



FINANCIAL STATEMENTS

Year Ended December 31, 2024





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, 2024, 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, 2024, and the changes in its financial position and the budgetary comparison for the year then ended, accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Anderson's Whitley, P.C.

July 21, 2025

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, 2024, assets exceeded liabilities by \$15,555,101.

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

December 31	2024	2023
Assets:		
Cash and investments	\$7,897,244	\$10,438,553
Receivables and prepaid items	697,267	985,418
Capital assets, net of depreciation	16,548,125	6,691,436
Total Assets	25,142,636	18,115,407
Liabilities:		
Accounts payable	200,647	242,002
Deferred sale of equipment	500,000	--
Lease purchase obligations	8,798,000	3,981,000
Compensated absences	88,888	72,601
Total Liabilities	9,587,535	4,295,603
Net Position:		
Net Investment in capital assets	7,750,125	2,710,436
Unrestricted	7,804,976	11,109,368
Total Net Position	\$15,555,101	\$13,819,804

A significant portion of LETA's net position represents unrestricted net position of \$7,804,976 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	2024	2023
Revenues:		
Program revenue:		
Telephone surcharges	\$6,700,169	\$6,296,433
General revenue:		
Investment earnings and grants	385,453	433,456
Total Revenues	7,085,622	6,729,889
Expenses:		
Telephone Charges	675,949	562,675
Administration	1,159,007	1,019,528
Board	497,871	456,553
Public Safety Answering Points	363,141	309,738
Depreciation	710,947	463,440
Projects	1,524,378	1,650,634
Capital Outlay	--	21,785
Debt service	419,032	114,704
Total Expenses	5,350,325	4,599,057
Increase in Net Position	\$1,735,297	\$2,130,832

Governmental Activities. Governmental activities increased LETA’s net position by \$1,735,297 in 2024. Key elements of this increase are as follows:

- * There was a 3% increase in revenues from 2023, primarily from increases in prepaid wireless and wireless charges.
- * There was a 12% increase in expenses from 2023, primarily from increased interest expense on the new lease.

CAPITAL ASSET ADMINISTRATION

Capital Assets. LETA’s investment in capital assets for its governmental type activities as of December 31, 2024, totals \$16,548,125 net of accumulated depreciation. This investment includes emergency telephone equipment at various sites. The total increase in capital assets for the current year was \$9,856,689, primarily due to the purchase of the new building and interior improvement finishes for it.

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 5 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.

<u>Year Ended December 31, 2024</u>	<u>Original and Final Budget</u>	<u>Actual</u>
Beginning Fund Balance	\$11,181,969	\$11,181,969
Revenue and Other Financing Sources	6,382,000	13,085,622
Expenditures	9,644,500	16,373,727
Ending Fund Balance	\$7,919,469	\$7,893,864

Actual revenues and expenditures were more than budget primarily due to the \$6,000,000 lease purchase agreement that was not budgeted for.

DEBT

Lease Purchase Agreement. 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 2025 budget:

- In 2024, the Authority agreed to lease its facility on Endeavor Drive to the Colorado Department of Public Safety Division of Fire Prevention and Control under a five-year lease with two five-year extensions possible, beginning in 2025.
- The surcharge rate will be increasing to \$2.12 monthly in February 2025.

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, 2024	General Fund	Adjustments (Note 8)	Statement of Net Position
ASSETS			
Cash	\$ 5,361,843	\$ -	\$ 5,361,843
Investments	2,535,401	-	2,535,401
Accounts receivable	608,480	-	608,480
Prepaid items	88,787	-	88,787
Capital Assets, net of depreciation	-	16,548,125	16,548,125
TOTAL ASSETS	8,594,511	16,548,125	25,142,636
LIABILITIES			
Accounts payable	200,647	-	200,647
Deferred sale of equipment	500,000	-	500,000
Lease purchase obligations	-	8,798,000	8,798,000
Compensated absences	-	88,888	88,888
Total Liabilities	700,647	8,886,888	9,587,535
FUND BALANCE/NET POSITION			
Fund Balance:			
Nonspendable	88,787	(88,787)	-
Assigned:			
Operations and 9-1-1 Projects	7,805,077	(7,805,077)	-
Total Fund Balance	7,893,864	(7,893,864)	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,594,511		
Net Position:			
Net Investment in capital assets		7,750,125	7,750,125
Unrestricted		7,804,976	7,804,976
TOTAL NET POSITION		\$ 15,555,101	\$ 15,555,101

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, 2024	General Fund	Adjustments (Note 9)	Statement of Activities
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 259,087	\$ -	\$ 259,087
Wireless	4,350,237	-	4,350,237
Voice-over internet protocol (VOIP)	733,434	-	733,434
Prepaid wireless	785,992	-	785,992
Investment earnings and other	293,605	-	293,605
Statewide surcharges	571,419	-	571,419
Capital contribution - county	91,848	-	91,848
Total Revenue	7,085,622	-	7,085,622
Expenditures:			
Current Operating:			
Administration	1,142,720	16,287	1,159,007
Telephone	675,949	-	675,949
Board expenses	497,871	-	497,871
Public Safety Answering Points	363,141	-	363,141
Other Projects	1,524,378	-	1,524,378
Capital Outlay	10,567,636	(10,567,636)	-
Debt Service:			
Principal	1,183,000	(1,183,000)	-
Interest	419,032	-	419,032
Depreciation	-	710,947	710,947
Total Expenditures	16,373,727	(11,023,402)	5,350,325
Other Financing Sources (Uses):			
Proceeds from Lease Purchase Agreement	6,000,000	(6,000,000)	-
Total Other Financing Sources	6,000,000	(6,000,000)	-
Revenue and Other Financing Sources Over (Under)			
Expenditures and Other Financing Uses	(3,288,105)	5,023,402	1,735,297
Fund Balance/Net Position, Beginning of Year	11,181,969	2,637,835	13,819,804
FUND BALANCE/NET POSITION, End of Year	\$ 7,893,864	\$ 7,661,237	\$ 15,555,101

See Accompanying Notes to Financial Statements.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2024	Actual	Original and Final Budget	Variance
Revenue:			
Telephone surcharge fees:			
Hardwire	\$ 259,087	\$ 301,000	\$ (41,913)
Wireless	4,350,237	3,960,000	390,237
Voice-over internet protocol	733,434	745,000	(11,566)
State 911 surcharge	571,419	436,000	135,419
Prepaid wireless	785,992	571,000	214,992
Investment earnings and other	293,605	90,000	203,605
Grants and partner reimbursements	91,848	279,000	(187,152)
Total Revenue	7,085,622	6,382,000	703,622
Expenditures:			
Administration and Operations:			
Personnel salaries	725,529	1,025,000	299,471
Benefits	179,697	258,000	78,303
Operating supplies and expenses	-	20,500	20,500
Dues and subscriptions	15,822	39,900	24,078
Uniforms	3,099	4,500	1,401
Auto expense	4,501	8,000	3,499
Training	2,894	18,000	15,106
Travel	9,965	25,000	15,035
Cleaning contract	15,516	17,000	1,484
Internships	17,651	45,000	27,349
Building maintenance	28,723	-	(28,723)
Operating expenses	84,287	85,000	713
Unrealized gain/loss on investments	-	112,000	112,000
HR administration	55,036	20,500	(34,536)
Total Administration	1,142,720	1,678,400	535,680
Telephone:			
AT&T language line	-	8,000	8,000
Comcast	1,367	2,000	633
Technical operating expenses	79,021	64,800	(14,221)
Portables	108,409	107,000	(1,409)
Diversity Tariff	-	140,000	140,000
Teams	-	3,600	3,600
Outgoing Callbox lines	30,707	37,600	6,893
ESI Net - NG 911 tariff	456,445	525,000	68,555
Total Telephone	675,949	888,000	212,051
Board Expenses:			
Attorney	398,809	360,000	(38,809)
Audit and budget	41,978	35,000	(6,978)
Bank charges	37,034	46,000	8,966
Insurance	20,050	28,000	7,950
Operational plans	-	200,000	200,000
Total Board Expenses	497,871	669,000	171,129

Continued on next page.

LARIMER EMERGENCY TELEPHONE AUTHORITY

BUDGETARY COMPARISON STATEMENT - Continued

Year Ended December 31, 2024	Actual	Original and Final Budget	Variance
Expenditures - Continued:			
Public Safety Answering Points (PSAP):			
Logging recorder costs	\$ 49,289	\$ 65,000	\$ 15,711
EMD trainer	18,000	22,000	4,000
EMD upgrades/SP program	2,795	15,000	12,205
EMD operating expense	85,444	95,000	9,556
Emergency Medical Dispatch Advisor	18,912	20,000	1,088
Hiring software/programs	13,694	15,000	1,306
PSAP center purchases	133,888	157,810	23,922
PSAP membership	450	9,000	8,550
National Q	3,289	65,000	61,711
Other	37,380	146,340	108,960
Total PSAPs	363,141	610,150	247,009
Other Projects:			
Public education	4,787	8,000	3,213
Callbox repairs	30,707	400,000	369,293
Emergency notification system	235,006	307,500	72,494
LETA ESI Net	118,318	120,000	1,682
Imagery	439,426	765,000	325,574
GIS maintenance	-	67,000	67,000
4872 Association expenses	121,201	125,000	3,799
Special projects, VIPER maintenance	376,487	325,000	(51,487)
Crisp interface	-	4,500	4,500
First Due	57,698	60,000	2,302
Prepared 911	118,503	225,000	106,497
Enforce CAD	10,194	55,000	44,806
Voice logger	12,051	65,000	52,949
Motorola	-	45,000	45,000
Total Other projects	1,524,378	2,572,000	1,047,622
Debt service:			
Principal	1,183,000	912,500	(270,500)
Interest	419,032	325,000	(94,032)
Total Debt Service	1,602,032	1,237,500	(364,532)
Capital Outlay:			
Venture Drive building	9,988,249	6,400,950	(3,587,299)
Callbox new installs	396,206	-	(396,206)
Back-up PSAP	110,714	1,250,000	1,139,286
Viper upgrades	72,467	76,000	3,533
Total Capital outlay	10,567,636	7,726,950	(2,840,686)
Total Expenditures	16,373,727	15,382,000	(627,195)
Other Financing Sources:			
Proceeds from Lease Purchase Agreement	6,000,000	-	6,000,000
Total Other Financing Sources	6,000,000	-	6,000,000
Revenue and Other Financing Sources Over (Under)			
Expenditures and Other Financing Uses	(3,288,105)	(9,000,000)	7,330,817
Fund Balance, January 1, 2024	11,181,969	11,181,969	-
Fund Balance, December 31, 2024	\$ 7,893,864	\$ 2,181,969	\$ 7,330,817

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 \$1.10 for 2024. 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.

Investments:

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

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.

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 2024.

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.

During 2024, the Authority overspent its budget amount, which may be a violation of state budget law.

Capital Assets:

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

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

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

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. The impact of the adoption was not material to the financial statements and primarily resulted in enhanced disclosures only. There was no restatement needed to net position at the beginning of the year.

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.

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.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - Cash and Investments - Continued:

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

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

December 31, 2024	Cost	Fair Value
U.S. Treasury notes due in 2025, .4% - 4.25%	\$2,200,638	\$2,214,238
Bank CD's due in 2025, 4.8%	225,000	225,178
Cash & Cash Equivalents	77,447	77,447
COLOTRUST	18,538	18,538
	\$ 2,521,623	\$ 2,535,401

At December 31, 2024, the Authority held General Fund investments of \$18,538 in Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+). The investment pool is routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments are valued at the net asset value (NAV) with each share valued at \$1.00. COLOTRUST PLUS+ is rated AAAM by S&P Global Ratings. The Authority's interest is valued at NAV.

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

- Level 1 Quoted prices in active markets for identical assets or liabilities
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

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

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - Cash and Investments - Continued:

Description	Fair Value Measurements at Reporting Date Using		
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2024</u>			
Bank C.D.'s	--	\$225,178	--
U.S. Treasury and Agencies Notes	\$2,214,238	--	--

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 \$121,201 during 2024 to the Association.

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - Changes in Capital Assets:

Capital assets acquired as of December 31, 2024, and installed at various locations are as follows:

	Balance, 1/1/24	Additions	Deletions	Balance, 12/31/24
Property Held At:				
Larimer County Sheriff's Office	\$ 184,401	\$ --	\$ --	\$ 184,401
Loveland Police Department	191,339	--	--	191,339
Estes Park Police Department	177,802	--	--	177,802
Fort Collins 9-1-1	472,878	--	--	472,878
CSU	149,277	--	--	149,277
Jackson County	--	72,467	--	72,467
County-wide:				
Callbox	238,115	396,206	--	634,321
Fiber	101,452	--	--	101,452
VIPER	98,159	--	--	98,159
Back-up PSAP	1,091,609	--	--	1,091,609
Vehicles	141,487	--	--	141,487
Voice logger	79,230	--	--	79,230
Card Access System	5,305	--	--	5,305
LETA office furniture	311,631	28,522	--	340,153
LETA building – Endeavor Dr.	4,678,367	--	--	4,678,367
LETA building – Venture Dr.	--	6,000,000	--	6,000,000
Construction in progress	--	4,070,441	--	4,070,441
Total Capital Assets	7,921,052	10,567,636		18,488,688
Less Accumulated Depreciation:				
Larimer County Sheriff's Office	35,036	23,777	--	58,813
Loveland Police Department	61,450	37,733	--	99,183
Estes Park Police Department	33,387	19,251	--	52,638
Fort Collins 9-1-1	68,293	78,853	--	147,146
CSU	20,439	14,960	--	35,399
Jackson County	--	6,039	--	6,039
County-wide:				
Fiber	80,865	14,493	--	95,358
Card Access System	840	531	--	1,371
VIPER	20,755	14,023	--	34,778
Callbox	5,953	23,812	--	29,765
Back-up PSAP	218,322	109,161	--	327,483
Voice logger	42,973	22,856	--	65,829
Vehicles	29,770	20,212	--	49,982
LETA office furniture	89,471	41,035	--	130,506
LETA building – Endeavor Dr.	522,062	159,211	--	681,273
LETA building – Venture Dr.	--	125,000	--	125,000
Total Accumulated Depreciation	1,229,616	710,947		1,940,563
Capital Assets, net	\$6,691,436	\$9,856,689	\$ --	\$16,548,125

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – 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. The Authority is also selling to the Division some of the equipment in that building. The lease is not effective until 2025.

NOTE 7 – Employee Benefits:

Employees of the Authority participate in the employee benefit plans of the Thompson Valley Health Services District with the Authority paying the applicable employer share.

Employees also participate in the Thompson Valley Health Services District retirement plan. Employee contributions are matched by the Authority and range from 5% of salary upon hire to 8% of salary after ten years of service. Employees are not vested in the Authority contributions until they reach five years of service and become 100% vested. Contributions from the Authority to the Plan were approximately \$31,412 in 2024 and \$55,658 in 2023.

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, 2024, annual maturities of the lease purchase agreements are as follows:

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Lease Purchase Agreements - Continued:

Years Ending December 31	Principal	Interest	Total
2025	\$ 689,000	\$ 413,560	\$ 1,102,560
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
2030-2035	5,297,000	800,876	6,097,876
	\$8,798,000	\$2,510,552	\$11,308,552

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

	Balance 1/1/24	Additions	Retirements	Balance 12/31/24	Due within One Year
2020 Lease Purchase Agreement	\$3,981,000	\$ --	\$ 183,000	\$3,798,000	\$ 189,000
2024 Lease Purchase Agreement	--	6,000,000	1,000,000	5,000,000	500,000
Compensated Absences	72,601	16,287	--	88,888	44,444
Total	\$4,053,601	\$ 6,016,287	\$ 1,183,000	\$8,886,888	\$ 733,444

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, 2024	
Fund balance of General Fund	\$ 7,893,864
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	16,548,125
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Lease purchase obligation	(8,798,000)
Compensated absences	(88,888)
Total Net Position	\$15,555,101

LARIMER EMERGENCY TELEPHONE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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, 2024

Net change in fund balance – General Fund \$(3,288,105)

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. 9,856,689

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. Additional long-term debt issuance during the year provides resources. This amount is the net effect of these differences. (4,817,000)

The increase in accrued compensated absences is reflected as reduced expense on the statement of activities and not reflected as an expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balances. (16,287)

Change in Net Position of Governmental Activities \$1,735,297
