



FINANCIAL STATEMENTS

Year Ended December 31, 2022





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, 2022, 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, 2022, 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 30, 2023

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, 2022, assets exceeded liabilities by \$11,688,972.

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

December 31	2022	2021
Assets:		
Cash and investments	\$9,200,053	\$ 6,390,399
Receivables and prepaid items	911,119	948,379
Capital assets	6,276,638	6,395,783
Total Assets	16,387,810	13,734,561
Liabilities:		
Accounts payable	467,237	152,853
Lease purchase agreement	4,159,000	4,332,000
Compensated absences	72,601	72,601
Total Liabilities	4,698,838	4,557,454
Net Position:		
Net Investment in capital assets	2,117,638	2,063,783
Unrestricted	9,571,334	7,113,324
Total Net Position	\$11,688,972	\$9,177,107

A significant portion of LETA's net position represents unrestricted net position of \$9,571,334 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	2022	2021
Revenues:		
Program revenue:		
Telephone surcharges	\$5,758,311	\$3,744,920
General revenue:		
Investment earnings and grants	586,238	691,828
Total Revenues	6,344,549	4,436,748
Expenses:		
Telephone Charges	550,384	424,753
Administration	1,042,510	706,677
Board	221,146	133,246
Public Safety Answering Points	371,196	275,467
Depreciation	437,229	260,111
Projects	1,057,837	633,187
Capital Outlay	152,382	34,246
Total Expenses	3,832,684	2,467,687
Increase in Net Position	\$2,511,865	\$1,969,061

Governmental Activities. Governmental activities increased LETA’s net position by \$2,511,865 in 2022. Key elements of this increase are as follows:

- * There was a 43% increase in revenues from 2021, primarily from the monthly surcharge rate increasing to \$1.10 as well as increases in prepaid wireless and voice-over internet protocol charges.
- * There was a 55% increase in expenses from 2021, including replacement of the voice logger system and front room equipment for 61 9-1-1 consoles.

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, 2022	Original and Final Budget	Actual
Beginning Fund Balance	\$7,185,925	\$7,185,925
Revenue	4,725,850	6,344,549
Expenditures	6,600,850	3,886,539
Ending Fund Balance	\$5,310,925	\$9,643,935

Actual expenditures were less than budget primarily due to special projects not occurring that were anticipated during 2022.

CAPITAL ASSET ADMINISTRATION

Capital Assets. LETA's investment in capital assets for its governmental type activities as of December 31, 2022, totals \$6,276,638 net of accumulated depreciation. This investment includes emergency telephone equipment at various sites. The total decrease in capital assets for the current year was \$119,145, due to depreciation expense being more than property additions.

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 2020, 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, 2022	General Fund	Adjustments (Note 8)	Statement of Net Position
<u>ASSETS</u>			
Cash	\$ 4,573,774	\$ -	\$ 4,573,774
Investments	4,626,279	-	4,626,279
Accounts receivable	667,164	-	667,164
Prepaid items	243,955	-	243,955
Capital Assets, net of depreciation	-	6,276,638	6,276,638
TOTAL ASSETS	10,111,172	6,276,638	16,387,810
<u>LIABILITIES</u>			
Accounts payable	103,193	-	103,193
Accrued payables	152,852	-	152,852
Accrued payroll	211,192	-	211,192
Long-Term Liabilities:			
Capital lease	-	4,159,000	4,159,000
Compensated absences	-	72,601	72,601
Total Liabilities	467,237	4,231,601	4,698,838
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance:			
Nonspendable	243,955	(243,955)	-
Assigned:			
Operations and 9-1-1 Projects	9,399,980	(9,399,980)	-
Total Fund Balance	9,643,935	(9,643,935)	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,111,172		
Net Position:			
Net Investment in capital assets		2,117,638	2,117,638
Unrestricted		9,571,334	9,571,334
TOTAL NET POSITION		\$ 11,688,972	\$ 11,688,972

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, 2022	General Fund	Adjustments (Note 9)	Statement of Activities
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 282,454	\$ -	\$ 282,454
Wireless	4,010,862	-	4,010,862
Voice-over internet protocol (VOIP)	688,586	-	688,586
Prepaid wireless	776,409	-	776,409
Investment earnings and other	45,877	-	45,877
Statewide surcharges	492,865	-	492,865
Capital contribution - county	47,496	-	47,496
Total Revenue	6,344,549	-	6,344,549
Expenditures:			
Current Operating:			
Administration	208,762	-	208,762
Personnel	833,748	-	833,748
Telephone	550,384	-	550,384
Board expenses	221,146	-	221,146
Public Safety Answering Points	371,196	-	371,196
Other Projects	1,230,837	(173,000)	1,057,837
Capital Outlay	470,466	(318,084)	152,382
Depreciation	-	437,229	437,229
Total Expenditures	3,886,539	(53,855)	3,832,684
Revenue Over Expenditures	2,458,010	53,855	2,511,865
Fund Balance/Net Position, Beginning of Year	7,185,925	1,191,182	9,177,107
FUND BALANCE/NET POSITION, End of Year	\$ 9,643,935	\$ 1,245,037	\$ 11,688,972

See Accompanying Notes to Financial Statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2022	Actual	Original and Final Budget	Variance
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 282,454	\$ 245,000	\$ 37,454
Wireless	4,010,862	2,580,000	1,430,862
Voice-over internet protocol	688,586	555,000	133,586
State 911 surcharge	492,865	515,000	(22,135)
Prepaid wireless	776,409	595,000	181,409
Investment earnings and other	45,877	42,000	3,877
Grants	47,496	193,850	(146,354)
Total Revenue	6,344,549	4,725,850	1,618,699
Expenditures:			
Administration and Operations:			
Personnel salaries	698,269	635,000	(63,269)
Benefits	135,479	180,500	45,021
Operating supplies and expenses	85,706	15,200	(70,506)
Dues and subscriptions	4,120	4,000	(120)
Auto expense	2,814	20,100	17,286
Training	7,275	28,000	20,725
Travel	8,347	30,000	21,653
Cleaning contract	16,144	15,000	(1,144)
Unrealized gain/loss on investments	57,102	40,000	(17,102)
Building maintenance	4,487	-	(4,487)
HR administration	22,767	20,500	(2,267)
Total Administration	1,042,510	988,300	(54,210)
Telephone:			
AT&T language line	-	1,500	1,500
Networking	-	225,000	225,000
Comcast	1,215	1,950	735
Technical operating expenses	46,784	30,700	(16,084)
Portables	-	240,000	240,000
Diversity Tariff	-	276,000	276,000
Other	17,452	12,414	(5,038)
ESI Net - NG 911 tariff	484,933	552,000	67,067
Total Telephone	550,384	1,339,564	789,180
Board Expenses:			
Attorney	149,444	135,000	(14,444)
Audit and budget	23,989	22,000	(1,989)
Bank charges	40,975	7,800	(33,175)
Insurance	6,711	20,000	13,289
Web page, copier lease	-	3,000	-
Postage	27	700	673
Total Board Expenses	221,146	188,500	(35,646)

Continued on next page.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT - Continued

Year Ended December 31, 2022	Actual	Original and Final Budget	Variance
Expenditures - Continued:			
Public Safety Answering Points (PSAP):			
Logging recorder costs	\$ 102,410	\$ 56,500	\$ (45,910)
EMD trainer	9,000	12,000	3,000
EMD upgrades/SP program	-	15,000	15,000
EMD operating expense	85,477	95,000	9,523
Emergency Medical Dispatch Advisor	14,400	15,600	1,200
Hiring software/programs	10,995	15,000	4,005
PSAP center purchases	98,095	141,360	43,265
PSAP membership	5,635	4,000	(1,635)
National Q	45,184	55,000	9,816
CUEHIT	-	8,000	8,000
Total PSAPs	371,196	417,460	46,264
Other Projects			
Public education	4,394	10,000	5,606
Callbox repairs	54,778	55,000	222
Emergency notification system	199,953	190,500	(9,453)
Pictometry	348,245	350,000	1,755
GIS maintenance	-	10,500	10,500
4872 Association expenses	52,141	50,000	(2,141)
Special projects, VIPER maintenance	268,800	350,000	81,200
Insurance	-	18,000	18,000
Debt service:			
Principal	173,000	173,000	-
Interest	129,526	129,526	-
Total Other	1,230,837	1,336,526	105,689
Capital Outlay:			
911 video	140,048	550,000	409,952
LETA building and equipment	17,639	21,500	3,861
CUBE	-	30,000	30,000
Text to 911 project	-	54,000	54,000
CAD text integration	-	75,000	75,000
Viper upgrades	312,779	1,600,000	1,287,221
Total Capital outlay	470,466	2,330,500	1,965,723
Total Expenditures	3,886,539	6,600,850	2,817,000
Revenue Over (Under) Expenditures	2,458,010	(1,875,000)	4,435,699
Fund Balance, January 1, 2022	7,185,925	7,185,925	-
Fund Balance, December 31, 2022	\$ 9,643,935	\$ 5,310,925	\$ 4,435,699

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 2022.

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, 2022	Cost	Fair Value
U.S. Treasury notes due in 2023 – 2024, .4% - 2.8%	\$2,726,720	\$2,682,003
Bank CD's due in 2022, .3% - .4%	675,000	658,265
Goldman Sachs Financial Square Government Fund	1,269,319	1,269,319
ColoTrust	16,692	16,692
	<u>\$4,687,731</u>	<u>\$ 4,626,279</u>

At December 31, 2022, the Authority held \$1,269,319 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, 2022, the Authority held General Fund investments of \$16,692 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, 2022</u>			
Bank C.D.'s	--	\$658,265	--
U.S. Treasury and Agencies Notes	\$2,682,003	--	--

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - Changes in Capital Assets:

Capital assets acquired as of December 31, 2022 and installed at various locations are as follows:

	Balance, 1/1/22	Additions	Deletions	Balance, 12/31/22
Property Held At:				
Larimer County Sheriff's Office	\$ 457,342	\$ 46,148	\$ 364,764	\$138,726
Loveland Police Department	422,898	51,275	338,398	135,775
Estes Park Police Department	398,961	25,638	313,855	110,744
Fort Collins 9-1-1	842,986	82,040	767,325	157,701
CSU	362,150	20,510	279,059	103,601
County-wide:				
GIS Project	27,000	--	27,000	--
Fiber	101,452	--	--	101,452
VIPER	31,147	87,168	31,147	87,168
Back-up PSAP	1,091,609	--	--	1,091,609
Vehicles	90,737	--	--	90,737
Voice logger	70,100	--	--	70,100
Card Access System	--	5,305	--	5,305
LETA office furniture	307,614	--	36,085	271,529
LETA building	4,678,367	--	--	4,678,367
Total Capital Assets	8,882,363	318,084	2,157,633	7,042,814
Less Accumulated Depreciation:				
Larimer County Sheriff's Office	367,492	15,055	364,764	17,784
Loveland Police Department	342,701	27,353	338,398	31,655
Estes Park Police Department	328,610	8,700	313,855	23,456
Fort Collins 9-1-1	770,522	29,400	767,325	32,597
CSU	283,605	7,458	279,059	12,004
County-wide:				
GIS Project	27,000	--	27,000	--
Fiber	51,879	14,493	--	66,372
Card Access System	--	309	--	309
VIPER	31,148	8,302	31,148	8,302
Back-up PSAP	--	109,161	--	109,161
Voice logger	--	21,030	--	21,030
Vehicles	3,241	12,962	--	16,203
LETA office furniture	70,026	27,153	36,085	61,094
LETA office building	210,357	155,852	--	366,210
Total Accumulated Depreciation	2,486,580	437,229	2,157,633	766,176
Capital Assets, net	\$6,395,783	\$(119,145)	\$ -	\$6,276,638

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 \$52,141 during 2022 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, 2022, annual maturities of the lease purchase agreement are as follows:

Years Ending December 31	Principal	Interest	Total
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	200,000	105,010	305,010
2028-2032	1,093,000	411,316	1,504,316
2033-2034	2,122,000	119,750	2,241,750
	\$4,159,000	\$1,103,932	\$5,262,932

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

	Balance 1/1/22	Additions	Retirements	Balance 12/31/22	Due within One Year
Certificates of Participation	\$4,332,000	\$ --	\$173,000	\$4,159,000	\$178,000
Compensated Absences	72,601	1,064	1,064	72,601	--
Total	\$4,404,601	\$1,064	\$174,064	\$4,231,601	\$178,000

NOTE 7 – Employee Benefits:

Employees of the 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 2022 and \$62,390 in 2021.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – 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, 2022	
Fund balance of General Fund	\$ 9,643,935
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	6,276,638
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 obligation	(4,159,000)
Compensated absences	(72,601)
Total Net Position	\$11,688,972

NOTE 9– 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, 2022	
Net change in fund balance – General Fund	\$2,458,010
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.	(119,145)
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	173,000
Change in Net Position of Governmental Activities	\$2,511,865
