



# FINANCIAL STATEMENTS

Year Ended December 31, 2019





## 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, 2019 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, 2019, 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 27, 2020

## 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, 2019, assets exceeded liabilities by \$6,210,684.

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

December 31	2019	2018
Assets:		
Cash and investments	\$ 5,162,651	\$ 4,552,672
Receivables and prepaid items	672,703	448,468
Capital assets	428,167	384,499
Total Assets	6,263,521	5,385,639
Liabilities:		
Accounts payable	52,837	(2,163)
Total Liabilities	52,837	(2,163)
Net Position:		
Investment in capital assets	428,167	384,499
Unrestricted	5,782,517	5,003,303
Total Net Position	\$ 6,210,684	\$ 5,387,802

A significant portion of LETA's net position represents unrestricted net position of \$5,782,517 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	2019	2018
<b>Revenues:</b>		
Program revenue:		
Telephone surcharges	\$ 3,067,668	\$ 2,007,632
General revenue:		
Investment earnings and other	99,689	54,512
<b>Total Revenues</b>	<b>3,167,357</b>	<b>2,062,144</b>
<b>Expenses:</b>		
Telephone Charges	169,828	346,254
Administration	699,011	622,208
Board	164,041	120,190
Public Safety Answering Points	266,380	361,792
Depreciation	106,332	357,328
Projects	871,089	345,040
Capital Outlay	67,794	--
<b>Total Expenses</b>	<b>2,344,475</b>	<b>2,152,812</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 822,882</b>	<b>\$ (90,668)</b>

**Governmental Activities.** Governmental activities increased LETA's net position by \$822,882 in 2019. Key elements of this increase are as follows:

- \* There was a 53% increase in surcharge revenue primarily due to the increase in the monthly surcharge from \$.45 to \$.70.
- \* There was a 9% increase in expenses from 2018, primarily due to increase in special projects expenses.

**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, 2019	Original and Final Budget	Actual
Beginning Fund Balance	\$ 5,003,303	\$ 5,003,303
Revenue	3,072,500	3,167,357
Expenditures	5,072,500	2,388,143
<b>Ending Fund Balance</b>	<b>\$ 3,003,303</b>	<b>\$ 5,782,517</b>

Actual expenditures were less than budget primarily due to special projects not occurring that were anticipated during 2019.

## **CAPITAL ASSET ADMINISTRATION**

*Capital Assets.* LETA's investment in capital assets for its governmental type activities as of December 31, 2019, totals \$428,167 net of accumulated depreciation. This investment includes emergency telephone equipment at various sites. The total increase in capital assets for the current year was \$150,000, due to earnest money paid for a building located at 4872 Endeavor Drive, Johnstown, Colorado.

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 in 2020 and beyond:

- The building at 4872 Endeavor Drive in Johnstown was purchased along with Larimer County, with LETA occupying the second floor and utilizing a 15 year capital lease.
- The statewide 9-1-1 tariff has been finalized in 2020. A State grant of \$277,834 will be received in 2020 after LETA migrates to the NG 9-1-1 network.

## **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, 2019	General Fund	Adjustments (Note 6)	Statement of Net Position
<b><u>ASSETS</u></b>			
Cash	\$ 564,922	\$ -	\$ 564,922
Investments	4,597,729	-	4,597,729
Accounts Receivable	457,046	-	457,046
Prepaid Items	215,657	-	215,657
Capital Assets	-	428,167	428,167
<b>TOTAL ASSETS</b>	<b>\$ 5,835,354</b>	<b>428,167</b>	<b>6,263,521</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	52,837	-	52,837
<b>Total Liabilities</b>	<b>52,837</b>	<b>-</b>	<b>52,837</b>
<b><u>FUND BALANCE/NET POSITION</u></b>			
Fund Balance:			
Nonspendable	215,657	(215,657)	-
Assigned:			
Operations and 9-1-1 Projects	5,566,860	(5,566,860)	-
<b>Total Fund Balance</b>	<b>5,782,517</b>	<b>(5,782,517)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 5,835,354</b>		
<b>Net Position:</b>			
Investment in capital assets		428,167	428,167
Unrestricted		5,782,517	5,782,517
<b>TOTAL NET POSITION</b>		<b>\$ 6,210,684</b>	<b>\$ 6,210,684</b>

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, 2019	General Fund	Adjustments (Note 7)	Statement of Activities
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 317,974	\$ -	\$ 317,974
Wireless	2,213,461	-	2,213,461
Voice-over internet protocol (VOIP)	441,249	-	441,249
Prepaid wireless	94,984	-	94,984
Investment earnings and other	99,689	-	99,689
Total Revenue	3,167,357	-	3,167,357
Expenditures:			
Current Operating:			
Administration	118,427	-	118,427
Personnel	580,584	-	580,584
Telephone	169,828	-	169,828
Board expenses	164,041	-	164,041
Public Safety Answering Points	266,380	-	266,380
Projects	871,089	-	871,089
Capital Outlay	217,794	(150,000)	67,794
Depreciation	-	106,332	106,332
Total Expenditures	2,388,143	(43,668)	2,344,475
Change in Fund Balance/Net Position	779,214	43,668	822,882
Fund Balance/Net Position, Beginning of Year	5,003,303	384,499	5,387,802
FUND BALANCE/NET POSITION, End of Year	\$ 5,782,517	\$ 428,167	\$ 6,210,684

See Accompanying Notes to Financial Statements.

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2019	Actual	Original and Final Budget	Variance
<b>Revenue:</b>			
Telephone surcharge fees:			
Hardwire	\$ 317,974	\$ 400,000	\$ (82,026)
Wireless	2,213,461	2,185,000	28,461
Voice-over internet protocol	441,249	315,000	126,249
Prepaid wireless	94,984	127,500	(32,516)
Investment earnings and other	99,689	45,000	54,689
<b>Total Revenue</b>	<b>3,167,357</b>	<b>3,072,500</b>	<b>94,857</b>
<b>Expenditures:</b>			
Administration:			
Personnel salaries	447,876	515,000	67,124
Benefits	132,708	165,000	32,292
Operating supplies	444	3,600	3,156
Training	7,279	22,000	14,721
Travel	8,324	18,000	9,676
Office lease	30,171	30,000	(171)
Operating expenses	72,209	110,700	38,491
<b>Total Administration</b>	<b>699,011</b>	<b>864,300</b>	<b>165,289</b>
Telephone:			
AT&T language line	-	1,500	1,500
Networking	168,161	125,000	(43,161)
Comcast	1,667	1,800	133
ESI Net - NG 911 tariff	-	502,650	502,650
<b>Total Telephone</b>	<b>169,828</b>	<b>630,950</b>	<b>461,122</b>
Board Expenses:			
Attorney	138,411	125,000	(13,411)
Audit and budget	18,175	14,500	(3,675)
Bank charges	3,859	2,500	(1,359)
Insurance	3,481	4,200	719
Postage	115	500	385
Web page	-	300	300
<b>Total Board Expenses</b>	<b>164,041</b>	<b>147,000</b>	<b>(17,041)</b>

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# LARIMER EMERGENCY TELEPHONE AUTHORITY

## BUDGETARY COMPARISON STATEMENT - Continued

Year Ended December 31, 2019	Actual	Original and Final Budget	Variance
Expenditures - Continued:			
Public Safety Answering Points (PSAP):			
Logging recorder costs	\$ 50,829	\$ 115,000	\$ 64,171
Emergency Medical Dispatch (EMD)	86,859	89,400	2,541
Operating expenses	83,112	117,200	34,088
National Q	42,959	80,000	37,041
EMD Trainer	2,621	10,000	7,379
Total PSAPs	266,380	411,600	145,220
Other:			
Public education	42,796	54,000	11,204
Callbox repairs	36,111	49,650	13,539
Emergency notification system	162,031	216,500	54,469
Pictometry	343,977	500,000	156,023
GIS Point based address map	3,617	3,500	(117)
Special projects, VIPER maintenance	282,557	250,000	(32,557)
Total Other	871,089	1,073,650	202,561
Capital Outlay:			
New building, Viper upgrades	217,794	1,945,000	1,727,206
Total Expenditures	2,388,143	5,072,500	2,684,357
Revenue Over (Under) Expenditures	779,214	(2,000,000)	2,779,214
Fund Balance, January 1, 2019	5,003,303	5,003,303	-
Fund Balance, December 31, 2019	\$ 5,782,517	\$ 3,003,303	\$ 2,779,214

See Accompanying Notes to Financial Statements.

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### 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.

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#### 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 \$0.70 for 2019. 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.

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#### 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.

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# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### 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.

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#### 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.

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# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### 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.

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#### 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.

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#### Investments:

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

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#### 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 2019.

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# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2019</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasury notes due in 2020 – 2021, 1.375% - 3.6%	\$ 990,620	\$ 981,767
Bank CD's due in 2020, 1.6% - 2.1%	1,200,000	1,203,766
<u>Goldman Sachs Financial Square Government Fund</u>	<u>2,412,196</u>	<u>2,412,196</u>
	<u>\$ 4,602,816</u>	<u>\$ 4,597,729</u>

At December 31, 2019, the Authority held \$2,412,196 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

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### 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, 2019</u>			
Bank C.D.'s	\$ --	\$ 1,203,766	\$ --
U.S. Treasury and Agencies Notes	--	981,767	--

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# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 - Changes in Capital Assets:

Capital assets acquired as of December 31, 2019 and installed at various locations are as follows:

	Balance, 1/1/19	Additions	Deletions	Balance, 12/31/19
<b>Property Held At:</b>				
Larimer County Sheriff's Office	\$ 403,850	\$ --	\$ --	\$ 403,850
Loveland Police Department	480,761	--	--	480,761
Estes Park Police Department	367,946	--	--	367,946
Fort Collins 9-1-1	909,689	--	--	909,689
CSU	331,136	--	--	331,136
<b>County-wide:</b>				
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
LETA building	--	150,000	--	150,000
<b>Total Capital Assets</b>	<b>2,784,479</b>	<b>150,000</b>	<b>--</b>	<b>2,934,479</b>
<b>Less Accumulated Depreciation:</b>				
Larimer County Sheriff's Office	383,005	7,817	--	390,822
Loveland Police Department	403,769	27,917	--	431,686
Estes Park Police Department	342,348	9,318	--	351,666
Fort Collins 9-1-1	832,059	28,129	--	860,188
CSU	297,949	9,116	--	307,065
<b>County-wide:</b>				
GIS Project	27,000	--	--	27,000
Fiber	8,454	14,493	--	22,947
VIPER	31,148	--	--	31,148
Office remodel	38,163	9,542	--	47,705
LETA office furniture	36,085	--	--	36,085
<b>Total Accumulated Depreciation</b>	<b>2,399,980</b>	<b>106,332</b>	<b>--</b>	<b>2,506,312</b>
<b>Capital Assets, net</b>	<b>\$ 384,499</b>	<b>\$ 43,668</b>	<b>\$ --</b>	<b>\$ 428,167</b>

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### 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.

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### 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
2020	\$ 29,471
2021	29,471
2022	29,471
2023	27,852
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	\$ 116,265

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# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### 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:

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December 31, 2019	
Fund balance of General Fund	\$ 5,782,517
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	428,167
Total Net Position	\$ 6,210,684

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

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Year Ended December 31, 2019	
Net change in fund balance – General Fund	\$ 779,214
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 capital outlay exceeded depreciation.	
	43,668
Change in Net Position of Governmental Activities	\$ 822,882

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### NOTE 8 – Employee Benefits:

Employees of Authority participate in the employee benefit plans of the Thompson Valley Health Services District 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 Thompson Valley Health Services District 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 \$59,331 in 2019 and \$31,636 in 2018.

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# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 9 – Subsequent Events:**

In January 2020, the Authority purchased a portion of a building for \$2,875,000, using the proceeds of a 15-year capital lease. Larimer County, Colorado purchased the other portion of the building and an association was formed to account for common area expenses.

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