



FINANCIAL STATEMENTS

Year Ended December 31, 2021





Independent Auditors' Report

Board of Directors
Larimer Emergency Telephone Authority
Larimer County, Colorado

Opinions

We have audited the accompanying balance sheet/statement of net position, and the statement of revenues, expenditures and changes in fund balance/statement of activities of the governmental activities and the major fund and the budgetary comparison statement of Larimer Emergency Telephone Authority as of and for the year ended December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities and the major fund of Larimer Emergency Telephone Authority as of December 31, 2021, and the changes in its financial position and the budgetary comparison for the year then ended, accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States require that management discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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, 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 26, 2022

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 7) and the Statement of Activities (on page 8) 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, 2021, assets exceeded liabilities by \$9,177,107.

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

December 31	2021	2020
Assets:		
Cash and investments	\$ 6,390,399	\$ 6,104,676
Receivables and prepaid items	948,379	583,111
Capital assets	6,395,783	5,133,272
Total Assets	13,734,561	11,821,059
Liabilities:		
Accounts payable	152,853	52,837
Lease purchase agreement	4,332,000	4,500,000
Compensated absences	72,601	60,176
Total Liabilities	4,557,454	4,613,013
Net Position:		
Investment in capital assets	2,063,783	633,272
Unrestricted	7,113,324	6,574,774
Total Net Position	\$ 9,177,107	\$ 7,208,046

A significant portion of LETA's net position represents unrestricted net position of \$7,113,324 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	2021	2020
Revenues:		
Program revenue:		
Telephone surcharges	\$ 3,744,920	\$ 3,172,634
General revenue:		
Investment earnings and grants	691,828	370,378
Total Revenues	4,436,748	3,543,012
Expenses:		
Telephone Charges	424,753	427,261
Administration	706,677	679,992
Board	133,246	95,691
Public Safety Answering Points	275,467	264,077
Depreciation	260,111	165,092
Projects	633,187	913,537
Capital Outlay	34,246	--
Total Expenses	2,467,687	2,545,650
Increase in Net Position	\$ 1,969,061	\$ 997,362

Governmental Activities. Governmental activities increased LETA's net position by \$1,969,061 in 2021. Key elements of this increase are as follows:

- * There was a 25% increase in revenues from 2020, primarily from state and county grants.
- * There was no increase in expenses from 2020.

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, 2021	Original and Final Budget	Actual
Beginning Fund Balance	\$ 6,634,950	\$ 6,634,950
Revenue	3,040,000	4,436,748
Expenditures	(5,240,000)	(3,885,773)
Ending Fund Balance	\$ 4,434,950	\$ 7,185,925

Actual expenditures were less than budget primarily due to special projects not occurring that were anticipated during 2021.

CAPITAL ASSET ADMINISTRATION

Capital Assets. LETA's investment in capital assets for its governmental type activities as of December 31, 2021, totals \$6,395,783 net of accumulated depreciation. This investment includes emergency telephone equipment at various sites. The total increase in capital assets for the current year was \$1,262,511, due to the completion of a back-up PSAP 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.

DEBT

Capital Lease. In 2021, the Authority entered into a capital lease for \$4,500,000 for the acquisition of property. Additional information can be found in Note 6 to the financial statements.

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, 4872 Endeavor Drive, Johnstown, Colorado 80534.

LARIMER EMERGENCY TELEPHONE AUTHORITY

GENERAL FUND BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2021	General Fund	Adjustments (Note 9)	Statement of Net Position
ASSETS			
Cash	\$ 1,728,670	\$ -	\$ 1,728,670
Investments	4,661,729	-	4,661,729
Accounts receivable	796,472	-	796,472
Prepaid items	151,907	-	151,907
Capital Assets, net of depreciation	-	6,395,783	6,395,783
TOTAL ASSETS	7,338,778	6,395,783	13,734,561
LIABILITIES			
Accrued payables	152,853	-	152,853
Long-Term Liabilities:			
Capital lease	-	4,332,000	4,332,000
Compensated absences	-	72,601	72,601
Total Liabilities	152,853	4,404,601	4,557,454
FUND BALANCE/NET POSITION			
Fund Balance:			
Nonspendable	151,907	(151,907)	-
Assigned:			
Operations and 9-1-1 Projects	7,034,018	(7,034,018)	-
Total Fund Balance	7,185,925	(7,185,925)	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 7,338,778		
Net Position:			
Net Investment in capital assets		2,063,783	2,063,783
Unrestricted		7,113,324	7,113,324
TOTAL NET POSITION		\$ 9,177,107	\$ 9,177,107

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, 2021	General Fund	Adjustments (Note 10)	Statement of Activities
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 247,433	\$ -	\$ 247,433
Wireless	2,429,057	-	2,429,057
Voice-over internet protocol (VOIP)	536,962	-	536,962
Prepaid wireless	531,468	-	531,468
Investment earnings and other	6,548	-	6,548
Statewide surcharges	435,280	-	435,280
Capital contribution - county	250,000	-	250,000
Total Revenue	4,436,748	-	4,436,748
Expenditures:			
Current Operating:			
Administration	8,886	-	8,886
Personnel	685,366	12,425	697,791
Telephone	424,753	-	424,753
Board expenses	133,246	-	133,246
Public Safety Answering Points	275,467	-	275,467
Projects	801,187	(168,000)	633,187
Capital Outlay	1,556,868	(1,522,622)	34,246
Depreciation	-	260,111	260,111
Total Expenditures	3,885,773	(1,418,086)	2,467,687
Revenue Over Expenditures	550,975	1,418,086	1,969,061
Fund Balance/Net Position, Beginning of Year	6,634,950	573,096	7,208,046
FUND BALANCE/NET POSITION, End of Year	\$ 7,185,925	\$ 1,991,182	\$ 9,177,107

See Accompanying Notes to Financial Statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2021	Actual	Original and Final Budget	Variance
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 247,433	\$ 230,000	\$ 17,433
Wireless	2,429,057	1,985,000	444,057
Voice-over internet protocol	536,962	450,000	86,962
State 911 surcharge	435,280	276,000	159,280
Prepaid wireless	531,468	87,000	444,468
Investment earnings and other	6,548	12,000	(5,452)
Capital contribution - county	250,000	-	250,000
Total Revenue	4,436,748	3,040,000	1,396,748
Expenditures:			
Administration:			
Personnel salaries	548,789	560,000	11,211
Benefits	136,577	155,500	18,923
Operating supplies	240	1,200	960
Training	11,582	12,000	418
Travel	7,304	16,000	8,696
Operating expenses	(10,240)	48,000	58,240
Total Administration	694,252	792,700	98,448
Telephone:			
AT&T language line	-	1,500	1,500
Networking	-	15,650	15,650
Comcast	1,519	1,950	431
ESI Net - NG 911 tariff	423,234	452,000	28,766
Total Telephone	424,753	471,100	46,347
Board Expenses:			
Attorney	91,364	125,000	33,636
Audit and budget	21,750	22,000	250
Bank charges	19,848	12,500	(7,348)
Insurance	-	10,500	10,500
Postage	284	655	371
Total Board Expenses	133,246	170,655	37,409

Continued on next page.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT - Continued

Year Ended December 31, 2021	Actual	Original and Final Budget	Variance
Expenditures - Continued:			
Public Safety Answering Points (PSAP):			
Logging recorder costs	\$ 80,471	\$ 250,000	\$ 169,529
Emergency Medical Dispatch (EMD)	93,239	100,000	6,761
Operating expenses	65,772	175,345	109,573
National Q	35,985	55,000	19,015
EMD Trainer	-	-	-
Total PSAPs	275,467	580,345	304,878
Other:			
Public education	4,182	5,000	818
Callbox	48,992	20,000	(28,992)
Emergency notification system	163,842	363,500	199,658
Pictometry	-	360,000	360,000
GIS Point based address map	3,802	3,800	(2)
4872 Association expenses	48,765	50,000	1,235
Special projects, VIPER maintenance	229,054	475,000	245,946
Debt service:			
Principal	162,000	162,000	-
Interest	140,550	142,000	1,450
Total Other	801,187	1,581,300	780,113
Capital Outlay:			
Backup PSAP Center, Voicelogger, Vehicles	1,556,868	1,643,900	87,032
Total Expenditures	3,885,773	5,240,000	1,354,227
Revenue Over (Under) Expenditures	550,975	(2,200,000)	2,750,975
Fund Balance, January 1, 2021	6,634,950	6,634,950	-
Fund Balance, December 31, 2021	\$ 7,185,925	\$ 4,434,950	\$ 2,750,975

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 \$0.70 for 2021. 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 2021.

Paid Time Off:

Employees receive annual leave which may accumulate to varying levels. Unused leave is paid upon termination and employees can also request a cash out of earned unused hours once per month, payable upon the next payroll cycle.

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 fair value. Investments held are as follows:

December 31, 2021	Cost	Fair Value
U.S. Treasury notes due in 2022 – 2023, .125% - 1.5%	\$ 1,904,172	\$ 1,896,927
Bank CD's due in 2022, .1% - .4%	1,275,000	1,272,390
Goldman Sachs Financial Square Government Fund	1,476,007	1,476,007
ColoTrust	16,405	16,405
	<u>\$ 4,671,584</u>	<u>\$ 4,661,729</u>

At December 31, 2021, the Authority held \$1,476,007 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).

At December 31, 2021, the Authority held General Fund investments of \$16,405 in Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+). The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments are valued at the net asset value (NAV) with each share valued at \$1.00. COLOTRUST PLUS+ is rated AAAM by Standard & Poor's. The Authority's interest is valued at 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, 2021</u>			
Bank C.D.'s	\$ --	\$ 1,272,390	\$ --
U.S. Treasury and Agencies Notes	1,896,927	--	--

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - Changes in Capital Assets:

Capital assets acquired as of December 31, 2021 and installed at various locations are as follows:

	Balance, 1/1/21	Additions	Deletions	Balance, 12/31/21
Property Held At:				
Larimer County Sheriff's Office	\$ 426,328	\$ 70,101	\$ 39,087	\$ 457,342
Loveland Police Department	489,601	70,101	136,804	422,898
Estes Park Police Department	367,946	70,101	39,086	398,961
Fort Collins 9-1-1	909,689	70,101	136,804	842,986
CSU	331,136	70,101	39,087	362,150
County-wide:				
GIS Project	27,000	--	--	27,000
Fiber	101,452	--	--	101,452
VIPER	31,147	--	--	31,147
Back-up PSAP	80,329	1,011,280	--	1,091,609
Vehicles	--	90,737	--	90,737
Voice logger	--	70,100	--	70,100
LETA office furniture	307,614	--	--	307,614
LETA building	4,678,367	--	--	4,678,367
Total Capital Assets	7,750,609	1,522,622	390,868	8,882,363
Less Accumulated Depreciation:				
Larimer County Sheriff's Office	399,120	7,459	39,087	367,492
Loveland Police Department	459,824	19,681	136,804	342,701
Estes Park Police Department	360,984	6,712	39,086	328,610
Fort Collins 9-1-1	888,317	19,009	136,804	770,522
CSU	316,181	6,511	39,087	283,605
County-wide:				
GIS Project	27,000	--	--	27,000
Fiber	37,440	14,439	--	51,879
VIPER	31,148	--	--	31,148
Vehicles	--	3,241	--	3,241
LETA office furniture	42,873	27,153	--	70,026
LETA office building	54,450	155,906	--	210,357
Total Accumulated Depreciation	2,617,337	260,111	390,868	2,486,580
Capital Assets, net	\$5,133,272	\$ 1,262,511	\$ --	\$ 6,395,783

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 – Related Party Transaction:

In 2020, in conjunction with the purchase of the building on Endeavor Drive, LETA and Larimer County jointly formed a new organization, 4872 Endeavor Condominium Association (Association). The Association manages the expenditures for the joint areas of the building. LETA paid in \$48,765 during 2021 to the Association.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Lease Purchase Agreement:

On January 15, 2020, the Authority entered into a \$4,500,000 lease purchase agreement with BBVA to finance the purchase of the second floor of a new building and interior finish. The lease requires repayment over a 15-year period with interest only payments during the first year and then semi-annual payments thereafter of both interest and principal. The annual interest rate on the lease is 2.99%.

As part of the proceeds, BBVA provided the Authority with \$1,769,969 in cash to help fund various construction costs to complete the interior and furnish the second floor of a new building.

As of December 31, 2021, annual maturities of the lease purchase agreement are as follows:

Years Ending December 31	Principal	Interest	Total
2022	\$ 173,000	\$ 129,526	\$ 302,526
2023	178,000	124,354	302,354
2024	183,000	119,032	302,032
2025	189,000	113,560	302,560
2026	194,000	107,910	301,910
2027-2031	1,061,000	448,942	1,509,942
2032-2034	2,354,000	190,134	2,544,134
	\$4,332,000	\$1,233,458	\$5,565,458

Changes in long-term debt during the year were as follows:

	Balance 1/1/21	Additions	Retirements	Balance 12/31/21	Due within One Year
Certificates of Participation	\$4,500,000	\$ --	\$ 168,000	\$4,332,000	\$ 173,000
Compensated Absences	60,176	12,425	--	72,601	--
Total	\$4,560,176	\$ 12,425	\$ 168,000	\$4,404,601	\$ 173,000

NOTE 7 – 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.

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 approximately \$55,658 in 2021 and \$62,390 in 2020.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Reconciliation Between the General Fund Balance Sheet and the Statement of Net Position:

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

December 31, 2021	
Fund balance of General Fund	\$ 7,185,925
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	6,395,783
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Lease purchase agreement	(4,332,000)
Compensated absences	(72,601)
Total Net Position	\$ 9,177,107

NOTE 10– 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, 2021	
Net change in fund balance – General Fund	\$ 550,975
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.	1,262,511
Governmental funds report capital lease payments as current expenditures. The following summarizes the Authority’s long-term debt transactions for the year:	
Principal portion of payments on capital lease	168,000
In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. These amounts represent the net effect of changes in compensated absences payable.	(12,425)
Change in Net Position of Governmental Activities	\$ 1,969,061
