

Larimer Emergency Telephone Authority

2009 Annual Report

May, 2010

If we can't REACH you we can't ALERT you.

2009 has proven to be another great and busy year for the Larimer 9-1-1 Authority. We have been focused on projects that not only add tools to our 9-1-1 dispatchers but also assist our first responders. It is great to start a project but it is even better when we reach a successful completion.

As you review our report please keep in mind this is just a snap shot of what we have been working on. If you would like additional details you are welcome to contact us directly or feel free to stop by our monthly Board meetings.

What is more critical in public safety than 9-1-1? 9-1-1 is the lifeline for our citizens and the heart of public safety. The LETA 9-1-1 Board is an active and

engaged Board that strives to provide not only good 9-1-1 service but the best 9-1-1 service available. The Board provides funding, support, project management, state of the art equipment, and education to our 9-1-1 dispatch centers.

We have strong partnerships throughout Larimer County and throughout the State. We lean on our partnerships to accomplish some great results.

We thank everyone that has worked with us on our projects and specifically to Mark Olson, IT Manager for Larimer County and Dan Coldiron, IT Director with the City of Fort Collins for their technical guidance during 2009.

Kimberly Culp, Executive Director

COPLINK

LETA is proud to announce the completion of the Coplink project. Coplink is a state-wide initiative that gave us the ability to connect our police and fire record management systems to a server located in Aurora

Colorado. The server in Aurora is connected to 3 other servers located throughout our State. With these 4 servers connected, we are able to query the criminal record database of other participating police and fire departments.

Sharing information is not only critical for public safety, but essential. LETA is proud to have been the fiscal agent behind this essential public safety project as well as providing project management throughout the implementation.

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Special points of interest:

- COPLINK project was completed!
- Pictometry project is underway!
- Legislation to secure 911 funding is being introduced.



Pictometry

LETA entered into contract with a company called Pictometry. Pictometry offers a unique type of imagery called oblique images.

The oblique imagery is a 3D view that allows the dispatcher another tool for their sensory deprived environment. LETA made the decision to capture imagery of the entire

county as well as to include 5 miles outside of our county boundaries in all directions. The purpose of the extended flight area is due to our mutual aide areas as well as the mobility of our residents and the reality that critical incidents are mobile and can easily cross county lines as quick as they cross city boundaries.

In the contract with Pictometry, LETA is able to provide GIS software for all of our government partners as well as web license which will put the imagery at the finger tips of our first responders. The Pictometry project is scheduled to be complete first quarter of 2010. Please visit www.pictometry.com for more information.

Legislation

LETA spent significant amount of time in 2009 working with the local 911 community, wireless providers, and the PUC on legislation for the 2009/2010 session. The purpose of the legislation is to close a perceived loop hole in the remittance of 9-1-1 surcharge. The 9-1-1 surcharge is currently paid by the cell phone providers, traditional landline providers, and by

some VOIP providers. Prepaid cell services, which is the service that allows consumers to purchase minutes and add those minutes to their phone, is not currently remitting the 9-1-1 surcharge. We are estimating that prepaid cell service is 19.2% of cell service used and purchased across the nation. For Larimer County we are estimating

a current loss of \$180,000 of 9-1-1 surcharge revenue a year. With the rising cost of new technology and the looming project of updating our 9-1-1 infrastructure, we must do everything we can to capture revenue from all sources. The current bill is a bipartisan effort and was introduced in the Senate January 2010.

"We are estimating a current loss of \$180,000 of revenue a year."

Grant Recipient

In 2009 we received a grant from the Federal 9-1-1 ACT to assist us in upgrading our equipment in our 9-1-1 centers. The project will entail upgrading four of our five 9-1-1 center's phone equipment as well as connecting all five phone

systems together through fiber connectivity. The benefits of this project will be to replace equipment that has been outdated and that is more difficult for us to find replacement parts, as well as creating interoperability between the 9-1-1 centers.

The vision of LETA is to have the technology in place that will allow each dispatch center to work together on critical incidents even though they are geographically dispersed. This project will be complete in 2012.

In an emergency, we call you?

In August of 2008 LETA went live with a new Emergency Notification System offered by Everbridge.

The system allows our citizens to enter in their additional contact devices so we can call them, where they are, if there is an emergency in the area of their registered address.

In 2009 we spent time working with our government partners on expanding the system to all of our partners. In 2010 Windsor will go live on the system.

The system also creates access for non emergency communication from our government partners to our citizens. This could take the form of alerting

citizens of a crime pattern in their area, or prolonged water outages.

All of our partners have access to the system to send non emergency community alerts to our citizens. One of our partners will be working on creating a subscription service that will allow their resident to pick what alerts they want to receive.

Texting 9-1-1?

Have you ever tried to send a text message to 9-1-1? If so, you probably know that it doesn't work. How about your kids? Do you have kids that are sitting at the dinner table texting their friends? Do they think they can text 9-1-1 and get help if they ever needed it? Many youth and adults from the ages of 12-32 believe they can text 9-1-1.

Currently in Colorado you cannot text 9-1-1. However, in Canada by the end of the year, their hearing and speech impaired residents will be able to text 9-1-1. Other States are starting to move that direction as well. So why not Larimer County?

The operational issues that we struggle with is should we be able to text 9-1-1?

Texting right now is not reliable and does not take priority over the network. If we were to allow text messaging, there is no guarantee we would receive the message. Also, text messages are not paired with location information.

If we received a text message there is no way for the 9-1-1 dispatcher to determine the location of the caller without the caller sending the location information.

In addition, the dispatcher cannot interrupt the text message with questions or see that an incoming text message is being created.

At National 9-1-1 conferences we discuss the problems with texting 9-1-1 and the possible

solutions.

Right now, there is a university that is creating a TTD/TTY APP for speech and hearing impaired residents to download on their cell phones that would allow them to dial 9-1-1 and use their cell phone like a portable TDD device. This solution is much more viable for creating accessibility to our hearing/speech impaired community.

Right now, the best we can do is to educate ourselves, our children, and our community that when you need help, Dial 9-1-1 and talk to a dispatcher. They are there and ready to serve you.



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About US

Larimer Emergency Telephone Authority is readily referred to as LETA. LETA was created through an Intergovernmental Agreement (IGA) entered into by Larimer County; the towns of Berthoud, Estes Park, Timnath, Johnstown, Windsor, Colorado State University Police Department and Wellington; the cities of Fort Collins and Loveland; the Hospital Districts of Park, Poudre, and Thompson Valley; and ten Fire Protection districts located in Larimer County. Pursuant to the Intergovernmental Agreement, LETA is responsible for the administration of Enhanced 9-1-1 services throughout Larimer County

Mission Statement

The Larimer Emergency Telephone Authority is committed to supporting 9-1-1 Emergency Communications throughout Larimer County. We assume a leadership role by identifying current and future 9-1-1 communication system needs and establishing sustainable equipment standards. To support these standards, we collect, responsibly manage, and distribute telephone surcharges collected by the Authority.

**If we can't REACH you, we
can't ALERT you.**

2010 LETA Board Members

Representing Fire Districts
Fire Chief Steve Charles
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Representing City of Loveland
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Please do not hesitate to
contact us if you have any
questions about 9-1-1 in your
area!

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 Assets (on page 9) and the Statement of Activities (on page 10) 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 Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of December 31, 2009, assets exceeded liabilities by \$4,428,150.

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

December 31	2009	2008
Assets:		
Current and other assets	\$ 3,745,433	\$ 2,975,880
Capital assets	715,102	927,572
Total Assets	4,460,535	3,903,452
Liabilities:		
Current liabilities	32,385	32,385
Total Liabilities	32,385	32,385
Net Assets:		
Invested in capital assets	715,102	927,572
Unrestricted	3,713,048	2,943,495
Total Net Assets	\$ 4,428,150	\$ 3,871,067

A significant portion of LETA's net assets represents unrestricted net assets of \$3,713,048 which may be used to meet the Authority's ongoing obligations to citizens and coordinating governments.

Another significant portion of the Authority's net assets 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 assets:

Years Ended December 31	2009	2008
Revenues:		
Program revenue:		
Telephone surcharges	\$ 1,877,371	\$ 1,776,912
General revenue:		
Investment earnings and other	109,029	35,863
Total Revenues	1,986,400	1,812,775
Expenses:		
Telephone Charges	228,836	176,443
Administration	155,291	131,467
Board	67,876	51,075
Public Safety Answering Points	270,904	299,114
Depreciation	212,470	282,813
Other	493,940	474,183
Total Expenses	1,429,317	1,415,095
Increase in Net Assets	\$ 557,083	\$ 397,680

Governmental Activities. Governmental activities increased LETA's net assets by \$557,083 in 2009. Key elements of this increase are as follows:

- * Total revenues were 5% more than in 2008. This is primarily due to increased telephone surcharges and investment earnings.
- * There was a 1% increase in expenses from 2009.

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, 2009	Original and Final	
	Budget	Actual
Beginning Fund Balance	\$ 2,943,495	\$ 2,943,495
Revenue	1,840,431	1,986,400
Expenditures	2,510,432	1,216,847
Ending Fund Balance	\$ 2,273,494	\$ 3,713,048

Actual expenditures were less than budget primarily due to special projects not occurring that were originally anticipated during 2009.

CAPITAL ASSET ADMINISTRATION

Capital Assets. LETA's investment in capital assets for its governmental type activities as of December 31, 2009, totals \$715,102, net of accumulated depreciation. This investment includes emergency telephone equipment at various sites. The total decrease in capital assets for the current year was \$212,470, due to depreciation expense.

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.

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, 1200 S. College, Suite 301, Fort Collins, Colorado 80524.



Independent Auditors' Report

Board of Directors
Larimer Emergency Telephone Authority
Loveland, Colorado

We have audited the accompanying basic financial statements of the governmental activities and the General Fund of the Larimer Emergency Telephone Authority as of and for the year ended December 31, 2009. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Larimer Emergency Telephone Authority as of December 31, 2009, and the changes in its financial position and the budgetary comparison for the year then ended, in conformity with accounting principles generally accepted in the United States.

Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The transmittal letter has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Anderson & Whitney P.C.

April 22, 2010

LARIMER EMERGENCY TELEPHONE AUTHORITY

GENERAL FUND BALANCE SHEET/STATEMENT OF NET ASSETS

December 31, 2009	General Fund	Adjustments (Note 6)	Statement of Net Assets
ASSETS			
Cash	\$ 434,313	\$ -	\$ 434,313
Investments	3,003,612	-	3,003,612
Accounts Receivable	276,787	-	276,787
Prepaid Expenses	30,721	-	30,721
Capital Assets	-	715,102	715,102
TOTAL ASSETS	\$ 3,745,433	715,102	4,460,535
LIABILITIES			
Accounts Payable	\$ 32,385	-	32,385
Total Liabilities	32,385	-	32,385
FUND BALANCE/NET ASSETS			
Fund Balance:			
Designated:			
Operations	3,213,048	(3,213,048)	-
Capital outlay	500,000	(500,000)	-
Total Fund Balance	3,713,048	(3,713,048)	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,745,433		
Net Assets:			
Invested in capital assets		715,102	715,102
Unrestricted		3,713,048	3,713,048
TOTAL NET ASSETS		\$ 4,428,150	\$ 4,428,150

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, 2009	General Fund	Adjustments (Note 7)	Statement of Activities
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 668,713	\$ -	\$ 668,713
Wireless	1,097,053	-	1,097,053
Voice-over internet protocol	111,605	-	111,605
Investment earnings and other	109,029	-	109,029
Total Revenue	1,986,400	-	1,986,400
Expenditures:			
Current Operating:			
Administration	155,291	-	155,291
Telephone	228,836	-	228,836
Board expenses	67,876	-	67,876
Public Safety Answering Points	270,904	-	270,904
Other	493,940	-	493,940
Depreciation	-	212,470	212,470
Total Expenditures	1,216,847	212,470	1,429,317
Change in Net Assets	769,553	(212,470)	557,083
Fund Balance/Net Assets, Beginning of Year	2,943,495	927,572	3,871,067
FUND BALANCE/NET ASSETS, End of Year	\$ 3,713,048	\$ 715,102	\$ 4,428,150

See Accompanying Notes to Financial Statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2009	Actual	Original and Final Budget	Variance
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 668,713	\$ 722,371	\$ (53,658)
Wireless	1,097,053	1,017,960	79,093
Voice-over internet protocol	111,605	50,100	61,505
Investment earnings and other	109,029	50,000	59,029
Total Revenue	1,986,400	1,840,431	145,969
Expenditures:			
Administration:			
Executive director salary and benefits	123,383	128,600	5,217
Operating supplies	8,823	11,950	3,127
Training and travel	4,914	6,700	1,786
Administrative fees	2,877	4,200	1,323
Office lease	15,294	17,000	1,706
Total Administration	155,291	168,450	13,159
Telephone:			
AT&T Language Line	1,584	3,000	1,416
Networking	181,513	270,000	88,487
Centra Com system	-	2,700	2,700
Outgoing callbox	526	900	374
Qwest maintenance	45,213	75,000	29,787
Total Telephone	228,836	351,600	122,764
Board Expenses:			
Attorney	40,767	45,000	4,233
Audit and budget	10,170	8,000	(2,170)
Bank charges	63	1,400	1,337
Insurance	4,009	4,500	491
Operating expenses	3,122	3,000	(122)
Postage	231	220	(11)
Printing	-	1,500	1,500
Web Page	880	-	(880)
Investment costs	8,634	12,000	3,366
Total Board Expenses	67,876	75,620	7,744

Continued on next page.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT - Continued

Year Ended December 31, 2009	Actual	Original and Final Budget	Variance
Expenditures - Continued:			
Public Safety Answering Points (PSAP):			
Logging recorder costs	\$ 109,190	\$ 110,000	\$ 810
Emergency Medical Dispatch (EMD)	60,798	145,560	84,762
Operating expenses	87,460	100,000	12,540
SP Program/EMD updates	13,456	15,000	1,544
Total PSAPs	270,904	370,560	99,656
Other:			
Public education	4,061	5,000	939
GIS maintenance	59,561	62,000	2,439
Callbox repairs	5,354	8,000	2,646
Emergency preparation network	96,023	125,000	28,977
Special projects, CopLink, Pictometry, etc.	328,941	1,143,002	814,061
Total Other	493,940	1,343,002	849,062
Capital Outlay:			
Acquisition of equipment	-	201,200	201,200
Total Expenditures	1,216,847	2,510,432	1,293,585
Revenue Over (Under) Expenditures	769,553	(670,001)	1,439,554
Fund Balance, January 1, 2009	2,943,495	2,943,495	-
Fund Balance, December 31, 2009	\$ 3,713,048	\$ 2,273,494	\$ 1,439,554

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 \$.45 for 2008 and 2009.

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 assets 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.

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.

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 - Continued:

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 Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consists of capital assets, net of accumulated depreciation. Net assets are 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 assets are available.

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.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Investments:

Investments are stated at their fair market 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 2009.

NOTE 2 - 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 since it does not have the authority to levy taxes.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - Changes in Capital Assets:

Capital assets acquired as of December 31, 2009 and installed at various locations are as follows:

	Balance, 1/1/09	Additions	Deletions	Balance, 12/31/09
Property Held At:				
Larimer County Sheriff's Office	\$ 596,916	\$ --	\$ --	\$ 596,916
Loveland Police Department	324,991	--	--	324,991
Estes Park Police Department	369,418	--	--	369,418
Poudre Communications	947,966	--	--	947,966
CSU	239,061	--	--	239,061
County-wide:				
NICE Project	104,166	--	--	104,166
GIS Project	282,227	--	--	282,227
Software	35,544	--	--	35,544
Total Capital Assets	\$ 2,900,289	--	--	\$ 2,900,289
Less Accumulated Depreciation:				
Larimer County Sheriff's Office	501,288	19,523	--	520,811
Loveland Police Department	303,452	9,708	--	313,160
Estes Park Police Department	273,664	22,605	--	296,269
Poudre Communications	411,854	120,016	--	531,870
CSU	155,779	17,085	--	172,864
County-wide:				
NICE Project	20,833	20,833	--	41,666
GIS Project	270,303	2,700	--	273,033
Software	35,544	--	--	35,544
Total Accumulated Depreciation	1,972,717	212,470	--	2,185,187
Capital Assets, net	\$ 927,572	\$(212,470)	\$ --	\$ 715,102

NOTE 4 - 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.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - Cash and Investments – Continued:

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. government and agency securities and bank CD's of \$250,000 or less.

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

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

December 31, 2009	Cost	Market Value
U.S. Government Bonds, primarily FNMA and US Treasury Inflation Index Notes, maturing in 2011, 1.5% -2.4%	\$ 250,393	\$ 256,466
Bank CD's due in 2010 and 2011, 1.25% - 2.85%	2,368,730	2,366,431
Goldman Sachs Financial Square Government Fund	273,082	273,082
Corporate Bonds, maturing in 2011, rated AAA by Standard & Poors, 1.5 - 3.0%	105,000	107,633
	<u>\$ 2,997,205</u>	<u>\$ 3,003,612</u>

At December 31, 2009, the Authority held \$273,082 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 approximate fair value is \$273,082.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Operating Leases

In 2009 the Authority began leasing computer software and hardware relating to logging recorders in a lease expiring in 2011. Rent expense was \$109,190 in 2009.

Future minimum rental payments are:

Year Ending December 31	Amount
2010	\$ 109,190
2011	109,190
	<u>\$ 218,380</u>

In 2008, the Authority began leasing office space on a year-to-year basis. Rent expense was \$15,294 in 2009.

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

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

December 31, 2009	
Fund balance of General Fund	\$ 3,713,048
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	715,102
<u>Total Net Assets</u>	<u>\$ 4,428,150</u>

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

Year Ended December 31, 2009	
Net change in fund balance – General Fund	\$ 769,553
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
The general fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current year.	(212,470)
<u>Change in Net Assets of Governmental Activities</u>	<u>\$ 557,083</u>
