

## ANNUAL REPORT

Year Ended December 31, 2008

LARIMER EMERGENCY  
TELEPHONE AUTHORITY

ANNUAL REPORT

Year Ended December 31, 2008



“IF WE CAN’T REACH YOU,  
WE CAN’T ALERT YOU”

Larimer Emergency Telephone Authority  
1200 S. College Ave . Suite 301 . Fort Collins . CO . 80524 . 970-212-3442 . email:kculp@leta9-1-1.org

## Emergency Notification System

In September of 2008, LETA introduced a new emergency notification system. The new system affords the residents of Larimer County greatly expanded notification services. The system was a first in the state of Colorado and provides our citizens the ability to receive emergency alerts in a number of ways including cell phone, email, text and fax.

The new system continues to use the 9-1-1 database and is facilitated through our vendor, 3n Global in Glendale, California. Since becoming available, over 25,000 residents have registered for this expanded service. LETA aims to add another 25,000 in 2009.

The LETA Board of Directors determined that the cost of this important service should be covered entirely by the 9-1-1

## COPLINK

Cop Link is another innovative project undertaken by LETA in 2008. Phase I of the project is set for implementation in mid-2009.

Cop Link connects disparate records management systems to allow the sharing of information among law enforcement agencies. Once Cop Link is up and running we will be sharing records information with the majority of the law agencies in the Denver Metro Area, as

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Authority, thereby saving our local dispatching agencies nearly \$64,000 a year.

The new system allows agencies to communicate with internal employees by sending alerts to individuals or to specific groups of employees without incurring usage charges. Agencies are encouraged to take advantage of all aspects of this valuable notification tool.

**Please see *Emergency Notification System* on page 5**

well as Jefferson County, and agencies on the Western Slope. Completion and implementation of Cop Link will give a substantial boost to law enforcement communication in Colorado and LETA is proud to bring this service to Larimer County.

Once Phase I is complete we will move on to Phase II of Cop Link which will connect the two CAD systems in Larimer County by using Dashboard, another Cop Link

**Please see *COPLINK* on page 4**

## Legislation for 9-1-1

House Bill 2008-1249 was signed into law by Governor Ritter in April of 2008. This important legislation requires the providers of voice over internet service (VOIP) to charge and remit emergency telephone surcharges on a monthly basis as is already mandated for landline and cellular telephone providers. VOIP phones have been able to reach 9-1-1, but they have never been required to pay for the infrastructure that they are using for this critical service. This change was essential to make sure all telephone customers are treated fairly, and to provide a guarantee that emergency telephone authorities, such as LETA, will continue to be able to provide quality service.

HB 2008-1249 also allows the authority boards the flexibility to change the surcharge anytime during the calendar year. This will be

### 9-1-1 Surcharge

LETA's surcharge remained at \$.45 per month per phone line for 2008.

Throughout the history of LETA, the surcharge has never been increased and in fact, the only change was a reduction from \$.50 which occurred shortly after the enhanced 9-1-1 system went live in 1991. The LETA surcharge remains the third lowest in the state of Colorado. The LETA Board is committed to maintaining the surcharge at \$.45 for 2009.

*"..these auditing procedures uncovered several errors in billing resulting in significant savings to LETA."*

a welcome tool for LETA in budgeting and advance planning for capital expenditures.

For 2009, LETA will be working on additional legislation to present in 2010. This legislation will follow the language recommended by NENA requiring that all devices that can reach 9-1-1 remit surcharges. By including such language in the existing legislation, we are hopeful that we will be able to eliminate the need to visit the capital every few years for patchwork changes.

LETA and the state-wide 9-1-1 Task Force would like to thank everyone who supported this bill and took time to reach out to our local legislators expressing their support.

As was reported last year, in 2007 LETA joined several other authorities in Colorado in bringing suit against Qwest seeking the refund of unwarranted fees collected by the company. This suit was successfully settled and LETA's revenue picture brightened considerably as a result of this settlement and the Board's decision to join in this litigation.

In 2008, LETA continued to work on line counts and monthly charges with Qwest and these auditing procedures uncovered several errors in billing resulting in significant savings to LETA.

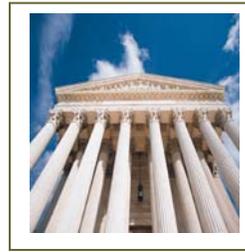
In short, the LETA Board continues to do an excellent job of being fiscally transparent and responsible with regard to how LETA revenue is collected and spent.

## LETA goes to D.C.

The March, 2008 NENA (National Emergency Number Association) annual conference was held in Washington, D.C. The conference brought together 9-1-1 professionals and provided opportunity to discuss local and national issues impacting 9-1-1. LETA Executive Director Kimberly Culp attended on behalf of LETA and also represented Colorado in her position as the Chair of the PUC 9-1-1 Task Force.

The most important issues facing LETA specifically, and the 9-1-1 community generally, relate to the infrastructure and technology in 9-1-1 communication centers. It is vitally important that the infrastructure and technology be kept current and meet public expectations for 9-1-1 service.

A stark example of these expectations occurred during the Virginia Tech University



shootings in Blacksburg, Virginia. During this rampage many students unsuccessfully attempted to send text messages to 9-1-1 centers from their cell phones. At present, a common communications tool like text messaging cannot be used in an emergency to alert first responders via 9-1-1.

During the NENA conference in Washington, delegates sent a strong message to the Federal Communications Commission (FCC) that allowing text messages to be received by 9-1-1 centers along with name and location information, should be mandated as promptly as possible.

## Emergency Medical Dispatch

In April of 2008, the Loveland Police Department achieved accreditation through the National Academy of Emergency Medical Dispatchers. Only 85 agencies in the entire United States have achieved and maintained this accreditation. LETA is very proud of Loveland's accomplishment.

All of the 9-1-1 agencies strive for excellence and are scoring in the 94-99.99% accuracy on all medical emergency dispatch calls. Loveland has been able to maintain a 95% or higher on their medical calls, and LETA commends the Loveland center and staff for this great work.

In 2008 LETA employed a county-wide emergency medical dispatch (EMD) trainer. The employment of this trainer affords LETA the opportunity to train new dispatch employees where and when it is needed. Our trainer is Mr. Mike Bielmaier, the EMS Manager for Park County Ambulance. Mike has been a great addition to our LETA team.

The EMD program itself contains several committees that are tasked with reviewing each step of the EMD process and making recommendations for improvement.

The Larimer County EMD Steering Committee was particularly concerned with

*Please see [Emergency Medical Dispatch](#) on page 4.*

## 2009 Projects

LETA has a number of on-going projects for 2009 and beyond. These include the completion of the Cop Link project and the commencement of the DashBoard interface project. LETA will also be working on "Phase II" of the 3N emergency notification system and will be working with 3n to continue to develop this product for the benefit of Larimer County consumers.

We are also working on a cleanup of our master street addressing guide (MSAG). The MSAG is the database that is displayed on the dispatcher's phone system when 9-1-1 is called. It is essential that the MSAG

### *Emergency Medical Dispatch from page 3*

medical coding for burn victims. The Steering Committee made several recommendations to the National Academy about such coding. The Academy agreed and the changes were adopted and incorporated into the Academy's nation-wide protocol. Your staff is making a difference not only in this county, but across the nation!

*"Your staff is making a difference not only in this county, but across the nation!"*

is highly accurate and that all known problems are quickly addressed. In 2009 we will be working to synch the MSAG with our LETA GIS centerline data, thereby significantly increasing accuracy in the database.

LETA will also be exploring the implementation of pictometry, which can be used in conjunction with dispatch services to first responders. Pictometry is oblique imagery that can be used in our 9-1-1 centers and by our first responders in the field. More to come on this in 2010.

### *COPLINK from page 1*

product. This CAD to CAD interface will act as a real time feed of CAD information between the 9-1-1 Centers.

## 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.

*Please see mission, vision, value statement on page 7*

### *Emergency Notification System continued from page 1.*

In 2009, we will be working with our governing partners to implement a non-emergency notification system for our citizens. This expanded service will allow us to notify residents of important communications from local governments but that do not fall in the emergency alert category. These alerts might include West Nile Virus spraying and utility outages.

In addition, LETA will be working with our neighboring counties to try and create a regional notification system that would enable us to alert citizens to an emergency event across county lines.

Implementation of the new notification system was a significant effort requiring the help and cooperation of every partner

agency in Larimer County. LETA management and the Board of Directors would like to thank all of the agencies who participated in implementation and the following individuals specifically;

Dan Colidron, City of Fort Collins  
Diane Webber, Larimer County Sheriff's Office  
Kelly Dimartino, City of Fort Collins  
Kim Newcomer, City of Fort Collins  
Andy Hiller, City of Loveland  
Patrick Love, Poudre Fire Authority  
Deni LaRue, Larimer County  
Rita Davis, Fort Collins Police Department  
Ryan Burke, City of Fort Collins  
Jane Viste, Larimer County Health  
Lisa Kokes, City of Fort Collins

## History of LETA

The creation of emergency telephone authorities was authorized by the Colorado Legislature in 1981. That legislation authorized governing bodies to Colorado counties to join together by IGA to provide emergency telephone services countywide. Pursuant to the IGA, LETA is responsible for the administration and operation of the Enhanced 9-1-1 emergency telephone service in Larimer County. LETA is governed by a board consisting of seven members. In accordance with Colorado law, LETA is funded through surcharges which are assessed monthly on hard wire, wireless, and internet telephone service in the County. Since its creation in 1990 LETA has been involved in funding our 9-1-1 center's phone systems, a portion of their shared computer aided dispatch system,

emergency medical dispatch program, emergency notification system, and other equipment that is used daily in the 9-1-1 centers. LETA is striving to maintain technical excellence in our 9-1-1 centers. LETA is committed to be fiscally responsible and accountable to our citizens, our community, and our government partners.

*"LETA is striving to maintain technical excellence in our 9-1-1 centers."*

## LETA 2009 Board Members

### Chair

Larimer County Sheriff's Office  
 Representing Larimer County  
 Operations Major Justin Smith  
 2501 Midpoint Drive  
 Fort Collins, CO 80525  
[smithje@co.larimer.co.us](mailto:smithje@co.larimer.co.us)  
 970-498-5106

### Vice Chair

Thompson Valley EMS  
 Representing Emergency Medical Services  
 Chief Randy Leshner  
 380 N. Wilson  
 Loveland, CO 80538  
[rlesher@tvems.com](mailto:rlesher@tvems.com)  
 970-663-6025

### Treasurer

Town of Estes Park  
 Representing Small Towns  
 Mayor (retir) John Baudek  
 PO Box 1200  
 Estes Park, CO 80517  
[Jobands@aol.com](mailto:Jobands@aol.com)  
 970-586-0623

### Secretary

City of Fort Collins  
 Representing City of Fort Collins  
 Police Chief Dennis Harrison  
 PO Box 580  
 Fort Collins, CO 80522  
[dharrison@fcgov.com](mailto:dharrison@fcgov.com)  
 970-221-6550

### Director

Loveland Fire  
 Representing Fire Districts  
 Emergency Manager Merlin Green  
 410 E. Fifth Street  
 Loveland, CO 80537  
[greenm@ci.loveland.co.us](mailto:greenm@ci.loveland.co.us)  
 970-962-2519

### Director

Loveland Police  
 Representing City of Loveland  
 Police Captain Ray Miller  
 810 E. 10<sup>th</sup> Street  
 Loveland, CO 80537  
[Miller2@ci.loveland.co.us](mailto:Miller2@ci.loveland.co.us)  
 970-962-2914

### Director

Town of Estes Park  
 Representing Small Towns  
 Police Chief Lowell Richardson  
 PO Box 1200  
 Estes Park, CO 80517  
[lrichardson@estes.org](mailto:lrichardson@estes.org)  
 970-214-3471

### Executive Director

Kimberly Culp  
 1200 S. College Ave, Suite 301  
 Fort Collins, CO 80524  
[kculp@leta9-1-1.org](mailto:kculp@leta9-1-1.org)  
 970-212-3442

### Attorney

John P. Frey  
 131 Lincoln, Suite 100  
 Fort Collins, CO 80524  
 (970) 482-0212

## 2009 Meeting Schedule

May 6th  
 June 3rd  
 July 1st  
 August 5th  
 September 2<sup>nd</sup>  
 October 7<sup>th</sup>  
 November 4<sup>th</sup>  
 December 2<sup>nd</sup>

All meetings are held at 0830 hours and at  
 Loveland City Council Chambers, 500 E 3<sup>rd</sup> St,  
 Loveland CO. 80537

**Larimer Emergency  
Telephone Authority**  
1200 S. College Ave,  
Suite 301

**Phone:**  
970-212-3442

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970-212-3443

**E-Mail:**  
kculp@leta9-1-1.org

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

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*We're on the Web!*

*Visit us at:*  
[www.leta9-1-1.org](http://www.leta9-1-1.org)

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*Mission, vision, value statement from page 4*

## Vision Statement

The Larimer Emergency Telephone Authority facilitates the delivery of 9-1-1 service through technical excellence, leadership, and open collaborative communication to maintain a unified approach to current and future 9-1-1 needs.

## Our Values:

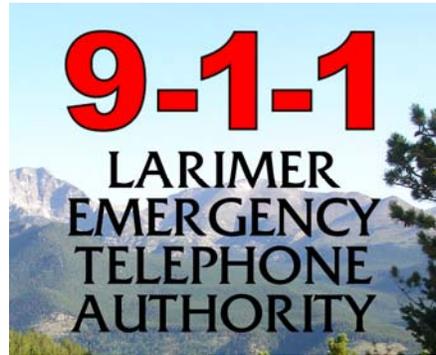
We achieve our mission through -

- Integrity
- Fairness & Equity
- Personal Responsibility
- Teamwork
- Planning & Problem solving
- Accountability

## Acknowledgements

LETA wishes to thank the PSAP Managers, the Sheriff/Police/Fire/EMS Chiefs, as well as the City/County/Town Managers for their continued support throughout the year.

This report is designed to provide a general overview of LETA's business and finances for all of those with interest in the Authority. Questions concerning any of the information provided or for additional financial information, please contact LETA directly at 1200 S. College Ave, Suite 301 Fort Collins, CO 80524.



## 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 13) and the Statement of Activities (on page 14) 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, 2008, assets exceeded liabilities by \$3,871,067.

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

December 31	2008	2007
Assets:		
Current and other assets	\$ 2,975,880	\$ 2,741,766
Capital assets	927,572	738,557
<b>Total Assets</b>	<b>3,903,452</b>	<b>3,480,323</b>
Liabilities:		
Current liabilities	32,385	6,936
<b>Total Liabilities</b>	<b>32,385</b>	<b>6,936</b>
Net Assets:		
Invested in capital assets	927,572	738,557
Unrestricted	2,943,495	2,734,830
<b>Total Net Assets</b>	<b>\$ 3,871,067</b>	<b>\$ 3,473,387</b>

A significant portion of LETA's net assets represents unrestricted net assets of \$2,943,495, 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	2008	2007
<b>Revenues:</b>		
Program revenue:		
Telephone surcharges	\$ 1,776,912	\$ 1,764,101
General revenue:		
Investment earnings and other	35,863	120,732
<b>Total Revenues</b>	<b>1,812,775</b>	<b>1,884,833</b>
<b>Expenses:</b>		
Telephone Charges	176,443	92,321
Administration	131,467	152,468
Board	51,075	75,466
Public Safety Answering Points	299,114	301,148
Depreciation	282,813	186,306
Other	474,183	216,825
<b>Total Expenses</b>	<b>1,415,095</b>	<b>1,024,534</b>
<b>Increase in Net Assets</b>	<b>\$ 397,680</b>	<b>\$ 860,299</b>

**Governmental Activities.** Governmental activities increased LETA's net assets by \$397,680 in 2008. Key elements of this increase are as follows:

- \* Total revenues were 4% less than in 2007. This is primarily due to the decrease in investment earnings from lower rates and the loss on Colorado Diversified Trust.
- \* There was a 38% increase in expenses from 2007 primarily due to depreciation and special projects such as Next Generation 9-1-1 and CopLink.

### **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, 2008	Original and Final Budget	Actual
Beginning Fund Balance	\$ 2,734,830	\$ 2,734,830
Revenue	1,771,590	1,812,775
Expenditures	3,272,001	1,604,110
<b>Ending Fund Balance</b>	<b>\$ 1,234,419</b>	<b>\$ 2,943,495</b>

Actual expenditures were less than budget primarily due to capital projects not occurring that were originally anticipated during 2008.

## **CAPITAL ASSET ADMINISTRATION**

*Capital Assets.* LETA's investment in capital assets for its governmental type activities as of December 31, 2008, totals \$927,572, net of accumulated depreciation. This investment includes emergency telephone equipment at various sites. The total increase in capital assets for the current year was \$189,015. This increase was attributed to depreciation expense being less than new equipment purchased.

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, 2008. 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, 2008, 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 17, 2009

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## GENERAL FUND BALANCE SHEET/STATEMENT OF NET ASSETS

December 31, 2008	General Fund	Adjustments (Note 6)	Statement of Net Assets
<b>ASSETS</b>			
Cash	\$ 248,220	\$ -	\$ 248,220
Investments	2,450,874	-	2,450,874
Accounts Receivable	276,786	-	276,786
Capital Assets	-	927,572	927,572
<b>TOTAL ASSETS</b>	<b>\$ 2,975,880</b>	<b>927,572</b>	<b>3,903,452</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 32,385	-	32,385
<b>Total Liabilities</b>	<b>32,385</b>	<b>-</b>	<b>32,385</b>
<b>FUND BALANCE/NET ASSETS</b>			
Fund Balance:			
Designated:			
Operations	2,443,495	(2,443,495)	-
Capital outlay	500,000	(500,000)	-
<b>Total Fund Balance</b>	<b>2,943,495</b>	<b>(2,943,495)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,975,880</b>		
<b>Net Assets:</b>			
Invested in capital assets		927,572	927,572
Unrestricted		2,943,495	2,943,495
<b>TOTAL NET ASSETS</b>		<b>\$ 3,871,067</b>	<b>\$ 3,871,067</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, 2008	General Fund	Adjustments (Note 7)	Statement of Activities
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 691,443	\$ -	\$ 691,443
Wireless	1,024,382	-	1,024,382
Voice-over internet protocol	61,087	-	61,087
Investment earnings and other	35,863	-	35,863
Total Revenue	1,812,775	-	1,812,775
Expenditures:			
Current Operating:			
Administration	131,467	-	131,467
Telephone	176,443	-	176,443
Board expenses	51,075	-	51,075
Public Safety Answering Points	299,114	-	299,114
Other	262,806	-	262,806
Capital outlay	683,205	(471,828)	211,377
Depreciation	-	282,813	282,813
Total Expenditures	1,604,110	(189,015)	1,415,095
Change in Net Assets	208,665	189,015	397,680
Fund Balance/Net Assets, Beginning of Year	2,734,830	738,557	3,473,387
FUND BALANCE/NET ASSETS, End of Year	\$ 2,943,495	\$ 927,572	\$ 3,871,067

See Accompanying Notes to Financial Statements.

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2008	Actual	Original and Final Budget	Variance
<b>Revenue:</b>			
Telephone surcharge fees:			
Hardwire	\$ 691,443	\$ 706,000	\$ (14,557)
Wireless	1,024,382	981,000	43,382
Voice-over internet protocol	61,087	28,000	33,087
Investment earnings and other	35,863	56,590	(20,727)
<b>Total Revenue</b>	<b>1,812,775</b>	<b>1,771,590</b>	<b>41,185</b>
<b>Expenditures:</b>			
Administration:			
Executive director salary and expenses	131,467	143,930	12,463
<b>Total Administration</b>	<b>131,467</b>	<b>143,930</b>	<b>12,463</b>
Telephone:			
AT&T Language Line	3,698	3,000	(698)
Networking	145,909	240,000	94,091
Hot Line	-	17,000	17,000
Centra Com system	-	2,700	2,700
Outgoing callbox	555	900	345
Phase II Wireless	-	1,100	1,100
Qwest maintenance	25,648	64,000	38,352
Comcast	221	1,300	1,079
Vesta	412	2,000	1,588
<b>Total Telephone</b>	<b>176,443</b>	<b>332,000</b>	<b>155,557</b>
Board Expenses:			
Attorney	27,655	65,000	37,345
Audit	9,050	7,200	(1,850)
Bank charges	1,343	1,400	57
Insurance	3,971	4,444	473
Operating expenses	7,900	1,000	(6,900)
Postage	84	220	136
Printing	1,072	200	(872)
Unrealized loss on investments	-	4,190	4,190
<b>Total Board Expenses</b>	<b>51,075</b>	<b>83,654</b>	<b>32,579</b>

Continued on next page.

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## BUDGETARY COMPARISON STATEMENT - Continued

Year Ended December 31, 2008	Actual	Original and Final Budget	Variance
Expenditures - Continued:			
Public Safety Answering Points (PSAP):			
Logging recorder costs	\$ 109,190	\$ 109,190	\$ -
Emergency Medical Dispatch (EMD)	112,989	145,560	32,571
Operating expenses	70,867	89,625	18,758
SP Program/EMD updates	6,068	25,000	18,932
Total PSAPs	299,114	369,375	70,261
Other:			
Public education	3,530	10,000	6,470
GIS maintenance	58,352	72,000	13,648
Callbox repairs	14,762	8,000	(6,762)
Emergency preparation network	26,545	36,000	9,455
Special projects, CopLink, etc.	159,617	472,042	312,425
Total Other	262,806	598,042	335,236
Capital Outlay:			
Acquisition of equipment	683,205	1,745,000	1,061,795
Total Expenditures	1,604,110	3,272,001	1,667,891
Revenue Over (Under) Expenditures	208,665	(1,500,411)	1,709,076
Fund Balance, January 1, 2008	2,734,830	2,734,830	-
Fund Balance, December 31, 2008	\$ 2,943,495	\$ 1,234,419	\$ 1,709,076

See Accompanying Notes to Financial Statements.

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1 - Summary of Significant Accounting Policies:**

The accounting and reporting policies of the Larimer Emergency Telephone Authority (the Authority) conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the Authority's financial statements.

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#### Reporting Entity:

LETA was formed November 14, 1990, by an intergovernmental agreement among twenty governments and special authorities located in Larimer County, Colorado. It is governed by a seven-member board consisting of two members from the cities, two from the towns, and one each from the hospital authorities, fire authorities, and the County.

LETA's purpose is to contract for the installation and operation of an emergency telephone service (9-1-1). Revenue is generated to defray the costs involved through a monthly surcharge for each telephone exchange access facility in the County. The monthly rate was \$.45 for 2007 and 2008.

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 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.

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#### 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

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### 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.

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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.

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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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# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1 - Summary of Significant Accounting Policies - Continued:**

#### Investments:

Investments are stated at their fair market 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 2008.

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### **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.

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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, 2008 and installed at various locations are as follows:

	Balance, 1/1/08	Additions	Deletions	Balance, 12/31/08
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	476,138	471,828	--	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
<b>Total Capital Assets</b>	<b>\$ 2,428,461</b>	<b>471,828</b>	<b>--</b>	<b>\$ 2,900,289</b>
Less Accumulated Depreciation:				
Larimer County Sheriff's Office	481,765	19,523	--	501,288
Loveland Police Department	266,351	37,101	--	303,452
Estes Park Police Department	237,211	36,453	--	273,664
Poudre Communications	283,510	128,344	--	411,854
CSU	121,520	34,259	--	155,779
Countywide:				
NICE Project	--	20,833	--	20,833
GIS Project	267,603	4,500	--	272,103
Software	31,944	1,800	--	33,744
<b>Total Accumulated Depreciation</b>	<b>1,689,904</b>	<b>282,813</b>	<b>--</b>	<b>1,972,717</b>
<b>Capital Assets, net</b>	<b>\$ 738,557</b>	<b>\$ 189,015</b>	<b>\$ --</b>	<b>\$ 927,572</b>

### 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

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### 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.

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.

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, 2008	Cost	Market Value
U.S. Agency Bonds, primarily FHLMC and FFCB, maturing in 2009, rated AAA by Standard and Poor's, 4.0% - 5.75%	\$ 225,416	\$ 227,477
Bank CD's due in 2009, 2.96% - 5.2%	2,121,586	2,121,180
Goldman Sachs Financial Square Government Fund	102,217	102,217
	<u>\$ 2,449,219</u>	<u>\$ 2,450,874</u>

At December 31, 2008, the Authority held \$102,217 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 \$102,217.

At September 15, 2008, the Authority had funds invested in the Colorado Diversified Trust (CDT), a local government investment pool. It was a fundamental policy of Colorado Diversified Trust to maintain a net asset value per share of \$1.00. The decision was made to dissolve Colorado Diversified Trust as the Pool received a ratings downgrade from rating agencies and the per share value decreased to \$0.9819. This resulted in a \$26,103 loss of investment income to the Authority.

The Colorado Diversified Trust entered into an agreement with Colorado Local Government Liquid Asset Trust (COLO Trust), to assume the assets and participants' balances based on the final valuation of September 16, 2008. LETA subsequently transferred its funds from COLO Trust.

# LARIMER EMERGENCY TELEPHONE AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5 – Operating Leases

In 2007 the Authority began leasing computer software and hardware relating to logging recorders in a lease expiring in 2011. Rent expense was \$109,190 in 2008.

Future minimum rental payments are:

Year Ending December 31	Amount
2009	\$ 109,190
2010	109,190
2011	109,190
	<u>\$ 327,570</u>

In 2008, the Authority began leasing office space on a year-to-year basis. Rent expense was \$8,825 in 2008.

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### 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, 2008	
Fund balance of General Fund	\$ 2,943,495
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	927,572
Total Net Assets	<u>\$ 3,871,067</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, 2008	
Net change in fund balance – General Fund	\$ 208,665
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 in the current year.	189,015
Change in Net Assets of Governmental Activities	<u>\$ 397,680</u>