



# FINANCIAL STATEMENTS

Year Ended December 31, 2023



LARIMER EMERGENCY  
TELEPHONE AUTHORITY

FINANCIAL STATEMENTS

Year Ended December 31, 2023





## 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 of the Larimer Emergency Telephone (Authority) as of and for the year ended December 31, 2023, 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, 2023, 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.*

June 3, 2024

## 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, 2023, assets exceeded liabilities by \$13,819,804.

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

December 31	2023	2022
<b>Assets:</b>		
Cash and investments	\$10,438,553	\$ 9,200,053
Receivables and prepaid items	985,418	911,119
Capital assets	6,691,436	6,276,638
<b>Total Assets</b>	<b>18,115,407</b>	<b>16,387,810</b>
<b>Liabilities:</b>		
Accounts payable	242,002	467,237
Lease purchase agreement	3,981,000	4,159,000
Compensated absences	72,601	72,601
<b>Total Liabilities</b>	<b>4,295,603</b>	<b>4,698,838</b>
<b>Net Position:</b>		
Net Investment in capital assets	2,710,436	2,117,638
Unrestricted	11,109,368	9,571,334
<b>Total Net Position</b>	<b>\$13,819,804</b>	<b>\$11,688,972</b>

A significant portion of LETA's net position represents unrestricted net position of \$11,109,368 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	2023	2022
Revenues:		
Program revenue:		
Telephone surcharges	\$6,296,433	\$5,758,311
General revenue:		
Investment earnings and grants	433,456	586,238
<b>Total Revenues</b>	<b>6,729,889</b>	<b>6,344,549</b>
Expenses:		
Telephone Charges	562,675	550,384
Administration	1,019,528	1,042,510
Board	456,553	221,146
Public Safety Answering Points	309,738	371,196
Depreciation	463,440	437,229
Projects	1,765,338	1,057,837
Capital Outlay	21,785	152,382
<b>Total Expenses</b>	<b>4,599,057</b>	<b>3,832,684</b>
<b>Increase in Net Position</b>	<b>\$2,130,832</b>	<b>\$2,511,865</b>

**Governmental Activities.** Governmental activities increased LETA’s net position by \$2,130,832 in 2023. Key elements of this increase are as follows:

- \* There was a 6% increase in revenues from 2022, primarily from increases in prepaid wireless and voice-over internet protocol charges.
- \* There was a 19% increase in expenses from 2022, primarily from increased pictometry 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, 2023	Original and Final Budget	Actual
Beginning Fund Balance	\$9,643,935	\$9,643,935
Revenue	5,735,350	6,729,889
Expenditures	7,335,350	5,191,855
<b>Ending Fund Balance</b>	<b>\$8,043,935</b>	<b>\$11,181,969</b>

Actual expenditures were less than budget primarily due to special projects not occurring that were anticipated during 2023.

## **CAPITAL ASSET ADMINISTRATION**

**Capital Assets.** LETA's investment in capital assets for its governmental type activities as of December 31, 2022, totals \$6,691,436 net of accumulated depreciation. This investment includes emergency telephone equipment at various sites. The total increase in capital assets for the current year was \$414,798, due to depreciation expense being less 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.

## **OTHER MATTERS**

The following factors are expected to have a significant effect on the Authority's financial position and results of operations and were taken into account in developing the 2024 budget:

- In February 2024, the Authority purchased the adjacent building at 4867 Venture Drive for \$6 million under a long term capital lease. The Authority's existing space will be leased to the Colorado Division of Fire Prevention and Control.

## **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, 2023	General Fund	Adjustments (Note 8)	Statement of Net Position
<b><u>ASSETS</u></b>			
Cash	\$ 5,628,318	\$ -	\$ 5,628,318
Investments	4,810,235	-	4,810,235
Accounts receivable	710,107	-	710,107
Prepaid items	275,311	-	275,311
Capital Assets, net of depreciation	-	6,691,436	6,691,436
<b>TOTAL ASSETS</b>	<b>11,423,971</b>	<b>6,691,436</b>	<b>18,115,407</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	46,571	-	46,571
Accrued payroll	195,431	-	195,431
Long-Term Liabilities:			
Capital lease	-	3,981,000	3,981,000
Compensated absences	-	72,601	72,601
<b>Total Liabilities</b>	<b>242,002</b>	<b>4,053,601</b>	<b>4,295,603</b>
<b><u>FUND BALANCE/NET POSITION</u></b>			
Fund Balance:			
Nonspendable	275,311	(275,311)	-
Assigned:			
Operations and 9-1-1 Projects	10,906,658	(10,906,658)	-
<b>Total Fund Balance</b>	<b>11,181,969</b>	<b>(11,181,969)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 11,423,971</b>		
<b>Net Position:</b>			
Net Investment in capital assets		2,710,436	2,710,436
Unrestricted		11,109,368	11,109,368
<b>TOTAL NET POSITION</b>		<b>\$ 13,819,804</b>	<b>\$ 13,819,804</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, 2023	General Fund	Adjustments (Note 9)	Statement of Activities
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 247,220	\$ -	\$ 247,220
Wireless	4,177,123	-	4,177,123
Voice-over internet protocol (VOIP)	661,020	-	661,020
Prepaid wireless	681,579	-	681,579
Investment earnings and other	264,041	-	264,041
Statewide surcharges	529,491	-	529,491
Capital contribution - county	169,415	-	169,415
Total Revenue	6,729,889	-	6,729,889
Expenditures:			
Current Operating:			
Administration	128,182	-	128,182
Personnel	891,346	-	891,346
Telephone	562,675	-	562,675
Board expenses	456,553	-	456,553
Public Safety Answering Points	309,738	-	309,738
Other Projects	1,943,338	(178,000)	1,765,338
Capital Outlay	900,023	(878,238)	21,785
Depreciation	-	463,440	463,440
Total Expenditures	5,191,855	(592,798)	4,599,057
Revenue Over Expenditures	1,538,034	592,798	2,130,832
Fund Balance/Net Position, Beginning of Year	9,643,935	2,045,037	11,688,972
FUND BALANCE/NET POSITION, End of Year	\$ 11,181,969	\$ 2,637,835	\$ 13,819,804

See Accompanying Notes to Financial Statements.

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2023	Actual	Original and Final Budget	Variance
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 247,220	\$ 265,000	\$ (17,780)
Wireless	4,177,123	3,210,000	967,123
Voice-over internet protocol	661,020	629,000	32,020
State 911 surcharge	529,491	460,000	69,491
Prepaid wireless	681,579	715,000	(33,421)
Investment earnings and other	264,041	42,000	222,041
Grants and partner reimbursements	169,415	414,350	(244,935)
Total Revenue	6,729,889	5,735,350	994,539
Expenditures:			
Administration and Operations:			
Personnel salaries	743,233	910,000	166,767
Benefits	148,113	228,500	80,387
Operating supplies and expenses	27,527	104,000	76,473
Dues and subscriptions	11,140	39,600	28,460
Uniforms	-	3,500	3,500
Auto expense	4,812	10,100	5,288
Training	11,424	28,000	16,576
Travel	15,151	40,000	24,849
Cleaning contract	16,921	15,000	(1,921)
Building maintenance	8,334	-	(8,334)
Unrealized gain/loss on investments	-	105,000	105,000
HR administration	32,873	20,500	(12,373)
Total Administration	1,019,528	1,504,200	484,672
Telephone:			
AT&T language line	2,169	4,500	2,331
Networking	72,759	220,000	147,241
FirstNet AT&T	2,170	6,000	3,830
Comcast	1,519	2,000	481
Technical operating expenses	21,960	75,600	53,640
Portables	44,529	163,000	118,471
Diversity Tariff	-	140,000	140,000
Other	-	68,730	68,730
ESI Net - NG 911 tariff	417,569	550,000	132,431
Total Telephone	562,675	1,229,830	667,155
Board Expenses:			
Attorney	389,580	500,000	110,420
Audit and budget	34,876	22,000	(12,876)
Bank charges	31,936	24,500	(7,436)
Insurance	-	20,000	20,000
Postage	161	1,500	1,339
Total Board Expenses	456,553	568,000	111,447

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	\$ 66,115	\$ 55,000	\$ (11,115)
EMD trainer	19,548	22,000	2,452
EMD upgrades/SP program	5,890	15,000	9,110
EMD operating expense	60,096	95,000	34,904
Emergency Medical Dispatch Advisor	18,267	20,000	1,733
Hiring software/programs	12,595	15,000	2,405
PSAP center purchases	101,394	143,820	42,426
PSAP membership	1,613	4,000	2,387
National Q	24,220	65,000	40,780
Other	-	44,500	44,500
Total PSAPs	309,738	479,320	169,582
Other Projects:			
Public education	3,831	10,000	6,169
Callbox repairs	23,082	35,000	11,918
Emergency notification system	253,028	257,500	4,472
Pictometry	782,693	540,000	(242,693)
GIS maintenance	23,750	16,500	(7,250)
4872 Association expenses	93,240	75,000	(18,240)
Special projects, VIPER maintenance	298,200	290,000	(8,200)
Insurance	-	18,000	18,000
Point Based Address Map	-	3,500	3,500
First Due and Prepared	172,810	-	(172,810)
Debt service:			
Principal	178,000	178,000	-
Interest	114,704	272,000	157,296
Total Other projects	1,943,338	1,695,500	(247,838)
Capital Outlay:			
Radio consoles	26,150	-	(26,150)
New callboxes	238,115	-	(238,115)
911 video	-	225,000	225,000
LETA building and equipment	8,304	18,500	10,196
Vehicles	50,750	-	(50,750)
Motorola	-	115,000	115,000
Viper upgrades	576,704	1,500,000	923,296
Total Capital outlay	900,023	1,858,500	958,477
Total Expenditures	5,191,855	7,335,350	2,143,495
Revenue Over (Under) Expenditures	1,538,034	(1,600,000)	3,138,034
Fund Balance, January 1, 2023	9,643,935	9,643,935	-
Fund Balance, December 31, 2023	\$ 11,181,969	\$ 8,043,935	\$ 3,138,034

# 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 \$1.10 for 2023. 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 2023.

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#### 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.

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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 (FDIC) or by collateral held by the Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act (PDPA). FDIC coverage was \$500,000 with the remainder covered by PDPA.

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 U.S. Treasury notes.

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, 2023	Cost	Fair Value
U.S. Treasury notes due in 2024 – 2025, .4% - 4.25%	\$4,079,981	\$4,140,248
Bank CD's due in 2025, 4.8%	225,000	224,235
Goldman Sachs Financial Square Government Fund	428,168	428,168
ColoTrust	17,584	17,584
	<u>\$4,750,733</u>	<u>\$ 4,810,235</u>

At December 31, 2023, the Authority held \$428,168 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). Financial Square does not have any unfunded commitments, redemption restrictions or redemption notice periods.

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 - Cash and Investments – Continued:

At December 31, 2023, the Authority held General Fund investments of \$17,584 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 S&P Global Ratings. The Authority's interest is valued at NAV.

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, 2023</u>			
Bank C.D.'s	--	\$224,235	--
U.S. Treasury and Agencies Notes	\$4,140,248	--	--

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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, 2023, and installed at various locations are as follows:

	Balance, 1/1/23	Additions	Deletions	Balance, 12/31/23
<b>Property Held At:</b>				
Larimer County Sheriff's Office	\$138,726	\$45,675	\$	\$184,401
Loveland Police Department	135,775	55,564	--	191,339
Estes Park Police Department	110,744	67,058	--	177,802
Fort Collins 9-1-1	157,701	315,177	--	472,878
CSU	103,601	45,676	--	149,277
<b>County-wide:</b>				
Callbox	--	238,115	--	238,115
Fiber	101,452	--	--	101,452
VIPER	87,168	10,991	--	98,159
Back-up PSAP	1,091,609	--	--	1,091,609
Vehicles	90,737	50,750	--	141,487
Voice logger	70,100	9,130	--	79,230
Card Access System	5,305	--	--	5,305
LETA office furniture	271,529	40,102	--	311,631
LETA building	4,678,367	--	--	4,678,367
<b>Total Capital Assets</b>	<b>7,042,814</b>	<b>878,238</b>		<b>7,921,052</b>
<b>Less Accumulated Depreciation:</b>				
Larimer County Sheriff's Office	17,784	17,252	--	35,036
Loveland Police Department	31,655	29,795	--	61,450
Estes Park Police Department	23,456	9,931	--	33,387
Fort Collins 9-1-1	32,597	35,696	--	68,293
CSU	12,004	8,435	--	20,439
<b>County-wide:</b>				
Fiber	66,372	14,493	--	80,865
Card Access System	309	531	--	840
VIPER	8,302	12,453	--	20,755
Callbox	--	5,953	--	5,953
Back-up PSAP	109,161	109,161	--	218,322
Voice logger	21,030	21,943	--	42,973
Vehicles	16,203	13,567	--	29,770
LETA office furniture	61,094	28,377	--	89,471
LETA office building	366,210	155,852	--	522,062
<b>Total Accumulated Depreciation</b>	<b>766,177</b>	<b>463,439</b>		<b>1,229,616</b>
<b>Capital Assets, net</b>	<b>\$6,276,638</b>	<b>\$414,798</b>	<b>\$</b>	<b>\$6,691,436</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 – 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 \$93,240 during 2023 to the Association.

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### **NOTE 6 – Subsequent Events:**

In February 2024, the Authority purchased the adjacent building at 4867 Venture Drive for \$6 million under a capital lease. Lease payments continue through 2035 at \$500,000 per year plus 6% interest.

Also in 2024, the Authority agreed to lease its present building to the Colorado Division of Fire Prevention and Control under a five year lease with two five year extensions possible. The Authority is also selling related equipment to the Division.

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 – 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 of December 31, 2023, annual maturities of the lease purchase agreement are as follows:

Years Ending December 31	Principal	Interest	Total
2024	\$ 183,000	\$ 119,032	\$ 302,032
2025	189,000	113,560	302,560
2026	194,000	107,910	301,910
2027	200,000	102,109	302,109
2028	206,000	96,129	302,129
2029-2033	1,126,000	384,543	1,510,543
2034	1,883,000	56,300	1,939,300
	<b>\$3,981,000</b>	<b>\$979,583</b>	<b>\$4,960,583</b>

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

	Balance 1/1/23	Additions	Retirements	Balance 12/31/23	Due within One Year
Certificates of Participation	\$4,159,000	\$ --	\$178,000	\$3,981,000	\$183,000
Compensated Absences	72,601	1,064	1,064	72,601	--
<b>Total</b>	<b>\$4,231,601</b>	<b>\$1,064</b>	<b>\$179,064</b>	<b>\$4,053,601</b>	<b>\$183,000</b>

### NOTE 8 – 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 2023 and \$62,390 in 2022.

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### 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:

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December 31, 2023	
Fund balance of General Fund	\$11,181,969
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	6,691,436
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	(3,981,000)
Compensated absences	(72,601)
<b>Total Net Position</b>	<b>\$13,819,804</b>

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### NOTE 10– 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, 2023	
Net change in fund balance – General Fund	\$1,538,034
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.	414,798
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	178,000
<b>Change in Net Position of Governmental Activities</b>	<b>\$2,130,832</b>

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