LARIMER
CONSERVATION DISTRICT

FINANCIAL STATEMENTS

Year Ended December 31, 2025

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A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report

Board of Supervisors
Larimer Conservation District
Fort Collins, Colorado

Opinions

We have audited the accompanying balance sheet/statement of net position, and the statement of revenue, expenditures and changes in fund balance/statement of activities of the governmental activities, the major fund, and the budgetary comparison statement of Larimer Conservation District (the District) as of December 31, 2025 and for the year then ended, 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 financial position of the governmental activities and the major fund of the Larimer Conservation District as of December 31, 2025, and the changes in financial position and the budgetary comparison for the year then ended in 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 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.

Other Matter

The District has not calculated or presented the management discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Anderson r Whitney, P.C.

September 10, 2026

LARIMER CONSERVATION DISTRICT

GENERAL FUND BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2025	General Fund	Adjustments	Statement of Net Position
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 2,370,969	$ -	$ 2,370,969
Accounts Receivable	1,180,586	-	1,180,586
Total Current Assets	3,551,555	-	3,551,555
Capital Assets:			
Vehicles	-	43,630	43,630
Small tools and equipment	-	5,858	5,858
Accumulated depreciation	-	(47,930)	(47,930)
Total Capital Assets	-	1,558	1,558
TOTAL ASSETS	3,551,555	1,558	3,553,113
LIABILITIES			
Current Liabilities:			
Accounts Payable	10,221	-	10,221
Accrued Compensated Absences	-	51,900	51,900
Deferred Revenue	60,000	-	60,000
Total Current Liabilities	70,221	51,900	122,121
FUND BALANCE/NET POSITION			
Fund Balance:			
Restricted for TABOR Emergencies	116,416	(116,416)	-
Unassigned	3,364,918	(3,364,918)	-
Total Fund Balance	3,481,334	(3,481,334)	-
TOTAL LIABILITIES AND FUND BALANCE	$ 3,551,555		
Net Position:			
Investment in capital assets		1,558	1,558
Restricted for emergencies		116,416	116,416
Unrestricted		3,313,018	3,313,018
TOTAL NET POSITION		$ 3,430,992	$ 3,430,992

LARIMER CONSERVATION DISTRICT

RECONCILIATION BETWEEEN THE GENERAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION

December 31		2025
Amounts reported in the statement of net position are different because:		
Fund balance of General Fund	$	3,481,334
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund		1,558
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 yearend consist of:		
Compensated absences		(51,900)
Total Net Position	$	3,430,992

See Accompanying Notes to Financial Statements.

LARIMER CONSERVATION DISTRICT

STATEMENT OF GENERAL FUND REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES

Year Ended December 31, 2025	General Fund	Adjustments	Statement of Activities
Revenue:			
Operating grants and contributions	$ 4,572,161	$ -	$ 4,572,161
Landowner contributions	-	-	-
Interest income	33,601	-	33,601
Other income	468	-	468
Total Revenue	4,606,230	-	4,606,230
Expenditures:			
Program services	2,850,379	(3,992)	2,846,387
General and administrative	1,030,160	-	1,030,160
Capital outlay	-	-	-
Depreciation	-	9,897	9,897
Total Expenditures	3,880,539	5,905	3,886,444
Revenue Over Expenditures/Change in Net Position	725,691	(5,905)	719,786
Fund Balance/Net Position, Beginning of Year	2,755,643	(44,437)	2,711,206
FUND BALANCE/NET POSITION, End of Year	$ 3,481,334	$ (50,342)	$ 3,430,992

LARIMER CONSERVATION DISTRICT

RECONCILIATION BETWEEEN THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITES

Year Ended December 31		2025
Net change in fund balance - General Fund	$	725,691
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 depreciation exceeds capital outlay.		(9,897)
Decrease in compensated absences		3,992
Change in Net Position of Governmental Activities	$	719,786

See Accompanying Notes to Financial Statements.

LARIMER CONSERVATION DISTRICT

BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2025	Actual	Original and Final Budget	Variance
Revenue:			
Operating grants and contributions	$ 4,572,161	$ 4,053,450	$ 518,711
Landowner contributions	-	-	-
Total Intergovernmental	4,572,161	4,053,450	518,711
Miscellaneous:			
Interest income	33,601	30,000	3,601
Other income	468	395,100	(394,632)
Total Miscellaneous	34,069	425,100	(391,031)
Total Revenue	4,606,230	4,478,550	127,680
Expenditures:			
Program Services:			
Contractor payments - logging	2,850,379	2,200,000	(650,379)
Other program expenses	-	-	-
Total Program Services	2,850,379	2,200,000	(650,379)
General and Administrative:			
Salaries	725,092	805,000	79,908
Retirement, insurance, payroll taxes	203,497	225,300	21,803
Insurance and bonds	6,253	8,000	1,747
Consulting and accounting	35,787	42,000	6,213
Office supplies, postage and printing	5,324	28,000	22,676
Computer expenses	6,393	5,500	(893)
Advertising and promotion	3,606	15,000	11,394
Dues and subscriptions	1,833	2,425	592
Travel	10,219	30,500	20,281
Telephone and internet	10,369	9,000	(1,369)
Training	16,623	33,000	16,377
Events	3,951	20,000	16,049
Miscellaneous and expansion expenses	1,213	91,170	89,957
Total General and Administrative	1,030,160	1,314,895	284,735
Capital Outlay	-	50,000	50,000
Total Expenditures	3,880,539	3,564,895	(315,644)
Revenue Over Expenditures	725,691	913,655	(187,964)
Fund Balance, Beginning of Year	2,755,643	2,755,643	-
FUND BALANCE, End of Year	$ 3,481,334	$ 3,669,298	$ (187,964)

See Accompanying Notes to Financial Statements.

NOTE 1 – Summary of Significant Accounting Policies:

The accounting and reporting policies of Larimer Conservation District (the District) 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 District's financial statements.

Reporting Entity:

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

The District was organized pursuant to the Soil Conservation District law of Colorado as a governmental subdivision of the State. The District exercises public powers in connection with soil conservation and erosion control within its boundaries for the purpose of bringing about the conservation, development, and wise use of land, water, and related resources.

On February 3, 2022 the Colorado State Conservation Board approved Big Thompson Conservation District being consolidated into Fort Collins Conservation District. The approval of a name change from Fort Collins Conservation District to Larimer Conservation District was included on a memorandum from the Colorado Department of Agriculture Conservation Services Division dated March 30, 2022.

Government-wide and Fund Financial Statements:

The District 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues.

Separate financial statements are provided for the government fund. Major individual governmental funds are reported as separate columns in the fund 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. 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 150 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.

Contract revenues 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 District.

The District reports the following major governmental fund:

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

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.

Restrictions for the District are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR emergency reserves at December 31, 2025 are $116,416.

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Fund Equity (continued):

Assigned fund balances, if any, are amounts the District intends to use for specific purpose. Intent can be expressed by the Board of Supervisors 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.

Cash and cash equivalents:

Larimer Conservation District considers all demand bank deposits and highly-liquid investments with a maturity of three months or less at the date of acquisition to be cash and cash equivalents.

Net Position:

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

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

Capital Assets:

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. It is the District's policy to capitalize all capital expenditures over $1,000. The cost of maintenance and repairs is charged against income as incurred.

Acquisitions of capital assets are recorded as capital outlay expenditures within the governmental funds. Depreciation has been provided on capital assets, using the straight line method over the useful lives of the assets (vehicles 5 years).

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Budget:

An annual budget and appropriation ordinance is adopted by the District's Board of Supervisors 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. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or about October 1, the District staff submits to the District Board a proposed operating budget for the fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them.

2. Prior to December 31, the budget is legally adopted by the District. The District Manager is authorized to transfer amounts between line items. Revisions that alter total appropriations must be approved by the District Board through a supplemental appropriation. There were no supplemental appropriations in 2025.

The District may be in violation of Colorado Revised Statutes due to the over-expenditure of budgeted appropriations.

Compensated Absences:

Vacation accumulated by an employee and a portion of sick leave accumulated are recorded as a liability and current operating expense of the District at the employee's current rate of pay. Accrued compensated absences totaled $51,900 at December 31, 2025.

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.

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 rates in effect at the financial reporting date. Liabilities are recognized only for compensated absences that are expected to result in payments to employees (e.g., cash payouts, leave used during employment, or other settlements).

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Compensated Absences – Continued:

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

	Balance, 1/1/25	Net Deletions	Balance, 12/31/25	Due Within One year
Compensated Absences	$ 55,892	$ 3,992	$ 51,900	$ --

NOTE 2 – Cash in Banks:

The District's bank accounts are with commercial banks. At December 31, 2025, the District's carrying amount for deposits was $2,370,969. FDIC insurance covers up to $250,000 per insured bank, with the remainder being collateralized through the Public Deposit Protection Act.

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

NOTE 3 – Contingencies:

In November 1992, the Colorado voters approved the Taxpayer's Bill of Rights (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from enterprise activities, gifts, federal funds, reserve expenditures, damage awards, or property sales.

The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the applicable requirements of the Amendment.

Included in the accompanying financial statements is an emergency reserve required by TABOR of at least 3% of fiscal year spending.

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. The District purchases commercial insurance for risks of loss in excess of deductible amounts. There have been no claims that exceeded this coverage in any of the past three fiscal years.

NOTE 4 – Capital Assets:

	Balance, 1/1/25	Additions	Deletions	Balance, 12/31/25
Vehicles	$ 43,630	$ --	$ --	$ 43,630
Small tools and equipment	5,858	--	--	5,858
Total Capital Assets	49,488	--	--	49,488
Less Accumulated Depreciation:	38,033	9,897	--	47,930
Capital Assets, net	$ 11,455	$ (9,897)	$ --	$ 1,558

NOTE 5 – Three-Way Agreement:

The District has a three-way agreement with the State Conservation Board and the federal Natural Resources Conservation Service.

The purpose of this agreement is to accelerate delivery of U.S. Farm Bill programs and enhance conservation delivery through a partnership with the District. The Natural Resources Conservation Service (NRCS) and Larimer Conservation District have a mutual interest in delivering timely and effective assistance to landowner customers participating in USDA programs and addressing natural resource concerns.

This agreement supplements the Memorandum of Agreement between the parties and documents areas of common interest and clarifies the roles of federal, state, and local partners in providing conservation leadership and technical and financial assistance to landowner customers in order to help them conserve and enhance natural resources through a voluntary cooperative approach. The agreement will specify the transfer of resources between NRCS and the District to accomplish delivery of NRCS programs and mutual conservation priorities.

In accordance with this agreement, NRCS provides the district conservation technicians office space, vehicles, equipment, technology, and technical tools to the District without charge to enable mutually beneficial program outcomes.

Substantially all of the intergovernmental revenue and landowner contracts are through these programs.

NOTE 6 – Retirement Plan:

The District has a Simple IRA plan available to employees and matches contributions up to 3%. The District made matching contributions of $15,675 for the year ended December 31, 2025.