

Larimer Emergency Telephone Authority



**2015
ANNUAL REPORT**

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EXECUTIVE SUMMARY

2015 marked my 9th year being employed with LETA as their Executive Director.

9 years with LETA also marked my 22nd year in public safety and specifically working in 9-1-1. One critical theme has remained with me for my 22 years working with 9-1-1 professionals; 9-1-1 is not a job, it is not a paycheck, it is not a place you go to work.

A career in 9-1-1 is a mindset, a virtue, a calling. Working in 9-1-1 means you have the opportunity to make a difference for someone who is possibly experiencing the worst moment of his or her life.

At LETA, we take the administration of 9-1-1 as our responsibility not as our job.

The team at LETA and the LETA Board of Directors is vested in ensuring that we are installing, maintaining, updating, reviewing, analyzing, every aspect of 9-1-1, every contract, and every program we fund, with the goal to strive for the highest level of service.

The LETA team and the LETA Board of Directors are committed to our citizens, our visitors, and guests.

They are committed to ensuring we take our responsibility with the highest virtue possible, et ad honorem.



MISSION, VISION & VALUES

MISSION

The Larimer Emergency Telephone Authority strives to provide distinguished 9-1-1 service and innovative 9-1-1 programs through technical excellence, leadership, and open collaborative communication. LETA shall maintain a unified approach to current and future 9-1-1 needs. To support our commitment to 9-1-1, we collect and responsibly manage telephone surcharges.

VISION

The Larimer Emergency Telephone Authority assumes a leadership role by identifying current and future 9-1-1 progress. It is our vision to be renowned for setting the industry standard for 9-1-1.

HISTORY OF LETA

LETA was formed in 1990 through the joint efforts of Larimer county and the cities, towns, fire districts and hospital districts located in the County. Colorado legislation authorized the creation of emergency telephone authorities in 1981, and the birth of LETA resulted from that legislation and an Intergovernmental Agreement between the governmental subdivisions in Larimer County. The goal of the agreement and the vision of the signatories were to provide consistent county-wide enhanced 9-1-1 services. Through the joint efforts and simple hard work of all of the local governments and districts, this goal was accomplished and the vision realized. LETA now proudly exists as the sole responsible entity in Larimer county for the administration and operation of all emergency telephone services.

LETA is governed by a seven member board appointed by the Board of County Commissioners and drawn from a cross-section of the public that the Authority serves. LETA's day to day operations are managed by Chief Executive Officer, Kimberly Culp.

LETA's revenue source is a surcharge on telephone users in the County. Revenues are used for the purchase of 9-1-1 equipment and the management of the 9-1-1 system. At the time of LETA's formation the surcharge was set at \$.50 per telephone, per month. Since that time, the surcharge has been reduced to \$.45 per phone, the second lowest surcharge of all emergency telephone authorities in Colorado.

2015 LETA BOARD MEMBERS

Member	Position	Term Appointment	Term Expiration
Corey Christensen	Director	01/01/2015	12/31/2016 – 2 nd Term
Frank Johnson	Director	01/01/2015	12/31/2016 – 2 nd Term
Bill Westbrook	Treasurer	01/01/2014	12/31/2015 – 3 rd Term
Bill Nelson	Vice Chair	01/01/2015	12/31/2016 – 3 rd Term
Randy Leshner	Director	01/01/2015	12/31/2016 – 4 th Term
Steve Charles	Secretary	01/01/2014	12/31/2015 – 3 rd Term
Wes Kufeld	Chair	01/01/2014	12/31/2015 – 3 rd Term
John Frey	Legal Counsel	N/A	N/A
Kimberly Culp	Executive Director	N/A	N/A
Ed Roth	Technical Manager	N/A	N/A
Valarie Turner	Operations Manager	N/A	N/A
Ben Butterfield	GIS Analyst	N/A	N/A

Representing Fire Districts

Fire Chief Steve Charles
Berthoud Fire
PO Box 570
Berthoud, CO 80513
scharles@berthoudfire.org

Representing City of Loveland

IT Director Bill Westbrook
City of Loveland
500 E. 3rd Street
Loveland, CO 80537
Bill.Westbrook@cityofloveland.org

Representing Small Towns

Police Chief Wes Kufeld
Town of Estes Park
PO Box 1287
Estes Park, CO 80517
wkufeld@estes.org

Representing Emergency Medical Services

Chief Randy Leshner
Thompson Valley EMS
4480 Clydesdale Pkwy
Loveland, CO 80538
rlesher@tvems.com

Representing Small Towns

Lieutenant Frank Johnson
Colorado State University
750 Meridian Ave.
Fort Collins, CO 80523
franke.johnson@colostate.edu

Representing Larimer County

Undersheriff Bill Nelson
Larimer County Sheriff's Office
2501 Midpoint Drive
Fort Collins, CO 80525
nelsonwd@co.larimer.co.us

Representing City of Fort Collins

Deputy Chief Corey Christensen
Fort Collins Police Services
PO Box 580
Fort Collins, CO 80522

2015 9-1-1 Surcharge Fees by County

County	Fee	County	Fee
Adams	0.70	Lake	0.70
Arapahoe	0.43	La Plata	1.30
Archuleta	1.25	Larimer	0.45
Aurora – City of	0.70	Las Animas	1.50
Baca	0.70	Lincoln	0.70
Bent/Kiowa	0.70	Logan	0.70
Boulder	0.75	Moffat	0.70
Chaffee	1.40	Montezuma	0.70
Cheyenne	0.70	Montrose	0.70
Clear Creek	1.25	Morgan	0.70
Crowley	0.70	Otero	0.70
Custer	1.25	Ouray	0.70
Delta	0.70	Park	1.25
Denver	0.70	Phillips	1.25
Dolores	0.50	Pitkin	1.25
Douglas	0.70	Prowers	0.70
Eagle	1.25	Pueblo – City	0.70
Elbert	1.20	Pueblo – County	0.70
El Paso/ Teller	0.70	Rio Blanco East	0.70
Fremont	0.70	Rio Blanco West	1.00
Garfield	0.70	Routt	1.25
Gilpin	1.20	San Juan	1.75
Grand	1.50	San Luis Valley	0.50
Grand Junction	1.30	San Miguel	1.25
Gunnison/ Hinsdale	1.00	Sedgwick	0.70
Huerfano	0.70	Summit	1.75
Jackson	0.70	Thornton – City	0.70
Jefferson	0.52	Washington/Yuma	1.25
Kit Carson	1.00	Weld	0.70

9-1-1 Surcharge is charged by phone line per month.

For LETA the surcharge provides 1.9 million dollars in annual revenue. LETA funds 9-1-1 programs, 9-1-1 equipment, Training, Public Education, the 9-1-1 network and Tariff.

LETA has a conservative funding model following State Statute, title 29 which identifies what the 9-1-1 Surcharge can fund.

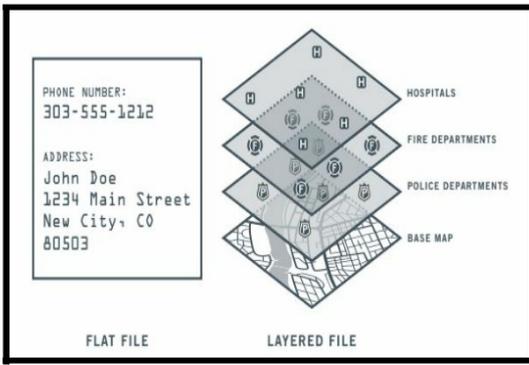
2015 Accomplishments

In March of 2015, LETA introduced the newest user interface released by Everbridge. The new interface features a fresh new look and useful tool for it's users.

Some of the new features include weather alerts automatically sent by the National Weather Service and the ability to send emergency alerts directly to social media accounts.

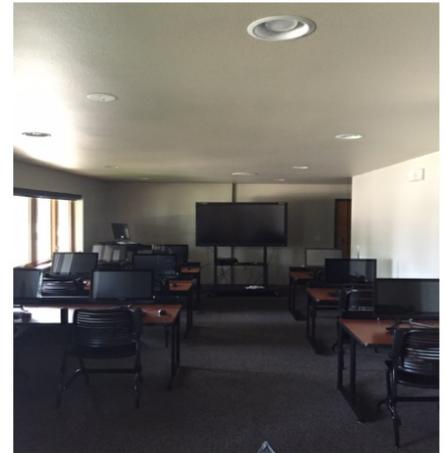
The use of Everbridge for sending emergency alerts continues to provide Larimer County residents with up to minute information about emergency situations in their area.





LETA continues to lead the state in preparation for Next Generation 911. Geographic Information Systems will be required to transition to a geospatial database that will store a wide variety of geographical layers based on address. In order to start this transition, LETA hired GIS Analyst, Ben Butterfield, in 2015. Ben's main objective will be to create a highly accurate GIS database for use in Next Generation 9-1-1 mapping and emergency alerts. LETA's goal is to have Next Generation compliant data that will prepare them for the future of 9-1-1.

The LETA Board approved an expansion and remodel to the current LETA office at 380 N. Wilson. Remodel work began in early 2015 and was completed by June of that year. The remodel added additional office and meeting space, an IT room and a 10 seat computer lab, equipped with a Promethean board to encourage hands-on learning.



LETA began using the computer lab immediately with training such as AQUA, ProQA, Everbridge and the annual EMD Seminar. The remodel has allowed LETA to offer more continuing education opportunities to dispatchers, as well as train government partners on the use of LETA funded programs.



Text to 9-1-1

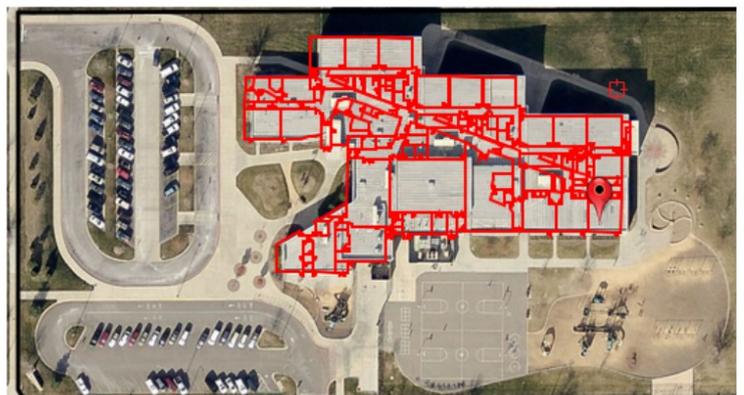
Text to 9-1-1 continues to go well in Larimer County. While Text to 9-1-1 is running smoothly here, there are numerous counties around the state that are not able to implement Text to 9-1-1 for different reasons. LETA extended an invitation to answer Text to 9-1-1 calls for Public Safety Answering Points (PSAP) throughout the state. The Larimer County Sheriff's Office began receiving Text to 9-1-1 calls for Mesa and Garfield counties in 2015.

LETA worked extensively with the FCC in 2015 to get Tier 2 and Tier 3 wireless carriers to go live with Text to 9-1-1.

In 2015, LETA completed the school floor plan project with Pictometry by integrating the school floor plan layers into the CAD mapping system at all five PSAPs in Larimer County.

Floor plans for all K-12 schools in Larimer County as well as CSU main campus are now available.

This is an extremely valuable tool for officers and dispatchers alike. Dispatchers can now use the integrated floor plans to find the exact location of an active incident inside schools around the county and strategically dispatch first responders to the area.



The LETA Board reaffirmed their commitment to 9-1-1 Public Education in Larimer County and approved a contract employee to fill the role of Community Outreach liaison. In May, LETA hired Julie Sullivan for the position. Since that time, the Community Outreach has continued to grow. LETA attended over 20 community events in 2015 and also increased Everbridge registration by 20%.



A new mascot joined the LETA team in 2015. Cell Phone Sally arrived in October and has been a great addition to the Cell Phone Sally material taught to preschool and elementary school aged children throughout the County. Cell Phone Sally made her first appearance in the 2015 Catch the Glow Parade in Estes Park. Cell Phone Sally attends many events throughout the year, encouraging kids to be prepared to call 9-1-1 in case of an emergency!



intrado®

In 2015, LETA was made aware of 911 calls misrouting to neighboring jurisdictions, specifically Weld County. Executive Director Culp worked tirelessly to identify the cell towers associated with the misroutes, review routing sectors and conduct test calls throughout the county. By the end of 2015, misroutes had decreased significantly due to the diligent efforts of Executive Director Culp to ensure that citizens reached the appropriate PSAP and that neighboring agencies worked cooperatively to provide timely assistance.

Estes Park's dispatch center was experiencing lengthy delays when dialing or transferring on an outbound line. The delays were the result of the interface between Estes park's analog PBX resources and the VIPER 9-1-1 phone system.

LETA collaborated with the Estes Park IT division and Venture Technologies to streamline the interface using a cleaner IP to IP method. A Cisco CUBE was deployed as a session border controller, which manages call traffic between the VIPER and Estes Park's Avaya PBX in a more efficient and much faster way.

Voice Logger RFP

In December of 2015, LETA released a Request for Proposals (RFP) for the installation, equipment, and maintenance of an IP Voice Logger Recorder System.

The process of selecting a new voice logger vendor will continue into 2016 with the selected recorder to be installed by early Q2 of 2016.

Public Utilities Commission

On May 12, 2015, the Public Utilities Commission (PUC) released proposed rules as they pertain to 9-1-1 in Colorado. LETA was an active participant in discussions due to concerns around diversity requirements, point of demarcation, certification process for Basic Emergency Service Providers and much more.

LETA remained engaged in monthly work sessions that were created at the end of 2015. The work sessions were meant to bring all stakeholders together with the PUC to rewrite the proposed rules and gain consensus.

Work on the rules continued through 2015 and will continue into 2016. LETA will remain heavily involved in all discussions on this matter until final rules are released in early 2016.



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 12) and the Statement of Activities (on page 13) 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, 2015, assets exceeded liabilities by \$6,301,619.

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

December 31	2015	2014
Assets:		
Cash and investments	\$ 5,119,274	\$ 4,751,374
Receivables and prepaid items	397,252	392,039
Capital assets	869,452	1,137,936
Total Assets	6,385,978	6,281,349
Liabilities:		
Accounts payable	84,358	112,623
Total Liabilities	84,358	112,623
Net Position:		
Investment in capital assets	869,452	1,137,936
Unrestricted	5,432,168	5,030,790
Total Net Position	\$ 6,301,620	\$ 6,168,726

A significant portion of LETA's net position represents unrestricted net position of \$5,432,167 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	2015	2014
Revenues:		
Program revenue:		
Telephone surcharges	\$ 1,944,778	\$ 1,883,127
General revenue:		
Investment earnings and other	18,928	51,041
Gain on legal settlement	--	196,165
Total Revenues	1,963,706	2,130,333
Expenses:		
Telephone Charges	192,900	199,402
Administration	518,729	385,533
Board	81,784	137,716
Public Safety Answering Points	195,554	179,057
Depreciation	372,162	401,185
Projects	469,683	686,484
Total Expenses	1,830,812	1,989,377
Increase in Net Position	\$ 132,894	\$ 140,956

Governmental Activities. Governmental activities increased LETA's net position by \$132,894 in 2015. Key elements of this increase are as follows:

- * Total surcharge revenues were approximately 3% more than 2014.
- * There was a 8% decrease in expenses from 2014, primarily due to decreased projects. One employee was added during 2015.

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, 2015	Original and Final Budget	Actual
Beginning Fund Balance	\$ 5,030,790	\$ 5,030,790
Revenue	1,755,000	1,963,706
Expenditures	4,055,000	1,562,328
Ending Fund Balance	\$ 2,730,790	\$ 5,432,168

Actual expenditures were less than budget primarily due to special projects not occurring that were anticipated during 2015.

CAPITAL ASSET ADMINISTRATION

Capital Assets. LETA's investment in capital assets for its governmental type activities as of December 31, 2015, totals \$869,452 net of accumulated depreciation. This investment includes emergency telephone equipment at various sites. The total decrease in capital assets for the current year was \$268,484, due to current year 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, 380 N. Wilson, Loveland, Colorado 80537.



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, 2015 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes 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.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2015, 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.

Other Matters

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Anderson & Whitney, P.C.

May 11, 2016

LARIMER EMERGENCY TELEPHONE AUTHORITY

GENERAL FUND BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2015	General Fund	Adjustments (Note 6)	Statement of Net Position
<u>ASSETS</u>			
Cash	\$ 439,613	\$ -	\$ 439,613
Investments	4,679,661	-	4,679,661
Accounts Receivable	281,562	-	281,562
Prepaid Items	115,690	-	115,690
Capital Assets	-	869,452	869,452
TOTAL ASSETS	\$ 5,516,526	869,452	6,385,978
<u>LIABILITIES</u>			
Accounts Payable	84,358	-	84,358
Total Liabilities	84,358	-	84,358
<u>FUND BALANCE/NET POSITION</u>			
Fund Balance:			
Nonspendable	115,690	(115,690)	-
Assigned:			
Operations and 9-1-1 Projects	5,316,478	(5,316,478)	-
Total Fund Balance	5,432,168	(5,432,168)	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 5,516,526		
Net Position:			
Investment in capital assets		869,452	869,452
Unrestricted		5,432,168	5,432,168
TOTAL NET POSITION		\$ 6,301,620	\$ 6,301,620

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, 2015	General Fund	Adjustments (Note 7)	Statement of Activities
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 302,433	\$ -	\$ 302,433
Wireless	1,292,314	-	1,292,314
Voice-over internet protocol (VOIP)	223,450	-	223,450
Prepaid wireless	126,581	-	126,581
Investment earnings and other	18,928	-	18,928
Total Revenue	1,963,706	-	1,963,706
Expenditures:			
Current Operating:			
Administration	59,256	-	59,256
Personnel	459,473	-	459,473
Telephone	192,900	-	192,900
Board expenses	81,784	-	81,784
Public Safety Answering Points	195,554	-	195,554
Projects	469,683	-	469,683
Capital Outlay	103,678	(95,413)	8,265
Depreciation	-	363,897	363,897
Total Expenditures	1,562,328	268,484	1,830,812
Change in Fund Balance/Net Position	401,378	(268,484)	132,894
Fund Balance/Net Position, Beginning of Year	5,030,790	1,137,936	6,168,726
FUND BALANCE/NET POSITION, End of Year	\$ 5,432,168	\$ 869,452	\$ 6,301,620

See Accompanying Notes to Financial Statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2015	Actual	Original and Final Budget	Variance
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 302,433	\$ 280,000	\$ 22,433
Wireless	1,292,314	1,190,000	102,314
Voice-over internet protocol	223,450	170,000	53,450
Prepaid wireless	126,581	64,000	62,581
Investment earnings and other	18,928	51,000	(32,072)
Total Revenue	1,963,706	1,755,000	208,706
Expenditures:			
Administration:			
Personnel salaries	366,728	280,000	(86,728)
Benefits	92,745	78,000	(14,745)
Operating supplies	760	10,200	9,440
Training	5,664	12,000	6,336
Travel	6,576	16,000	9,424
Office lease	25,087	33,600	8,513
Operating expenses	21,169	22,400	1,231
Total Administration	518,729	452,200	(66,529)
Telephone:			
AT&T language line	2,983	2,000	(983)
Networking	98,043	95,000	(3,043)
Outgoing callbox	139	5,500	5,361
Ethernet network	89,851	120,000	30,149
Analog	262	700	438
Comcast	1,622	1,800	178
ESI Net	-	200,000	200,000
Total Telephone	192,900	425,000	232,100
Board Expenses:			
Attorney	60,000	60,000	-
Audit and budget	17,300	25,000	7,700
Bank charges	150	500	350
Insurance	4,165	6,000	1,835
Postage	169	300	131
Web page	-	2,500	2,500
Total Board Expenses	81,784	94,300	12,516

Continued on next page.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT - Continued

Year Ended December 31, 2015	Actual	Original and Final Budget	Variance
Expenditures - Continued:			
Public Safety Answering Points (PSAP):			
Logging recorder costs	\$ 40,685	\$ 125,000	\$ 84,315
Emergency Medical Dispatch (EMD)	67,585	87,000	19,415
Operating expenses	81,608	139,100	57,492
SP Program/EMD updates	550	35,000	34,450
EMD Trainer	5,126	15,000	9,874
Total PSAPs	195,554	401,100	205,546
Other:			
Public education	25,234	25,500	266
GIS maintenance	81,976	67,600	(14,376)
Callbox	38,408	25,000	(13,408)
Emergency notification system	144,986	278,800	133,814
Special projects, Venture, Pictometry, etc.	179,079	1,975,000	1,795,921
Total Other	469,683	2,371,900	1,902,217
Capital Outlay:			
Acquisition of systems	8,179	145,000	136,821
Facility investment	95,499	165,500	70,001
Total Expenditures	1,562,328	4,055,000	2,492,672
Revenue Over (Under) Expenditures	401,378	(2,300,000)	2,701,378
Fund Balance, January 1, 2015	5,030,790	5,030,790	-
Fund Balance, December 31, 2015	\$ 5,432,168	\$ 2,730,790	\$ 2,701,378

See Accompanying Notes to Financial Statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

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

Reporting Entity:

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

LETA's purpose is to contract for the installation and operation of an emergency telephone service (9-1-1). Revenue is generated to defray the costs involved through a monthly surcharge for each telephone exchange access facility in the County. The monthly rate was \$0.45 for 2015. State statutes limit the spending of surcharges to costs of equipment directly related to the receipt and routing of emergency calls, monthly recurring charges of service suppliers, costs related to the provision of the emergency notification system and other costs directly related to the emergency telephone service.

The financial report of the Authority includes all of the integral parts of the Authority's operations. The Authority has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

Government-wide and Fund Financial Statements:

The Authority reports as a special purpose government engaged in a single governmental program. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities are supported by telephone surcharges.

Separate financial statements are provided for the General Fund. The General Fund is reported as a separate column in the financial statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Telephone surcharges are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Telephone surcharges and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major governmental fund:

The *general fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority.

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are legally restricted by law or outside parties for use for specific purpose.

Assigned fund balances, if any, are amounts the Authority intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official to which the Board delegates authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

Capital Assets:

Capital assets consist primarily of communication and computer equipment for the operation of a county-wide emergency telephone service. These assets are recorded at cost or estimated historical cost if actual historical cost is not available.

Depreciation has been provided on capital assets using straight-line methods over three to ten years. The Authority's capitalization level is \$5,000.

Investments:

Investments are stated at their fair 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 2015.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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 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.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - Changes in Capital Assets:

Capital assets acquired as of December 31, 2015 and installed at various locations are as follows:

	Balance, 1/1/15	Additions	Deletions	Balance, 12/31/15
Property Held At:				
Larimer County Sheriff's Office	\$ 405,885	\$ --	\$ --	\$ 405,885
Loveland Police Department	379,519	--	--	379,519
Estes Park Police Department	378,208	--	--	378,208
Fort Collins 9-1-1	1,114,566	--	--	1,114,566
CSU	320,181	--	--	320,181
County-wide:				
GIS Project	27,000	--	--	27,000
VIPER	31,147	--	--	31,147
Office remodel	--	95,413	--	95,413
LETA office furniture	36,085	--	--	36,085
Total Capital Assets	2,692,591	95,413	--	2,788,004
Less Accumulated Depreciation:				
Larimer County Sheriff's Office	231,954	50,336	--	282,290
Loveland Police Department	100,236	79,244	--	179,481
Estes Park Police Department	252,887	34,426	--	287,313
Fort Collins 9-1-1	682,024	154,351	--	836,375
CSU	218,240	29,769	--	248,008
County-wide:				
VIPER	6,229	6,229	--	12,458
GIS Project	27,000	--	--	27,000
Office remodel	--	9,541	--	9,541
LETA office furniture	36,085	--	--	36,085
Total Accumulated Depreciation	1,554,655	363,897	--	1,918,552
Capital Assets, net	\$ 1,137,936	\$ (268,484)	\$ --	\$ 869,452

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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.

State statutes authorize the Authority to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain money market funds and corporate bonds within three years of maturity and rated not less than AA- or Aa3.

The Authority's investment policy is not more restrictive than State statutes. The Authority's investments are concentrated in bank CD's of \$250,000 or less.

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

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

<u>December 31, 2015</u>	<u>Cost</u>	<u>Market Value</u>
U.S. Treasury notes due in 2016 and 2017, 1.875% - 4.25%	\$ 1,438,565	\$ 1,391,258
Bank CD's due in 2016 through 2017, .3% - 2.1%	2,853,600	2,856,477
Goldman Sachs Financial Square Government Fund	182,926	182,926
Flatirons Bank Money Market, .35%	249,000	249,000
	<u>\$ 4,724,091</u>	<u>\$ 4,679,661</u>

At December 31, 2015, the Authority held \$182,926 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 \$182,926.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Operating Lease:

As of January 1, 2012, the Authority began leasing facilities under a lease expiring in 2016. In 2015, the lease was extended to December 31, 2023.

Future minimum rental payments including utilities are:

Year Ending December 31	Amount
2016	\$ 27,850
2017	27,850
2018	27,850
2019	27,850
2020	27,850
2021-2023	83,550
	<u>\$ 222,800</u>

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

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

December 31, 2015	
Fund balance of General Fund	\$ 5,432,168
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	869,452
Total Net Position	<u>\$ 6,301,620</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, 2015	
Net change in fund balance – General Fund	\$ 401,378
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.	(268,484)
Change in Net Position of Governmental Activities	<u>\$ 132,894</u>

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Employee Benefits:

Employees of Authority participate in the employee benefit plans of Larimer County, Colorado with the Authority paying the applicable employer share. Accrued vacation pay is not reflected in these financial statements as it is not material.

Employees also participate in the Larimer County Contributory 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 \$20,778 in 2015.
