



Financial Statements

December 31, 2025

**Eagle County Conservation District
Financial Statements
December 31, 2025**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Eagle County Conservation District
Eagle, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of Eagle County Conservation District (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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District, as of December 31, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. 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 U.S. GAAP, 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 District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Eagle County Conservation District

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 U.S. 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 U.S. 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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

The budgetary comparison information in section D is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



McMahan and Associates, L.L.C.
Avon, Colorado
February 17, 2026

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Eagle County Conservation District
Statement of Net Position
December 31, 2025

Assets:	
Cash and cash equivalents	204,584
Property taxes receivable	686,986
Other receivables	140,143
Inventory	4,918
Rent deposit	1,025
Capital assets, net	59,371
Total Assets	<u>1,097,027</u>
Liabilities:	
Current liabilities due in less than one year:	
Accounts payable	12,002
Lease payable	11,483
Non-current liabilities due in excess of one year:	
Lease payable	15,987
Total Liabilities	<u>39,472</u>
Deferred Inflow of Resources:	
Property tax revenue	686,986
Total Deferred Inflow of Resources	<u>686,986</u>
Net Position:	
Net investment in capital assets	31,901
Restricted for emergencies	45,880
Unrestricted	292,788
Total Net Position	<u><u>370,569</u></u>

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

FUND FINANCIAL STATEMENTS

**Eagle County Conservation District
Balance Sheet
Governmental Fund
December 31, 2025**

	General Fund
Assets:	
Cash	67,121
Equity in pooled cash and investments	137,463
Other receivables	140,143
Property taxes receivable	686,986
Inventory	4,918
Rent deposit	1,025
Total Assets	1,037,656
 Liabilities, Deferred Inflow of Resources, Liabilities:	
Accrued liabilities	12,002
Total Liabilities	12,002
 Deferred Inflow of Resources:	
Unavailable property tax revenue	686,986
Total Deferred Inflow of Resources	686,986
 Fund Balances:	
Nonspendable	5,943
Restricted for emergencies	45,880
Unassigned	286,845
Total Fund Balances	338,668
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	1,037,656

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

**Eagle County Conservation District
Reconciliation of the Balance Sheet of Governmental Fund
to the Statement of Net Position
December 31, 2025**

Governmental Funds Total Fund Balance 338,668

Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the funds.

Details of these amounts are as follows:

Capital assets	36,781	
Leased assets	34,891	
Accumulated depreciation	(5,517)	
Accumulated amortization for leased assets	<u>(6,784)</u>	
		59,371

Long-term liabilities, including bonds payable and leases payable, are not due and payable in the current period and, therefore, are not reported in the funds. This is the amount of District long-term liabilities. Details of these amounts are as follows:

Leases payable	<u>(27,470)</u>	
		<u>(27,470)</u>

Net Position of Governmental Activities 370,569

**Eagle County Conservation District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2025**

	General Fund
Revenues:	
Property taxes	645,903
Specific ownership taxes	33,350
Sales of seed and trees	17,191
Charges for services	1,443
Operating donations	1,050
Operating grants	821,894
Interest income	8,575
Total Revenues	1,529,406
Expenditures:	
General government	1,154,617
Lease obligations	13,674
Capital outlay	82,858
Total Expenditures	1,251,149
Excess (Deficiency) of Revenues over Expenditures	278,257
Other Financing Sources (Uses):	
Issuance of leases	34,891
Total Other Financing Sources (Uses)	34,891
Net Change in Fund Balance	313,148
Fund Balance - Beginning	25,520
Fund Balance - Ending	338,668

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

**Eagle County Conservation District
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Fund to the
Statement of Activities
For the Year Ended December 31, 2025**

Net change in fund balances for total governmental funds 313,148

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of the assets is allocated over their estimated useful lives as depreciation expense. This is the net difference between depreciation and capital additions during the year. Details of these differences are as follows:

Capital additions	71,672	
Depreciation expense	(5,517)	
Amortization expense	(6,784)	
	59,371	59,371

The repayment of the principal of long-term debt consumes current financial resources of governmental funds. This transaction, however, has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments - Leases payable	7,421	
Issuance of leases	(34,891)	
	(27,470)	(27,470)

Change in Net Position of Governmental Activities 345,049

NOTES TO THE FINANCIAL STATEMENTS

**Eagle County Conservation District
Notes to the Financial Statements
December 31, 2025**

I. Summary of Significant Accounting Policies

Eagle County Conservation District (the "District") was organized on April 5, 1951, as a Special District and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Eagle County, Colorado. The District was established to represent landowners within the Eagle and Colorado River drainages of Eagle County, with a focus on conserving natural resources and supporting responsible and sustainable land use practices.

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government, i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits, to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent, i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District is not financially accountable for any other entity, nor is the District a component unit of any other government.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental type.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, all balances are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Eagle County Conservation District
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in the general fund which is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, TABOR reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

This fund accounts for all financial resources devoted to the financing of general services the District provides to the community. The tax revenues are used to finance the fundamental operations of the District.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and interest income.

**Eagle County Conservation District
Notes to the Financial Statements
December 31, 2025
(continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

Investments are stated at net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The District's investment policy is detailed in note III.A.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. There was no allowance as of December 31, 2025.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

4. Capital Assets

Capital assets are reported in governmental activity columns in the government-wide financial statements. The District defines capital assets as assets with an initial cost of \$25,000 or more and an estimated useful life in excess of five years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives, as follows:

Assets	Years
Vehicles	5

5. Leases

The District is lessee for a noncancellable lease of building. The District recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Eagle County Conservation District
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Leases (continued)

Key estimates and judgments related to leases include how the District determines the following:

Discount Rate: The District uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the District uses its incremental bond borrowing rate at the time of commencement.

Lease Term: The lease term includes the noncancellable period of the lease and extended term(s) that the District is reasonably certain to exercise.

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

6. Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable property tax revenue is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

7. Fund Balance

The District classifies governmental fund balances as follows:

Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Eagle County Conservation District
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Fund Balance (continued)

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of targeted reserve positions and management reports the targeted amounts annually to Board of Directors.

E. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Local Government Budget Law of Colorado. The budgets for the funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP").

**Eagle County Conservation District
Notes to the Financial Statements
December 31, 2025
(continued)**

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

As required by Colorado statutes, the District followed the following timetable in approving and enacting a budget for 2025:

- (1) For the 2025 budget year, prior to August 25, 2024, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2024, only once by a single notification to the District.
- (2) On or before October 15, 2024, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) Prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) supplemental appropriations to the extent of revenues in excess of the estimate in the budget; (c) emergency appropriations; and (d) reduction of appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year-end.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

Eagle County Conservation District
Notes to the Financial Statements
December 31, 2025
(continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The District has reserved \$45,880, which is the approximate required reserve, at December 31, 2025.

On November 5, 2024, voters authorized property taxes to be increased up to \$650,000 in 2025 and by whatever additional amounts are raised annually thereafter to establish the District's property tax levy for operating purposes at 0.15 mills.

Also, on November 5, 2024, the voters authorized the District to collect, retain, and spend all revenue and other funds collected in 2024 and any year thereafter without regard to any limitations under TABOR.

III. Detailed Notes on all Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits was \$67,121 at year end.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the District, may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. District investment policy limits investments to those authorized by State statutes. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

**Eagle County Conservation District
Notes to the Financial Statements
December 31, 2025
(continued)**

III. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

At year end, the District had the following deposits and investments with the following maturities:

	<u>Standard & Poors Rating</u>	<u>Carrying Amounts</u>	<u>Term to Maturity</u>	
			<u>Less than one year</u>	<u>More than one year</u>
<i>Deposits:</i>				
Checking and savings	Not rated	67,121	67,121	-
<i>Investments:</i>				
Investment pool	AAAm	137,463	137,463	-
		<u>204,584</u>	<u>204,584</u>	<u>-</u>

At December 31, 2025, the District had the following recurring fair value measurements:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
CSafe	137,463
	<u>137,463</u>

Fair Value of Investments. The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

Eagle County Conservation District
Notes to the Financial Statements
December 31, 2025
(continued)

III. Detailed Notes on all Funds (continued)

A. Deposits and Investments (continued)

The Investment Pool represents investments in CSafe. The net asset value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At December 31, 2025, the District's investments in CSafe were 100% of the District's investment portfolio.

The District had invested \$137,463 in the Colorado Surplus Asset Fund Trust (the "Trust"). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund, measured at net asset value, and each share is equal in value to \$1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained by the custodial bank.

B. Capital Assets

An analysis of the changes in capital assets for the year ending December 31, 2025, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated & amortized:				
Vehicles	-	36,781	-	36,781
Lease assets	-	34,891	-	34,891
Total capital assets	<u>-</u>	<u>71,672</u>	<u>-</u>	<u>71,672</u>
Less accumulated depreciation for:				
Vehicles	-	(5,517)	-	(5,517)
Less accumulated amortization for lease assets:	-	(6,784)	-	(6,784)
Total accumulated depreciation & amortization	<u>-</u>	<u>(12,301)</u>	<u>-</u>	<u>(12,301)</u>
Net Capital Assets	<u>-</u>	<u>59,371</u>	<u>-</u>	<u>59,371</u>

Depreciation and amortization expense and capital outlay expenditures are classified by function as follows:

	<u>Capital Outlay</u>	<u>Depreciation and Amortization Expense</u>
General Government	<u>71,672</u>	<u>12,301</u>
	<u>71,672</u>	<u>12,301</u>

**Eagle County Conservation District
Notes to the Financial Statements
December 31, 2025
(continued)**

III. Detailed Notes on all Funds (continued)

C. Leases Payable

Related to lease assets, the District has the following outstanding agreement as of December 31, 2025:

Office Lease: In 2025, the District entered into a 36-month lease agreement as lessee for an office unit owned by Tri-B Enterprises, LLC. The agreement calls for fixed monthly lease payments of \$1,025. The agreement includes additional variable fees for common area maintenance.

Lease asset payment requirements at December 31, 2025 were as follows:

	Principal	Interest	Total
2026	11,483	821	12,304
2027	11,914	390	12,304
2028	4,073	31	4,104
Total	27,470	1,242	28,712

The District recognized the following lease expenses under long-term leases during the year:

	General Fund	Total
Lease expenses:		
Principal	7,421	7,421
Interest	782	782
Variable	5,471	5,471
Total	13,674	13,674

The District had the following changes in long-term obligations for the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Leases payable	-	34,891	(7,421)	27,470	11,483
Total	-	34,891	(7,421)	27,470	11,483

Eagle County Conservation District
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Other Information

A. Commitments and Contingencies

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District and its legal representatives have disclosed that they are not aware of any material outstanding claims against the District at December 31, 2025.

B. Risk Management

The District is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and error and omissions. The District carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage.

C. Related Party Transactions

During the year ending December 31, 2025 the District had related party transaction with members of the governing board totaling \$9,946. The payments were sub-awards for grant related projects.

REQUIRED SUPPLEMENTARY INFORMATION

Eagle County Conservation District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Governmental Funds - General Fund
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Budget Variance Favorable (Unfavorable)
Revenues:			
Property taxes	646,260	645,903	(357)
Specific ownership taxes	29,082	33,350	4,268
Sale of seeds and trees	21,000	17,191	(3,809)
Charges for services	11,000	1,443	(9,557)
Operating donations	1,000	1,050	50
Operating grants	811,254	821,894	10,640
Interest	1,000	8,575	7,575
Total Revenues	<u>1,520,596</u>	<u>1,529,406</u>	<u>8,810</u>
Expenditures:			
General government:			
Seeds and trees	16,700	12,048	4,652
Administrative fees	42,450	22,002	20,448
Public relations and fundraising	27,000	18,201	8,799
Education	10,000	17,405	(7,405)
Operating fees	62,667	44,083	18,584
Treasurer's fees	19,384	19,360	24
Insurance	18,697	23,007	(4,310)
Personnel	470,710	506,229	(35,519)
Project support	533,066	492,282	40,784
Contingency	130,000	-	130,000
Lease obligations	15,000	13,674	1,326
Capital outlay	30,000	82,858	(52,858)
Total General Government Expenditures	<u>1,375,674</u>	<u>1,251,149</u>	<u>124,525</u>
Net Change in Fund Balance	144,922	313,148	168,226
Fund Balance - Beginning	(45,333)	25,520	70,853
Fund Balance - Ending	<u>99,589</u>	<u>338,668</u>	<u>239,079</u>