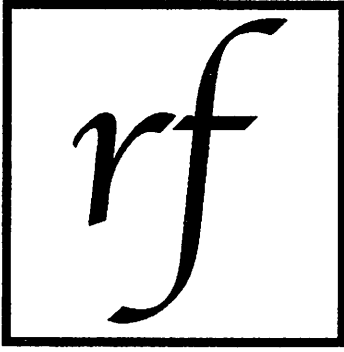
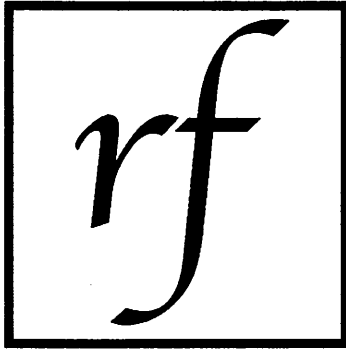




Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
December 31, 2025

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
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December 31, 2025**

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Independent Auditor's Report

Board of Directors
Las Animas/Bent County Fire Protection District
also d/b/a Bent County Ambulance Service

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas/Bent County Fire Protection District also d/b/a Bent County Ambulance Service (the "District"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 District 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 opinions.

Responsibilities of Management for the Financial Statements

The District's 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.

1

rfarmer, llc

a certified public accounting and consulting firm

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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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 District'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 District'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 of America require that the budgetary comparison information on page 24 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 of America, 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 sufficient evidence to express an opinion or provide any assurance.

Management has elected to omit the management's discussion and analysis. The Governmental Accounting Standards Board considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The omission of this information does not affect our opinion.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information on page 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

April 30, 2026

Basic Financial Statements

Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Statement of Net Position
December 31, 2025

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Equivalents	\$ 390,398	\$ 1,230,452	\$ 1,620,850
Receivables	207,398	252,931	460,329
Prepays	-	3,000	3,000
Capital Assets:			
Land	11,513	-	11,513
Buildings	851,613	349,401	1,201,014
Equipment and Furniture	1,549,191	1,158,830	2,708,021
Less: Accumulated Depreciation	<u>(1,366,702)</u>	<u>(931,996)</u>	<u>(2,298,698)</u>
Total Capital Assets	<u>1,045,615</u>	<u>576,235</u>	<u>1,621,850</u>
Total Assets	<u>1,643,411</u>	<u>2,062,618</u>	<u>3,706,029</u>
LIABILITIES			
Accounts payable	12,965	34,850	47,815
Long-term liabilities:			
Due within one year:			
Notes payable	12,356	-	12,356
Due in more than one year:			
Notes payable	<u>168,014</u>	<u>-</u>	<u>168,014</u>
Total liabilities	<u>193,335</u>	<u>34,850</u>	<u>228,185</u>
Deferred Cash Inflow of Resources			
Deferred property taxes	<u>207,398</u>	<u>201,637</u>	<u>409,035</u>
NET POSITION			
Net Investment in Capital Assets	865,245	576,232	1,441,477
Unrestricted	<u>377,433</u>	<u>1,249,899</u>	<u>1,627,332</u>
Total net position	<u>\$ 1,242,678</u>	<u>\$ 1,826,131</u>	<u>\$ 3,068,809</u>

The accompanying notes to financial statements
are an integral part of these statements.

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Statement of Activities
For the Year Ended December 31, 2025**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental Activities							
Public Safety	\$ 171.963	\$ 2.328	\$ 35.035	\$ -	\$ (134.600)	\$ -	\$ (134.600)
Total governmental activities	<u>171.963</u>	<u>2.328</u>	<u>35.035</u>	<u>-</u>	<u>(134.600)</u>	<u>-</u>	<u>(134.600)</u>
Business-type activities:							
Ambulance Services	694.023	492.399	17.500	-	-	(184.124)	(184.124)
Total business-type activities	<u>694.023</u>	<u>492.399</u>	<u>17.500</u>	<u>-</u>	<u>-</u>	<u>(184.124)</u>	<u>(184.124)</u>
Total primary government	<u>\$ 865.986</u>	<u>\$ 494.727</u>	<u>\$ 52.535</u>	<u>\$ -</u>	<u>(134.600)</u>	<u>(184.124)</u>	<u>(318.724)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 212.108	\$ 206.367	\$ 418.475
Unrestricted investment earnings					2.895	25.588	28.483
Total general revenues, special items, and transfers					<u>215.003</u>	<u>231.955</u>	<u>446.958</u>
Change in net position					80.403	47.831	128.234
Net position - beginning					<u>1.162.275</u>	<u>1.778.300</u>	<u>2.940.575</u>
Net position - ending					<u>\$ 1,242.678</u>	<u>\$ 1,826.131</u>	<u>\$ 3,068.809</u>

The accompanying notes to financial statements
are an integral part of these statements.

Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Balance Sheet
Governmental Funds
December 31, 2025

	<u>General</u>
ASSETS	
Cash and cash equivalents	\$ 390,398
Taxes receivable, net	<u>207,398</u>
Total assets	<u><u>597,796</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	2,965
Unearned revenues	<u>10,000</u>
Total liabilities	<u>12,965</u>
 Deferred Cash Inflow of Resources:	
Deferred property taxes	<u>207,398</u>
 Fund Balance:	
Unassigned	<u>377,433</u>
Fund balance	<u>377,433</u>
Total liabilities and fund balance	<u><u>\$ 597,796</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2025**

Total fund balance, governmental funds	\$ 377,433
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	1,045,615
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Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	<u>(180,370)</u>
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Net position of Governmental Activities in the Statement of Net Position	<u><u>\$ 1,242,678</u></u>
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The accompanying notes to financial statements
are an integral part of these statements.

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2025**

	<u>General</u>
REVENUES	
Property Taxes	\$ 212,108
Intergovernmental	34,315
Investment earnings	2,895
Miscellaneous	3,048
Total revenues	<u>252,366</u>
EXPENDITURES	
Current:	
General government	16,850
Public Safety	65,394
Debt Service:	
Principal	11,969
Interest expense	6,702
Capital Outlay	173,831
Total Expenditures	<u>274,746</u>
Excess (deficiency) of revenues over expenditures	<u>(22,380)</u>
Net change	(22,380)
Fund balance - beginning	399,813
Fund balance - ending	<u><u>\$ 377,433</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental
Funds to the Statement of Activities
For the Year Ended December 31, 2025**

Net change in fund balance - total governmental funds:	\$ (22,380)
--	-------------

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlay of \$173,831 is more than depreciation of \$83,017 in the current period.

90,814

Governmental funds report debt proceeds, including lease purchase agreements, as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of principal as an expenditure, in contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.

11,969

Change in fund balance of governmental activities

\$ 80,403

The accompanying notes to financial statements
are an integral part of these statements.

Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Statement of Net Position
Proprietary Fund
December 31, 2025

	<u>Ambulance</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,230,455
Accounts Receivable, net	51,294
Other receivables	201,637
Prepaid Expenses	3,000
Total current assets	<u>1,486,386</u>
Non-current assets:	
Capital Assets:	
Buildings	411,528
Equipment and Furniture	1,096,702
Less Accumulated depreciation	<u>(931,998)</u>
Total non-current assets	<u>576,232</u>
Total assets	<u>2,062,618</u>
 LIABILITIES	
Current Liabilities:	
Accounts payable	<u>34,850</u>
Total current liabilities	<u>34,850</u>
Total liabilities	<u>34,850</u>
 Deferred Cash Inflow of Resources:	
Deferred property taxes	<u>201,637</u>
 NET POSITION	
Net Investment in capital assets	576,232
Unrestricted	<u>1,249,899</u>
Total net position	<u>\$ 1,826,131</u>

The accompanying notes to financial statements
are an integral part of these statements.

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2025**

	<u>Ambulance</u>
REVENUES	
Routine Services	\$ 485,542
Operating grants	17,500
Other operating income property taxes	<u>206,367</u>
Total operating revenues	<u>709,409</u>
 OPERATING EXPENSES	
Personal services	432,926
Contractual services	64,570
Utilities	20,666
Repairs and maintenance	37,358
Office supplies and expenses	7,832
Operating supplies	30,039
Miscellaneous expenses	36,005
Insurance claims and expenses	12,515
Depreciation	<u>45,255</u>
Total Operating Expenses	<u>687,166</u>
Operating income (loss)	<u>22,243</u>
 NON-OPERATING REVENUES (EXPENSES)	
Interest income	<u>25,588</u>
Total non-operating revenue	<u>25,588</u>
Income (loss) before contributions and transfers	<u>47,831</u>
 Change in net position	47,831
Total net position - beginning	<u>1,778,300</u>
Total net position - ending	<u><u>\$ 1,826,131</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Statement of Cash Flows
Proprietary Fund Type
For the Year Ended December 31, 2025**

	<u>Ambulance</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Ambulance Services	\$ 485,185
Cash Received from Grants	17,500
Cash Received from Other Operating Income property taxes	206,367
Cash Payments to Suppliers for Goods & Services	(204,537)
Cash Payments to Employees	(432,926)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>71,589</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:	
(Acquisition) of Capital Assets	(127,759)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(127,759)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Income	25,588
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>25,588</u>
NET (DECREASE) INCREASE IN CASH & CASH EQUIVALENTS	(30,582)
CASH & CASH EQUIVALENTS:	
Beginning of Year	1,261,037
End of Year	<u><u>1,230,455</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	22,243
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:	
Depreciation	45,255
Change in Assets and Liabilities:	
(Increase) in Accounts Receivable	(357)
Increase in Payables	4,448
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 71,589</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Statement of Fiduciary Net Position
Custodial Fund
December 31, 2025**

ASSETS:

Cash	\$ 90,572
Investments-certificates of deposit	133,859
Property Taxes Receivable	<u>18,147</u>
Total Assets	<u>242,578</u>

LIABILITIES:

Deferred Cash Inflow of Resources-property taxes	<u>18,147</u>
Total Liabilities	<u>18,147</u>

NET POSITION:

Net position restricted for pensions	<u><u>\$ 224,431</u></u>
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The accompanying notes to financial statements
are an integral part of these statements.

Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended December 31, 2025

ADDITIONS:

State Contribution	\$ 17,357
Interest Income	4,177
Property Taxes	<u>18,628</u>
Total Additions	<u>40,162</u>

DEDUCTIONS:

Pension Payments	28,350
Miscellaneous	<u>367</u>
Total Deductions	<u>28,717</u>
Change in Net Position	11,445
Net Position-Beginning	<u>212,986</u>
Net Position-Ending	<u><u>\$ 224,431</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Notes to Financial Statements
December 31, 2025**

Note 1 Description of Entity

Las Animas/Bent County Fire Protection District, also dba Bent County Ambulance Service, (the District) is a governmental entity organized under provisions of the Colorado Revised Statutes. It operates solely within Bent County but is not a part of the County's government. The District is a special purpose governmental entity engaged in governmental and business-type activities.

Note 2 Summary of Significant Accounting Policies

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

Financial Reporting Entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

The District has examined other entities and there are no other entities that should be included as defined in numbers (2) and (3) above.

Basis of Presentation and Accounting

The District's Enterprise Fund's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements.

All activities of the District are accounted for in a governmental fund, a proprietary (enterprise) fund, and a pension fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District's Ambulance Fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net position (i.e., total assets net of total liabilities) are segregated into "invested in capital assets, net of related liabilities;" "restricted for capital activity and debt service;" and "unrestricted" components.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expense during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Certificates of deposit are included in cash and cash equivalents.

Property, Plant & Equipment

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net assets. Their reported net assets (net total assets) is segregated into "invested in capital assets, net of related debt" as of December 31. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net total assets.

All fixed assets are valued at historical cost or estimated historical costs if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary fund statement of net position.

The straight-line method of computing depreciation is used with estimated useful lives of 5 - 50 years.

The District does not have any infrastructure.

The District will capitalize fixed assets that cost more than \$5,000.

Budgets

Annual budgets are adopted as required by Colorado Revised Statutes (CRS). Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis that is consistent with generally accepted accounting principles.

The budget calendar is as follows:

August 25	Assessors must submit abstract of assessments, reflecting all assessed values of property in the County by class and subclass to the Division of Property Taxation.
October 15	Statutory deadline for submission of proposed budget to the local governing body. "Notice of Budget" to be published when budget received.
December 31	Statutory deadline for local governing body to adopt budget.
On or before December 31	Local Governing Body shall enact an ordinance or resolution making appropriations for the ensuing fiscal year.

Appropriations are adopted by resolution in total. Over expenditures are not deemed to exist unless the fund as a total has actual expenses in excess of appropriations. All appropriations lapse at year-end. Supplemental budgets were adopted during 2024.

Property Taxes

Annual property taxes are levied and assessed on January 1 and are certified by the County by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits collections on a monthly basis to the County. County property tax revenues are recognized, as they become current receivables from the County Treasurer. One-half of the property taxes are due by February 28 and one-half due by June 15 or all may be paid by April 30 to avoid penalties and interest.

Taxes receivable represent 2025 assessed tax to be collected in 2026.

Long-Term Obligations and Costs

Long-term obligations are reported at face value, net of applicable premiums and discounts.

Allowance for Doubtful Accounts

The District reviews the accounts receivable balances to determine if any are doubtful account balances. An allowance is established based upon the review. As of December 31, 2025, an allowance of \$145,990 was established to cover potential uncollectible balances of the Ambulance Fund.

The allowance account is approximately 74% of the ending accounts receivable balance for the year ending December 31, 2025.

Compensation for Future Absences

Accumulated vacation and the portion of sick leave eligible to be paid to employees at termination are recorded as an expense and liability when employees take time off. Once

a quarter the total PTO time is reviewed and adjusted accordingly. There were not any compensated absences at year-end.

Claims and Judgments

These events and obligations are recorded on the accrual basis when the event occurs and the obligation arises.

Capital Contributions

Contributions are recognized in the statement of revenues, expenses, and changes in net assets when earned. There were no contributed capital transactions during the year.

Net Position

Net position comprises the various net earnings from operating and non-operating revenues, expenses, and contributions of capital. Net position is classified in the following three components: net investment in capital assets; restricted for capital activity and debt service; and unrestricted net assets. Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt, that is attributable to the acquisition, construction, and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted for capital activity and debt service consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities. Unrestricted net position consists of all other net positions not included in the above categories.

Revenues and Rate Structure

Revenues from routine charges for services are recognized as operating revenues on the accrual basis as earned. Services are provided to ambulance patients under a rate structure designed to produce revenues sufficient to provide for operating and maintenance costs, capital outlay and reserves.

Donations, lease income, capital grants and interest income are considered non-operating revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation of Government-Wide and Fund Financial Statements

The District's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by the total column. Fiduciary activities of the District are not included in these statements. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and

contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead of *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are presented on an *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the District's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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 the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The primary revenue sources, which have been treated as susceptible to accrual by the District, are property taxes and services. All other revenue items are considered to be measurable and available only when cash is received by the District.

Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the District are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expended in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year-end, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Fund Equity

In the fund financial statements, the following classifications describe the relative strength of spending constraints.

- *Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) or is legally or contractually required to be maintained intact.

- *Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance constrained for specific purposes according to the limitations imposed by the District’s highest level of decision-making authority, its governing board, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board.
- *Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes but is neither restricted nor committed. The intended use may be expressed by the governing board or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

When both restricted and unrestricted fund balance are available for use, it is the District’s policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned and unassigned.

Note 3

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At year-end, the District's cash balances totaled \$1,620,850, not including the pension fund, consisting of cash on hand and cash in bank.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and/or the requirements as prescribed by PDPA. The District is not exposed to custodial credit risk due to having all its cash and investments in one bank, with that bank having FDIC coverage and following PDPA requirements.

Note 4

Retirement Plans

The District (specifically the Ambulance Fund) provides pension benefits for all of its full-time employees and part-time employees that work at least 32 hours per week for 12 months out of the year through a defined contribution plan administered by the Colorado

Retirement Association (CRA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after 90 days of service. The District's rate of contribution is 5%. The employee must contribute 5% and may contribute more at their election. The District's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately. Plan provisions and contribution requirements are established and may be amended by the District's Board.

A deferred compensation plan under Section 457 of the Internal Revenue Code is also available to all eligible employees for voluntary contributions of up to a maximum specified by the Internal Revenue Service. Employees are eligible to participate after 90 days of service. The plan is administered by CRA and plan provisions are established and may be amended by the District's Board.

The District had approximately 3 full-time employees with those employees employed by the Ambulance Fund. Total wages were \$318,467 and eligible wages were \$318,467. The contributions paid by the employer and the employee during 2025 were \$12,975 each.

Note 5 Funding Sources

The majority of ambulance revenues are received from Medicare, third party insurance providers and private pay patients.

Property taxes are received by the General, Ambulance, and Pension Funds.

Interest and investment income, miscellaneous income and capital grants are recorded as non-operating income.

Note 6 Capital Assets

	Governmental Activities:			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 11,513	\$ -	\$ -	\$ 11,513
Total capital assets not being depreciated	11,513	-	-	11,513
Capital assets, being depreciated:				
Building	851,613	-	-	851,613
Equipment and Furniture	1,375,360	173,831	-	1,549,191
Total capital assets being depreciated	2,226,973	173,831	-	2,400,804
Less Accumulated depreciation	(1,283,685)	(83,017)	-	(1,366,702)
Total capital assets, being depreciated, net	943,288	90,814	-	1,034,102
Governmental activities capital assets, net	\$ 954,801	\$ 90,814	\$ -	\$ 1,045,615

	Business-Type Activities:			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Equipment	\$ 556,460	\$ 65,634	\$ -	\$ 622,094
Buildings	349,400	1	-	349,401
Vehicles	474,609	62,127	-	536,736
Total capital assets being depreciated	1,380,470	127,762	-	1,508,231
Less Accumulated depreciation	(886,741)	(45,255)	-	(931,996)
Business-type activities capital assets, net	\$ 493,728	\$ 82,507	\$ -	\$ 576,235

Note 7 Long-Term Debt

During 2022, the Fire District entered into a lease-purchase long-term debt financing arrangement for the construction of a new building. The building will be used to house various pieces of equipment. The terms of the long-term financing are fifteen (15) annual payments of \$18,671 with the first payment due April 2023 and the final payment due April 2037. All payments include principal and interest. Interest is at 3.5%. Collateral for the financing is the building.

	Principal	Interest	Total
2026	\$ 12,356	\$ 6,315	18,671
2027	12,789	5,882	18,671
2028	13,222	5,449	18,671
2029	13,699	4,972	18,671
2030	14,179	4,492	18,671
2031	14,675	3,996	18,671
2032	15,179	3,492	18,671
2033	15,720	2,951	18,671
2034	16,270	2,401	18,671
2035	16,840	1,831	18,671
2036	17,424	1,247	18,671
2037	18,017	654	18,671
Total	\$ 180,370	\$ 43,682	\$ 224,052

Note 8 Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

Note 9**Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

The District, in their opinion, has obtained adequate coverage as required by Colorado Revised Statutes to settle claims in the ordinary course of business. However, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the District could be financially responsible.

Note 10**Volunteer Firemen's Pension Plan**

The District, through the Volunteer Firemen's Pension Fund, provides retirement benefits to individual volunteer firemen who have met certain requirements set by the Volunteer Firemen's Pension Board (the Board). The retirement benefits are paid monthly and are currently set by the Board at \$175 per month per qualifying member. The Board can make changes to the monthly amounts as needed as long as the monthly amount does not exceed the amount set by Colorado Revised Statutes.

The pension fund is a defined benefit plan as defined by the applicable governmental standards.

During 2016, the Board voted to transfer all pension plan investments to the Fire and Police Pension Association (FPPA). The investments were not able to be transferred by year-end as FPPA was not accepting funds from retirement plans. As soon as FPPA starts accepting retirement funds the Board will transfer all investments to FPPA.

The Pension Plan has investments in certificates of deposit at the local bank. All investments are covered by FDIC insurance or the Public Depository Protection Act.

The volunteer firemen and the District do not make any contributions to the plan. The plan is funded by contributions from the State of Colorado, investment earnings, and a mill levy specific to the pension fund.

Required Supplementary Information

Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Budget and Actual
General
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 199,892	\$ 213,000	\$ 212,108
Intergovernmental	10,000	44,315	34,315
Investment earnings	1,500	1,970	2,895
Miscellaneous	-	3,048	3,048
Total revenues	<u>211,392</u>	<u>262,333</u>	<u>252,366</u>
EXPENDITURES			
Current:			
General government	20,550	17,000	16,850
Public Safety	88,805	65,718	65,394
Debt Service:			
Principal	18,671	18,671	11,969
Interest expense	-	-	6,702
Capital Outlay	<u>148,500</u>	<u>173,835</u>	<u>173,831</u>
Total Expenditures	<u>276,526</u>	<u>275,224</u>	<u>274,746</u>
Excess (deficiency) of revenues over expenditures	<u>(65,134)</u>	<u>(12,891)</u>	<u>(22,380)</u>
Net change in fund balance	(65,134)	(12,891)	(22,380)
Fund balance - beginning	398,790	398,790	399,813
Fund balance - ending	<u>\$ 333,656</u>	<u>\$ 385,899</u>	<u>\$ 377,433</u>

Supplementary Information

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Budget and Actual
Ambulance
For the year ended December 31, 2025**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property taxes	\$ 194,340	\$ 209,709	\$ 206,367
Charges for services (net of contractual adjustments)	436,800	479,853	485,542
Operating and capital grants	101,822	17,500	17,500
Investment earnings	-	-	25,588
Miscellaneous	7,740	16,911	-
Total revenues	<u>740,702</u>	<u>723,973</u>	<u>734,997</u>
EXPENSES:			
Personal services	447,061	431,879	432,926
Contractual services	66,200	64,141	64,570
Operating supplies	35,000	30,040	30,039
Utilities	19,500	20,752	20,666
Repairs and maintenance	71,500	115,800	37,358
Other supplies and expenses	4,750	7,832	7,832
Miscellaneous expense	9,549	6,244	36,005
Insurance expenses	10,000	12,515	12,515
Depreciation	47,000	42,000	45,255
Capital outlay	-	85,995	127,759
Contingency	30,000	30,000	-
Total Expenditures	<u>740,560</u>	<u>847,198</u>	<u>814,925</u>
Excess (deficiency) of revenues over expenditures	<u>142</u>	<u>(123,225)</u>	<u>(79,928)</u>
RECONCILING ITEMS TO GAAP			
Capital outlay	<u>-</u>	<u>-</u>	<u>127,759</u>
Net change in net position	142	(123,225)	47,831
Net position - beginning	1,345,650	1,345,650	1,778,300
Net position - ending	<u>\$ 1,345,792</u>	<u>\$ 1,222,425</u>	<u>\$ 1,826,131</u>