Administration	60,106	-	60,106
Personnel	562,102	-	562,102
Telephone	346,254	-	346,254
Board expenses	120,190	-	120,190
Public Safety Answering Points	361,792	-	361,792
Projects	345,040	-	345,040
Capital Outlay	114,441	(114,441)	-
Depreciation	-	357,328	357,328
Total Expenditures	1,909,925	242,887	2,152,812
Change in Fund Balance/Net Position	152,219	(242,887)	(90,668)
Fund Balance/Net Position, Beginning of Year	4,851,084	627,386	5,478,470
FUND BALANCE/NET POSITION, End of Year	\$ 5,003,303	\$ 384,499	\$ 5,387,802

See Accompanying Notes to Financial Statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2018	Actual	Original and Final Budget	Variance
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 238,212	\$ 290,000	\$ (51,788)
Wireless	1,388,750	1,485,000	(96,250)
Voice-over internet protocol	267,439	275,000	(7,561)
Prepaid wireless	113,231	144,000	(30,769)
Investment earnings and other	54,512	-	54,512
Total Revenue	2,062,144	2,194,000	(131,856)
Expenditures:			
Administration:			
Personnel salaries	451,523	400,000	(51,523)
Benefits	110,579	118,000	7,421
Operating supplies	186	1,200	1,014
Training	2,846	18,000	15,154
Travel	5,584	18,000	12,416
Office lease	27,850	30,000	2,150
Operating expenses	23,640	22,200	(1,440)
Total Administration	622,208	607,400	(14,808)
Telephone:			
AT&T language line	-	2,200	2,200
Outgoing callbox lines	-	4,950	4,950
Networking	285,257	100,000	(185,257)
Ethernet network	59,207	96,000	36,793
Comcast	1,790	1,800	10
ESI Net - NG 911 tariff	-	500,000	500,000
Total Telephone	346,254	704,950	358,696
Board Expenses:			
Attorney	97,966	150,000	52,034
Audit and budget	16,800	14,500	(2,300)
Bank charges	2,182	-	(2,182)
Insurance	2,764	4,200	1,436
Postage	478	250	(228)
Web page	-	3,000	3,000
Total Board Expenses	120,190	171,950	51,760

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LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT - Continued

Year Ended December 31, 2018	Actual	Original and Final Budget	Variance
Expenditures - Continued:			
Public Safety Answering Points (PSAP):			
Logging recorder costs	\$ 85,950	\$ 95,000	\$ 9,050
Emergency Medical Dispatch (EMD)	75,167	105,000	29,833
Operating expenses	116,314	130,100	13,786
National Q	79,597	140,000	60,403
SP Program/EMD updates	-	25,000	25,000
EMD Trainer	4,764	10,000	5,236
Total PSAPs	361,792	505,100	143,308
Other:			
Public education	24,323	25,000	677
GIS maintenance	1,637	-	(1,637)
Callbox repairs	13,245	35,000	21,755
Emergency notification system	153,746	207,600	53,854
Pictometry	25,363	55,000	29,637
Point based address map	-	3,500	3,500
Special projects, VIPER maintenance	126,726	976,000	849,274
Total Other	345,040	1,302,100	957,060
Capital Outlay:			
Acquisition of systems	114,441	802,500	688,059
Total Expenditures	1,909,925	4,094,000	2,184,075
Revenue Over (Under) Expenditures	152,219	(1,900,000)	2,052,219
Fund Balance, January 1, 2018	4,851,084	4,851,084	-
Fund Balance, December 31, 2018	\$ 5,003,303	\$ 2,951,084	\$ 2,052,219

See Accompanying Notes to Financial Statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Larimer Emergency Telephone Authority (the Authority) conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the Authority's financial statements.

Reporting Entity:

LETA was formed November 14, 1990, by an intergovernmental agreement among twenty governments and special authorities located in Larimer County, Colorado. It is governed by a seven-member board consisting of two members from the cities, two from the towns, and one each from the hospital authorities, fire authorities, and the County.

LETA's purpose is to contract for the installation and operation of an emergency telephone service (9-1-1). Revenue is generated to defray the costs involved through a monthly surcharge for each telephone exchange access facility in the County. The monthly rate was \$0.45 for 2018. State statutes limit the spending of surcharges to costs of equipment directly related to the receipt and routing of emergency calls, monthly recurring charges of service suppliers, costs related to the provision of the emergency notification system and other costs directly related to the emergency telephone service.

The financial report of the Authority includes all of the integral parts of the Authority's operations. The Authority has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

Government-wide and Fund Financial Statements:

The Authority reports as a special purpose government engaged in a single governmental program. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities are supported by telephone surcharges.

Separate financial statements are provided for the General Fund. The General Fund is reported as a separate column in the financial statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Telephone surcharges are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Telephone surcharges and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major governmental fund:

The *general fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority.

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are legally restricted by law or outside parties for use for specific purpose.

Assigned fund balances, if any, are amounts the Authority intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official to which the Board delegates authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

Capital Assets:

Capital assets consist primarily of communication and computer equipment for the operation of a county-wide emergency telephone service. These assets are recorded at cost or estimated historical cost if actual historical cost is not available.

Depreciation has been provided on capital assets using straight-line methods over three to ten years. The Authority's capitalization level is \$5,000.

Investments:

Investments are stated at their fair value as of the financial statement date.

Budget:

An annual budget and appropriation resolution is adopted by the Board of Directors in accordance with the Local Government Budget Law. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States for governmental funds. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Board is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Board through a supplemental appropriation resolution. There were no supplemental appropriations in 2018.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - Cash and Investments:

The Authority's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

State statutes authorize the Authority to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain money market funds and corporate bonds within three years of maturity and rated not less than AA- or Aa3.

The Authority's investment policy is not more restrictive than State statutes. The Authority's investments are concentrated in bank CD's of \$250,000 or less.

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates.

Investments for the Authority are reported at market value. Investments held are as follows:

<u>December 31, 2018</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasury notes due in 2019 – 2021, 1.375% - 3.6%	\$ 1,720,141	\$ 1,690,391
Bank CD's due in 2019 through 2020, 1.6% - 2.1%	1,598,000	1,590,442
<u>Goldman Sachs Financial Square Government Fund</u>	<u>1,219,853</u>	<u>1,219,853</u>
	<u>\$ 4,537,994</u>	<u>\$ 4,500,686</u>

At December 31, 2018, the Authority held \$1,219,853 in the Goldman Sachs Financial Square Government Fund. This investment cannot be categorized since it is not evidenced by specific securities. The investment is rated AAA by Fitch. The Authority's investment is measured at net asset value (NAV).

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - Cash and Investments – Continued:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

Description	Fair Value Measurements at Reporting Date Using		
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2018</u>			
Bank C.D.'s	\$ --	\$ 1,590,442	\$ --
U.S. Treasury and Agencies Notes	--	1,690,391	--

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - Changes in Capital Assets:

Capital assets acquired as of December 31, 2018 and installed at various locations are as follows:

	Balance, 1/1/18	Additions	Deletions	Balance, 12/31/18
Property Held At:				
Larimer County Sheriff's Office	\$ 444,972	\$ --	\$ 41,122	\$ 403,850
Loveland Police Department	521,882	--	41,121	480,761
Estes Park Police Department	417,295	--	49,349	367,946
Fort Collins 9-1-1	1,256,930	--	347,241	909,689
CSU	359,268	12,989	41,121	331,136
County-wide:				
GIS Project	27,000	--	--	27,000
Fiber	--	101,452	--	101,452
VIPER	31,147	--	--	31,147
Office remodel	95,413	--	--	95,413
LETA office furniture	36,085	--	--	36,085
Total Capital Assets	3,189,992	114,441	519,954	2,784,479
Less Accumulated Depreciation:				
Larimer County Sheriff's Office	375,111	49,016	41,122	383,005
Loveland Police Department	350,294	94,596	41,121	403,769
Estes Park Police Department	355,165	36,532	49,349	342,348
Fort Collins 9-1-1	1,058,865	120,435	347,241	832,059
CSU	306,546	32,524	41,121	297,949
County-wide:				
GIS Project	27,000	--	--	27,000
Fiber	--	8,454	--	8,454
VIPER	24,918	6,230	--	31,148
Office remodel	28,622	9,541	--	38,163
LETA office furniture	36,085	--	--	36,085
Total Accumulated Depreciation	2,562,606	357,328	519,954	2,399,980
Capital Assets, net	\$ 627,386	\$ (242,887)	\$ --	\$ 384,499

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - Contingencies:

The intergovernmental agreement states that if emergency telephone service is ever discontinued, any remaining balance may be transferred to the public entities on a basis proportional to the service provided and the number of users in each public entity.

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters. The Authority is a member of Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a separate legal entity established by member governments pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. Settled claims have not exceeded this coverage in any of the past three fiscal years.

In 1992, Colorado voters approved the Taxpayer's Bill of Rights (TABOR). The Authority believes that it is exempt from TABOR on the grounds that the Authority does not have legal authority to levy taxes and that the Authority's revenue is derived from fees paid for emergency telephone services by telephone users. Such fees are regulated by the Colorado Public Utilities Commission. The enabling legislation allowing the creation of the Authority explicitly contemplates that the primary purpose of the fee is to defray the cost of services provided to those charged.

NOTE 5 – Operating Lease:

The Authority leases facilities from the Thompson Valley Health Services District under a lease expiring on December 31, 2023 and a copier from Ricoh expiring December 31, 2022.

Future minimum rental payments including utilities are:

Year Ending December 31	Amount
2019	\$ 29,471
2020	29,471
2021	29,471
2022	29,471
2023	27,852
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	\$ 145,736

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Reconciliation Between the General Fund Balance Sheet and the Statement of Net Position:

Amounts reported in the statement of net assets are different because:

December 31, 2018	
Fund balance of General Fund	\$ 5,003,303
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	384,499
Total Net Position	\$ 5,387,802

NOTE 7 – Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of the General Fund to the Statement of Activities:

Year Ended December 31, 2018	
Net change in fund balance – General Fund	\$ 152,219
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
The General Fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay.	
	(242,887)
Change in Net Position of Governmental Activities	\$ (90,668)

NOTE 8 – Employee Benefits:

Employees of Authority participate in the employee benefit plans of Larimer County, Colorado with the Authority paying the applicable employer share. Accrued vacation pay is not reflected in these financial statements as it is not material.

Employees also participate in the Larimer County Contributory Retirement Plan. Employee contributions are matched by the Authority and range from 5% of salary upon hire to 8% of salary after ten years of service. Employees are not vested in the Authority contributions until they reach five years of service and become 100% vested. Contributions from the Authority to the Plan were \$31,636 in 2018 and \$24,531 in 2017.
