LETA 911

Larimer Emergency Telephone Authority

FINANCIAL STATEMENTS

Year Ended December 31, 2025

Anderson & Whitney

A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report

Board of Directors
Larimer Emergency Telephone Authority
Larimer County, Colorado

Opinions

We have audited the accompanying balance sheet/statement of net position, and the statement of revenues, expenditures and changes in fund balance/statement of activities of the governmental activities and the major fund of the Larimer Emergency Telephone (Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities and the major fund of Larimer Emergency Telephone Authority as of December 31, 2025, and the changes in its financial position and the budgetary comparison for the year then ended, accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States require that management discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Anderson & Whitney, P.C.

May 20, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) General Fund budgetary comparison, and (3) notes to the financial statements.

The Statement of Net Position (on page 7) and the Statement of Activities (on page 8) provide information about the activities of LETA as a whole and present a longer-term view of LETA's finances. For governmental activities, these statements also explain how these services were financed in the short term, as well as what remains for future spending.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2025, assets exceeded liabilities by $24,431,543.

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

December 31	2025	2024
Assets:		
Cash and investments	$13,222,329	$7,897,244
Receivables and prepaid items	2,816,937	697,267
Lease receivable	1,296,306	--
Capital assets, net of depreciation	17,382,667	16,548,125
Total Assets	34,718,239	25,142,636
Liabilities and Deferred Inflows:		
Accounts payable	292,502	200,647
Deferred sale of equipment	--	500,000
Deferred inflows of resources	1,296,306	--
Lease purchase obligations	8,609,000	8,798,000
Compensated absences	88,888	88,888
Total Liabilities & Deferred Inflows	10,286,696	9,587,535
Net Position:		
Net Investment in capital assets	8,773,667	7,750,125
Unrestricted	15,657,876	7,804,976
Total Net Position	$24,431,543	$15,555,101

A significant portion of LETA's net position represents unrestricted net position of $15,657,876 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	2025	2024
Revenues:		
Program revenue:		
Telephone surcharges	$13,385,344	$6,700,169
General revenue:		
Lease revenue	436,491	--
Investment earnings and grants	112,239	385,453
Total Revenues	13,934,074	7,085,622
Expenses:		
Telephone Charges	828,768	675,949
Administration	1,312,720	1,159,007
Board	464,977	497,871
Public Safety Answering Points	432,857	363,141
Depreciation	990,968	710,947
Projects	1,212,696	1,524,378
Capital Outlay	232,428	--
Debt service	443,525	419,032
Total Expenses	5,918,939	5,350,325
Other Items:		
Gain on sale of equipment	861,307	--
Increase in Net Position	$8,876,442	$1,735,297

Governmental Activities. Governmental activities increased LETA's net position by $8,876,442 in 2025. Key elements of this increase are as follows:

* Surcharge rates increased from $1.10 to $2.12 monthly, in February 2025, to help fund future capital purchases including new radio consoles and increase service levels to help with location accuracy and improve the continuity of operations.

* Expenses increased 11%, primarily to increased salary expense and inflation.

CAPITAL ASSET ADMINISTRATION

Capital Assets. LETA's investment in capital assets for its governmental type activities as of December 31, 2025, totals $17,382,667 net of accumulated depreciation. This investment includes emergency telephone equipment at various sites. The total increase in capital assets for the current year was $834,542, primarily due to the tenant finishes on the new building.

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 6 to the financial statements.

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, 2025	Original and Final Budget	Actual
Beginning Fund Balance	$ 7,893,864	$ 7,893,864
Revenue and Other Financing Sources	8,626,127	15,064,074
Expenditures	8,926,127	7,211,174
Ending Fund Balance	$ 7,593,864	$15,746,764

DEBT

Lease Purchase Agreements. In 2020, the Authority entered into a lease for $4,500,000 for the acquisition of property. In 2024, the Authority entered into a lease for $6,000,000 for the acquisition of another property. Additional information can be found in Note 8 to the financial statements.

OTHER MATTERS

The following factors are expected to have a significant effect on the Authority's financial position and results of operations and were taken into account in developing the 2026 budget:

- $3 million is budgeted to purchase new radio consoles.

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, 4867 Venture Drive, Johnstown, Colorado 80534.

LARIMER EMERGENCY TELEPHONE AUTHORITY

GENERAL FUND BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2025	General Fund	Adjustments (Note 9)	Statement of Net Position
ASSETS			
Cash	$ 6,062,051	-	$ 6,062,051
Investments	7,160,278	-	7,160,278
Accounts receivable	2,607,867	-	2,607,867
Prepaid items	209,070	-	209,070
Lease Receivable	-	1,296,306	1,296,306
Capital Assets, net of depreciation	-	17,382,667	17,382,667
TOTAL ASSETS	16,039,266	18,678,973	34,718,239
LIABILITIES			
Accounts payable	292,502	-	292,502
Lease purchase obligations	-	8,609,000	8,609,000
Compensated absences	-	88,888	88,888
TOTAL LIABILITIES	292,502	8,697,888	8,990,390
DEFERRED INFLOWS			
Deferred inflows for lease	-	1,296,306	1,296,306
TOTAL DEFERRED INFLOWS	-	1,296,306	1,296,306
FUND BALANCE/NET POSITION			
Fund Balance:			
Nonspendable	209,070	(209,070)	-
Assigned:			
Operations and 9-1-1 Projects	15,537,694	(15,537,694)	-
Total Fund Balance	15,746,764	(15,746,764)	-
TOTAL LIABILITIES AND FUND BALANCE	$ 16,039,266		
Net Position:			
Net Investment in capital assets		8,773,667	8,773,667
Unrestricted		15,657,876	15,657,876
TOTAL NET POSITION		$ 24,431,543	$ 24,431,543

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, 2025	General Fund	Adjustments (Note 10)	Statement of Activities
Revenue:			
Telephone surcharge fees:			
Hardwire	$ 479,185	$ -	$ 479,185
Wireless	9,821,220	-	9,821,220
Voice-over internet protocol (VOIP)	1,568,472	-	1,568,472
Prepaid wireless	808,263	-	808,263
Investment earnings and other	92,895	-	92,895
Statewide surcharges	708,204	-	708,204
Capital contribution - county	19,344	-	19,344
Lease revenue	436,491	-	436,491
Total Revenue	13,934,074	-	13,934,074
Expenditures:			
Current Operating:			
Administration	1,312,720	-	1,312,720
Telephone	828,768	-	828,768
Board expenses	464,977	-	464,977
Public Safety Answering Points	432,857	-	432,857
Other Projects	1,212,696		1,212,696
Capital Outlay	2,326,631	(2,094,203)	232,428
Debt Service:			
Principal	189,000	(189,000)	-
Interest	443,525	-	443,525
Depreciation	-	990,968	990,968
Total Expenditures	7,211,174	(1,292,235)	5,918,939
Other Items:			
Gain on sale of equipment	1,130,000	(268,693)	861,307
Total Other Financing Sources	1,130,000	(268,693)	861,307
Revenue and Other Financing Sources Over Expenditures	7,852,900	1,023,542	8,876,442
Fund Balance/Net Position, Beginning of Year	7,893,864	7,661,237	15,555,101
FUND BALANCE/NET POSITION, End of Year	$ 15,746,764	$ 8,684,779	$ 24,431,543

See Accompanying Notes to Financial Statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2025	Actual	Original and Final Budget	Variance
Revenue:			
Telephone surcharge fees:			
Hardwire	$ 479,185	252,500	$ 226,685
Wireless	9,821,220	5,416,666	4,404,554
Voice-over internet protocol	1,568,472	1,010,160	558,312
State 911 surcharge	708,204	505,200	203,004
Prepaid wireless	808,263	705,600	102,663
Investment earnings and other	92,895	55,000	37,895
Grants and partner reimbursements	19,344	12,251	7,093
Lease revenue	436,491	668,750	(232,259)
Total Revenue	13,934,074	8,626,127	5,307,947
Expenditures:			
Administration and Operations:			
Personnel salaries	871,442	1,095,000	223,558
Benefits	283,643	549,300	265,657
Operating supplies and expenses	-	53,200	53,200
Dues and subscriptions	8,611	61,850	53,239
Uniforms	9,482	8,000	(1,482)
Auto expense	3,997	7,000	3,003
Training	3,804	18,000	14,196
Travel	11,461	25,000	13,539
Cleaning contract	27,409	52,000	24,591
Internships	7,393	15,000	7,607
Building maintenance	80,801	94,500	13,699
Operating expenses	26,090	85,000	58,910
Unrealized gain/loss on investments	(59,216)	80,000	139,216
Building Reserves	-	37,000	37,000
Utilities	37,803	48,000	10,197
Total Administration	1,312,720	2,228,850	916,130
Telephone:			
Comcast	1,670	2,000	330
Technical operating expenses	121,863	140,900	19,037
Portables	52,532	24,000	(28,532)
ESI Net - NG 911 tariff	652,703	850,000	197,297
Translation Services	-	5,000	5,000
Data Plans	-	12,500	12,500
Total Telephone	828,768	1,034,400	205,632
Board Expenses:			
Attorney	373,920	432,000	58,080
Audit and budget	47,128	35,000	(12,128)
Bank charges	28,944	62,000	33,056
Insurance	14,923	22,000	7,077
Postage	62	500	438
Total Board Expenses	464,977	551,500	86,523

Continued on next page.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT - Continued

Year Ended December 31, 2025	Actual	Original and Final Budget	Variance
Expenditures - Continued:			
Public Safety Answering Points (PSAP):			
Logging recorder costs	$ 58,027	55,000	$ (3,027)
EMD trainer	15,000	22,000	7,000
EMD upgrades/SP program	7,099	15,000	7,901
EMD operating expense	90,390	95,000	4,610
Emergency Medical Dispatch Advisor	16,403	20,000	3,597
Hiring software/programs	-	15,000	15,000
PSAP center purchases	230,485	161,310	(69,175)
PSAP membership	-	9,000	9,000
National Q	8,283	35,000	26,717
Other	7,170	46,000	38,830
Total PSAPs	432,857	473,310	40,453
Other Projects:			
Public education	5,993	10,000	4,007
Callbox repairs	95,026	91,800	(3,226)
Emergency notification system	220,089	422,100	202,011
LETA ESI Net	203,404	140,000	(63,404)
Imagery	166,131	335,000	168,869
GIS maintenance	-	73,000	73,000
4872 Association expenses	96,820	125,000	28,180
Special projects, VIPER maintenance	295,696	450,000	154,304
Crisp interface	-	4,500	4,500
First Due	60,582	60,000	(582)
Pulse	68,955	65,567	(3,388)
Total Other projects	1,212,696	1,776,967	564,271
Debt service:			
Principal	189,000	835,000	646,000
Interest	443,525	325,000	(118,525)
Total Debt Service	632,525	1,160,000	527,475
Capital Outlay:			
Venture Drive building	2,094,203	1,535,000	(559,203)
Motorola	62,587	45,000	(17,587)
Prepared 911	143,503	118,600	(24,903)
Enforce CAD	1,394	2,500	1,106
Other equipment	24,944	-	(24,944)
Total Capital outlay	2,326,631	1,701,100	(625,531)
Total Expenditures	7,211,174	8,926,127	1,714,953
Other Items:			
Gain on sale of equipment	1,130,000	-	1,130,000
Total Other Financing Sources	1,130,000	-	1,130,000
Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	7,852,900	(300,000)	8,152,900
Fund Balance, January 1, 2025	7,893,864	7,893,864	-
Fund Balance, December 31, 2025	$ 15,746,764	$ 7,593,864	$ 8,152,900

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 $2.12 beginning February 1, 2025. 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.

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.

Investments:

Investments are stated at their fair value as of the financial statement date.

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.

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 2025.

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.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Paid Time Off:

Employees receive paid time off leave which may accumulate to varying levels. This time includes vacation and sick days. Unused leave is paid upon termination, and employees can also request a cash out of earned unused hours once per month, payable upon the next payroll cycle.

Vacation and sick leave accumulated by an employee are recorded as a liability and current operating expense of the Authority at the employee's current rate of pay.

In 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes standards for recognizing and measuring liabilities and expenses related to compensated absences, including vacation leave, sick leave, and other paid time off.

GASB 101 requires the recognition of a liability for compensated absences that are attributable to services already rendered, based on established policies and applicable laws. The liability is measured using the pay or salary rate in effect at the financial reporting date.

Leases:

As of January 1, 2022, the beginning of the period of adoption, the Authority has implemented the provisions of GASB 87, *Leases.* The Authority determines if an arrangement is a lease at inception. For individual lease contracts where information about the discount rate implicit in the lease is not included the Authority has elected to use the incremental borrowing rate of 6%, which represents the rate at which it could borrow funds for a term equivalent to the lease agreements, to calculate the present value of expected lease payments. The lease term includes the non-cancellable period of the lease. The lease term may include options to extend or terminate the leases which it is reasonably certain that the option will be exercised.

As the lessor, the Authority recognizes a lease receivable and a deferred inflow of resources in the Authority's Statement of net position. At the commencement of the lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payment received. The deferred inflow of resources is initially measured as the amount of the lease receivable and then adjusted for lease payments received at or before the lease commencement date, plus certain indirect costs. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Leases - Continued:

The authority monitors changes in circumstances that would require a restatement of its leases and will remeasure the lease assets if certain changes occur that are expected to significantly affect the amount of the lease asset.

Estimates and judgements related to leases include how the Authority determines the discount rate, lease terms, and lease receipts.

NOTE 2 - Cash and Investments:

The Authority's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance (FDIC) or by collateral held by the Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act (PDPA). FDIC coverage was $500,000 with the remainder covered by PDPA.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

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

The Authority's investment policy is not more restrictive than State statutes. The Authority's investments are concentrated in U.S. Treasury notes.

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

NOTE 2 - Cash and Investments - Continued:

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

December 31, 2025	Cost	Fair Value
U.S. Treasury notes due in 2026-2028-, 1.25% - 4.625%	$ 6,821,651	$ 6,861,284
Bank CD's due in 2027, 3.95% - 4.05%	200,973	201,946
Cash & Cash Equivalents	97,048	97,048
	$ 7,119,672	$ 7,160,278

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

	Fair Value Measurements at Reporting Date Using		
Description	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2025			
Bank C.D.'s	--	$ 201,946	--
U.S. Treasury and Agencies Notes	$ 6,861,284	--	--

NOTE 3 – Contingencies:

The intergovernmental agreement states that if emergency telephone service is ever discontinued, any remaining balance may be transferred to the public entities on a basis proportional to the service provided and the number of users in each public entity.

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters. The Authority is a member of Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a separate legal entity established by member governments pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. Settled claims have not exceeded this coverage in any of the past three fiscal years.

In 1992, Colorado voters approved the Taxpayer's Bill of Rights (TABOR). The Authority believes that it is exempt from TABOR on the grounds that the Authority does not have legal authority to levy taxes and that the Authority's revenue is derived from fees paid for emergency telephone services by telephone users. Such fees are regulated by the Colorado Public Utilities Commission. The enabling legislation allowing the creation of the Authority explicitly contemplates that the primary purpose of the fee is to defray the cost of services provided to those charged.

NOTE 4 – Related Party Transaction:

In 2020, in conjunction with the purchase of the building on Endeavor Drive, LETA and Larimer County jointly formed a new organization, 4872 Endeavor Condominium Association (Association). The Association manages the expenditures for the joint areas of the building. LETA paid $96,819 during 2025 to the Association.

NOTE 5 – Lease Agreement with Colorado Division of Fire Prevention and Control:

In 2024, the Authority agreed to lease its original building purchased in 2020 to the Colorado Department of Public Safety Division of Fire Prevention and Control (the Division) under a five-year lease with two possible five-year extensions. Lease revenue was $436,491 at December 31, 2025 and includes amounts for utilities. Future expected lease revenue with a discount rate of 6% is as follows:

Years Ending December 31	
2026	$ 395,000
2027	409,063
2028	423,750
2029	215,625
Total minimum lease receipts	1,443,438
Less: Amount representing interest	(147,132)
Total Present value of future minimum lease receipts	$ 1,296,306

NOTE 6 - Changes in Capital Assets:

Capital assets acquired as of December 31, 2025, and installed at various locations are as follows:

	Balance, 1/1/25	Additions	Deletions	Balance, 12/31/25
Property Held At:				
Larimer County Sheriff's Office	$ 156,361	$ --	$ --	$ 156,361
Loveland Police Department	226,391	--	--	226,391
Estes Park Police Department	149,761	--	15,005	134,756
Fort Collins 9-1-1	507,929	--	--	507,929
CSU	100,204	--	--	100,204
Jackson County	72,467	--	--	72,467
County-wide:				
Callbox	634,321	--	--	634,321
Fiber	101,452	--	--	101,452
VIPER	98,159	--	--	98,159
Back-up PSAP	1,091,609	--	155,944	935,665
Vehicles	141,487	--	--	141,487
Voice logger	114,281	--	--	114,281
Card Access System	5,305	--	5,305	--
LETA office furniture	340,153	--	271,529	68,624
LETA building – Endeavor Dr.	4,678,367	--	--	4,678,367
LETA building – Venture Dr.	6,000,000	--	--	6,000,000
LETA Interior Finish – Venture	--	6,164,644	--	6,164,644
Construction in progress	4,070,441	--	4,070,441	--
Total Capital Assets	18,488,688	6,164,644	4,518,224	20,135,108
Less Accumulated Depreciation:				
Larimer County Sheriff's Office	58,813	23,777	--	82,590
Loveland Police Department	99,184	37,733	--	136,917
Estes Park Police Department	52,637	19,251	15,005	56,883
Fort Collins 9-1-1	147,146	78,853	--	225,999
CSU	35,399	14,960	--	50,359
Jackson County	6,039	14,493	--	20,532
County-wide:				
Fiber	95,413	6,039	--	101,452
Card Access System	1,370	531	1,901	--
VIPER	34,777	14,023	--	48,800
Callbox	29,764	63,433	--	93,197
Back-up PSAP	327,484	93,566	46,783	374,267
Voice logger	65,830	22,856	--	88,686
Vehicles	49,982	20,213	--	70,195
LETA office furniture	133,864	18,528	115,400	36,992
LETA building – Endeavor Dr.	677,860	155,852	--	833,712
LETA building – Venture Dr.	125,000	150,000	--	275,000
LETA Interior Finish – Venture	--	256,860	--	256,860
Total Accumulated Depreciation	1,940,562	990,968	179,089	2,752,441
Capital Assets, net	$16,548,126	$5,173,676	$4,339,135	$17,382,667

NOTE 7 – Employee Benefits:

Employees of the Authority participate in a 401(a)-retirement savings plan. LETA contributes 4% of the employees' salary and the employee is required to contribute 4% of their salary to the plan. Contributions from the Authority to the Plan were approximately $33,736 in 2025.

All full-time employees may also contribute additional funds to a 457 deferred compensation plan. LETA matches these contributions dollar for dollar up to 6% of the employee's salary. Employees are not vested in the Authority contributions until they reach five years of service and become 100% vested. Contributions from the Authority to the Plan were approximately $54,393 in 2025.

NOTE 8 – Lease Purchase Agreements:

On January 15, 2020, the Authority entered into a $4,500,000 lease purchase agreement with BBVA to finance the purchase of the second floor of a new building and interior finish. The lease requires repayment over a 15-year period with interest only payments during the first year and then semi-annual payments thereafter of both interest and principal. The annual interest rate on the lease is 2.99%.

On February 15, 2024, The Authority entered into a $6,000,000 lease purchase agreement with Liberty Development LLC to finance the purchase of the office space adjacent to the previous office space. The address is 4867 Venture Drive in Johnstown. The lease requires repayment over 10 years with interest payments during the first year and then semi-annual payments thereafter of both interest and principal. Lease payments continue through 2035 at $500,000 per year plus 6% interest.

As of December 31, 2025, annual maturities of the lease purchase agreements are as follows:

Years Ending December 31	Principal	Interest	Total
2026	$ 694,000	$ 377,909	$ 1,071,909
2027	700,000	342,109	1,042,109
2028	706,000	306,129	1,012,129
2029	712,000	269,969	981,969
2030	718,000	233,630	951,630
2030-2035	5,079,000	567,246	5,646,246
	$8,609,000	$2,096,992	$10,705,992

NOTE 8 – Lease Purchase Agreements - Continued:

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

	Balance 1/1/25	Net Additions	Retirements	Balance 12/31/25	Due within One Year
2020 Lease Purchase Agreement	$3,798,000	$ --	$ 189,000	$3,609,000	$ 194,000
2024 Lease Purchase Agreement	5,000,000	--	--	5,000,000	500,000
Compensated Absences	88,888	--	--	88,888	44,444
Total	$8,886,888	$ --	$ 189,000	$8,697,888	$ 738,444

NOTE 9 – Reconciliation Between the General Fund Balance Sheet and the Statement of Net Position:

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

December 31, 2025	
Fund balance of General Fund	$15,746,764
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	17,382,667
Lease receivable	1,296,306
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities and deferred inflows at year-end consist of:	
Lease purchase obligations	(8,609,000)
Deferred inflows for lease receivable	(1,296,306)
Compensated absences	(88,888)
Total Net Position	$24,431,543

NOTE 10– 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, 2025	
Net change in fund balance – General Fund	$7,852,900
Amounts reported for *governmental activities* 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 and the net book value of disposals.	834,542
Governmental funds report capital lease payments as current expenditures. The following summarizes the Authority's long-term debt transactions for the year:	
The repayment of the principal of long-term debt consumes the current financial resources of the General Fund.	189,000
Change in Net Position of Governmental Activities	$ 8,876,442