# CONEJOS COUNTY, COLORADO

# FINANCIAL STATEMENTS

## December 31, 2025

Wall,
Smith,
Bateman Inc.
Certified Public Accountants

# CONEJOS COUNTY, COLORADO
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### December 31, 2025

# INDEPENDENT AUDITORS' REPORT

Wall,
Smith,
Bateman Inc.

To the Board of County Commissioners
Conejos County, Colorado
Conejos, Colorado

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Conejos County, Colorado (the County), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County'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, each major fund, and the aggregate remaining fund information of the County, 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.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County 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*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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.

### *Auditors' 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 Auditors' 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 County'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 County'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 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining fund financial schedules, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Local Highway Finance Report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 combining fund financial schedules, the schedule of expenditures of federal awards, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2026 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 27, 2026

# CONEJOS COUNTY, COLORADO

## BASIC FINANCIAL STATEMENTS

# CONEJOS COUNTY, COLORADO
## STATEMENT OF NET POSITION
### December 31, 2025

| | Primary Government |
|---|---|
| | Governmental Activities |
| **ASSETS** | |
| **Current Assets** | |
| Cash and Investments | $ 13,898,056 |
| Accounts Receivable | 362,740 |
| Due From Other Governments | 887,854 |
| Property Taxes Receivable | 2,160,934 |
| Inventories | 67,485 |
| Prepaid Expenditures | 7,763 |
| Total Current Assets | 17,384,832 |
| **Noncurrent Assets** | |
| Capital assets not being depreciated | 1,670,589 |
| Capital assets, net of accumulated depreciation | 5,873,531 |
| Total Noncurrent Assets | 7,544,120 |
| **TOTAL ASSETS** | 24,928,952 |
| **LIABILITIES** | |
| **Current Liabilities** | |
| Accounts Payable | 186,939 |
| Accrued Payroll Liabilities | 118,887 |
| Due To Other Governments | - |
| Unearned Grant Revenue | 2,107,501 |
| Financed Purchase Agreement | 77,684 |
| Compensated Absences | 367,541 |
| Total Current Liabilities | 2,858,552 |
| **Noncurrent Liabilities** | |
| Financed Purchase Agreement | 480,827 |
| Compensated Absences | 118,860 |
| Total Noncurrent Liabilities | 599,687 |
| **TOTAL LIABILITIES** | 3,458,239 |
| **DEFERRED INFLOWS OF RESOURCES - CURRENT** | |
| Unavailable Revenue - Property Tax | 2,160,934 |
| **NET POSITION** | |
| Net Investment in Capital Assets | 6,985,609 |
| Restricted for | |
| TABOR Amendment Reserve | 395,000 |
| Forest Reserve - Title III | 47,357 |
| Unrestricted | 11,881,813 |
| **TOTAL NET POSITION** | $ 19,309,779 |

The accompanying notes are an integral part of this financial statement.

# CONEJOS COUNTY, COLORADO
## STATEMENT OF ACTIVITIES
## For the Year Ended December 31, 2025

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|---|---|---|---|---|---|
| **Functions/Programs** | **Expenses** | **Charges for Services** | **Operating Grants & Contributions** | **Capital Grants & Contributions** | **Primary Government** |
| **Primary Government** | | | | | |
| **Governmental Activities** | | | | | |
| General Government | $ 2,476,416 | $ 574,993 | $ 167,506 | $ 108,948 | $ (1,624,969) |
| Public Safety | 3,862,520 | 309,514 | 213,424 | 15,000 | (3,324,582) |
| Health and Welfare | 8,192,865 | 389,779 | 6,614,941 | 201,372 | (986,773) |
| Highways and Streets | 2,465,343 | 16,189 | 2,210,994 | 32,026 | (206,134) |
| Judicial - District Attorney | 295,834 | - | - | - | (295,834) |
| Auxiliary Services | 39,799 | - | - | - | (39,799) |
| Culture and Recreation | 95,908 | - | 48,376 | - | (47,532) |
| Interest on Long-Term Debt | 16,260 | - | - | - | (16,260) |
| **Total Governmental Activities** | $ 17,444,945 | $ 1,290,475 | $ 9,255,241 | $ 357,346 | (6,541,883) |
| | **General Revenues** | | | | |
| | Taxes | | | | |
| | General Property Taxes - Net | | | | 2,499,713 |
| | Sales and Use Taxes | | | | 2,023,793 |
| | Other Taxes | | | | 571,580 |
| | Payment in Lieu of Taxes | | | | 1,399,406 |
| | Interest on Investments | | | | 590,154 |
| | Gain on Sale of Capital Assets | | | | 40,328 |
| | Miscellaneous | | | | 299,165 |
| | **Total General Revenues** | | | | 7,424,139 |
| | Change in Net Position | | | | 882,256 |
| | **Net Position - Beginning** | | | | 18,427,523 |
| | **Net Position - Ending** | | | | $ 19,309,779 |

The accompanying notes are an integral part of this financial statement.

# CONEJOS COUNTY, COLORADO
## GOVERNMENTAL FUNDS
## BALANCE SHEET
## December 31, 2025

| | GENERAL FUND | ROAD AND BRIDGE FUND | SOCIAL SERVICES FUND | CAPITAL EXPENDITURES FUND | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash and Investments | $ 8,083,432 | $ 1,853,328 | $ 2,455,581 | $ 1,030,347 | $ 475,368 | $ 13,898,056 |
| Accounts Receivable | 37,976 | - | (645) | 211,653 | 113,756 | 362,740 |
| Due From Other Governments | 564,257 | 214,598 | 50,640 | - | 58,359 | 887,854 |
| Due From Other Funds | 14,260 | 91,226 | - | 42,722 | - | 148,208 |
| Property Taxes Receivable | 1,672,731 | 105,990 | 361,015 | 21,198 | - | 2,160,934 |
| Inventories | - | 41,040 | - | - | 26,445 | 67,485 |
| Prepaid Expenditures | - | 7,763 | - | - | - | 7,763 |
| **TOTAL ASSETS** | $ 10,372,656 | $ 2,313,945 | $ 2,866,591 | $ 1,305,920 | $ 673,928 | $ 17,533,040 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE** | | | | | | |
| **LIABILITIES** | | | | | | |
| Accounts Payable | $ (4,149) | $ 225 | $ (42,921) | $ 211,653 | $ 22,131 | $ 186,939 |
| Accrued Payroll Liabilities | 77,645 | 16,117 | 16,078 | - | 9,047 | 118,887 |
| Due to Other Governments | - | - | - | - | - | - |
| Due to Other Funds | 115,566 | - | 18,707 | - | 13,935 | 148,208 |
| Unearned Grant Revenue | 718,236 | - | 433,388 | 901,937 | 53,940 | 2,107,501 |
| **TOTAL LIABILITIES** | 907,298 | 16,342 | 425,252 | 1,113,590 | 99,053 | 2,561,535 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Unearned Revenue - Property Tax | 1,672,731 | 105,990 | 361,015 | 21,198 | - | 2,160,934 |
| **FUND BALANCE** | | | | | | |
| Nonspendable | - | 48,803 | - | - | 26,445 | 75,248 |
| Restricted | 395,000 | 47,357 | - | - | - | 442,357 |
| Committed | 1,529,757 | 2,095,453 | 2,080,324 | 171,132 | 548,430 | 6,425,096 |
| Assigned | 1,271,571 | - | - | - | - | 1,271,571 |
| Unassigned | 4,596,299 | - | - | - | - | 4,596,299 |
| **TOTAL FUND BALANCE** | 7,792,627 | 2,191,613 | 2,080,324 | 171,132 | 574,875 | 12,810,571 |
| **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE** | $ 10,372,656 | $ 2,313,945 | $ 2,866,591 | $ 1,305,920 | $ 673,928 | $ 17,533,040 |

The accompanying notes are an integral part of this financial statement.

# CONEJOS COUNTY, COLORADO
## RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
## December 31, 2025

| | | |
|---|---|---|
| **Total governmental fund balances** | | $ 12,810,571 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 7,544,120 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | | |
| Financed Purchase Agreement | $ (558,511) | |
| Compensated Absences | (486,401) | |
| | | (1,044,912) |
| **Net position of governmental activities** | | $ 19,309,779 |

The accompanying notes are an integral part of this financial statement.

# CONEJOS COUNTY, COLORADO
## GOVERNMENTAL FUNDS
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
### For the Year Ended December 31, 2025

| | GENERAL FUND | ROAD AND BRIDGE FUND | SOCIAL SERVICES FUND | CAPTIAL EXPENDITURES FUND | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Taxes | $ 4,467,801 | $ 116,008 | $ 452,358 | $ 25,322 | $ 33,597 | $ 5,095,086 |
| Intergovernmental Revenue | 2,149,285 | 2,245,059 | 5,727,742 | 5,500 | 439,124 | 10,566,710 |
| Licenses and Permits | 179,400 | 14,150 | - | - | - | 193,550 |
| Charges for Services | 1,140,622 | - | - | - | 389,779 | 1,530,401 |
| Interest on Investments | 555,053 | 25,749 | - | 8,846 | 506 | 590,154 |
| Miscellaneous | 47,308 | 1,321 | - | 4,072 | 18,114 | 70,815 |
| **TOTAL REVENUES** | 8,539,469 | 2,402,287 | 6,180,100 | 43,740 | 881,120 | 18,046,716 |
| **EXPENDITURES** | | | | | | |
| Current Expenditures | | | | | | |
| General Government | 2,604,018 | 86,063 | - | 36,506 | - | 2,726,587 |
| Public Safety | 3,662,449 | - | - | - | - | 3,662,449 |
| Health and Welfare | 990,855 | - | 6,020,656 | - | 857,107 | 7,868,618 |
| Highways and Streets | - | 2,101,694 | - | - | - | 2,101,694 |
| Judicial - District Attorney | 295,834 | - | - | - | - | 295,834 |
| Auxiliary Services | 39,799 | - | - | - | - | 39,799 |
| Culture and Recreation | - | - | - | - | 91,856 | 91,856 |
| Capital Outlay | 540,149 | 47,813 | 33,165 | 530,639 | - | 1,151,766 |
| Debt Service | 16,356 | 61,544 | - | - | - | 77,900 |
| **TOTAL EXPENDITURES** | 8,149,460 | 2,297,114 | 6,053,821 | 567,145 | 948,963 | 18,016,503 |
| Excess (Deficiency) of Revenues Over Expenditures | 390,009 | 105,173 | 126,279 | (523,405) | (67,843) | 30,213 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | |
| Transfers In (Out) | 38,485 | - | - | - | (38,485) | - |
| Commodities Received | - | - | - | - | 133,393 | 133,393 |
| Commodities Issued | - | - | - | - | (133,393) | (133,393) |
| Insurance Proceeds | - | - | - | 240,157 | - | 240,157 |
| Debt Proceeds | 238,500 | - | - | - | - | 238,500 |
| Sale of Capital Assets | 2,478 | - | 30,000 | - | 7,850 | 40,328 |
| **TOTAL OTHER FINANCING SOURCES (USES)** | 279,463 | - | 30,000 | 240,157 | (30,635) | 518,985 |
| Net Change in Fund Balance | 669,472 | 105,173 | 156,279 | (283,248) | (98,478) | 549,198 |
| **Fund Balance at Beginning of Year** | 7,123,155 | 2,086,440 | 1,924,045 | 454,380 | 673,353 | 12,261,373 |
| **Fund Balance at End of Year** | $ 7,792,627 | $ 2,191,613 | $ 2,080,324 | $ 171,132 | $ 574,875 | $ 12,810,571 |

The accompanying notes are an integral part of this financial statement.

# CONEJOS COUNTY, COLORADO
## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
### For the Year Ended December 31, 2025

| | | |
|---|---|---|
| **Net change in fund balances - total governmental funds** | | $ 549,198 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Fixed asset additions | $ 1,263,762 | |
| Depreciation expense | (747,655) | |
| Net effect of capital outlay, depreciation, and deletions | | 516,107 |
| Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Activity of debt is as follows: | | |
| Debt Proceeds | (238,500) | |
| Financed Purchase Agreement | 61,640 | |
| | | (176,860) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Change in compensated absences | | (6,189) |
| **Change in net position of governmental activities** | | $ 882,256 |

The accompanying notes are an integral part of this financial statement.

# CONEJOS COUNTY, COLORADO
## FIDUCIARY FUND
## STATEMENT OF NET POSITION
## For the Year Ended December 31, 2025

| | PUBLIC TRUSTEE | COUNTY TREASURER | JAIL COMMISSARY | TOTAL CUSTODIAL FUNDS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and Cash Equivalents | $ 9,080 | $ 960,540 | $ 164,203 | $ 1,133,823 |
| Property Tax Receivable | - | 5,305,462 | - | 5,305,462 |
| **TOTAL ASSETS** | 9,080 | 6,266,002 | 164,203 | 6,439,285 |
| **LIABILITIES** | | | | |
| Due to Other Governments | - | 960,540 | - | 960,540 |
| **TOTAL LIABILIITIES** | - | 960,540 | - | 960,540 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Property Taxes | - | 5,305,462 | - | 5,305,462 |
| **NET POSITION** | | | | |
| Restricted for: | | | | |
| Individuals, Organizations, and Other Governments | 9,080 | - | 164,203 | 173,283 |
| **TOTAL NET POSITION** | $ 9,080 | $ - | $ 164,203 | $ 173,283 |

The accompanying notes are an integral part of this financial statement.

# CONEJOS COUNTY, COLORADO
## FIDUCIARY FUND
## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
## For the Year Ended December 31, 2025

| | PUBLIC TRUSTEE | COUNTY TREASURER | JAIL COMMISSARY | TOTAL CUSTODIAL FUNDS |
|---|---|---|---|---|
| **ADDITIONS** | | | | |
| Tax Collections for Other Governments | $ - | $ 6,740,127 | $ - | $ 6,740,127 |
| Public Trustee Activity | 131,782 | - | - | 131,782 |
| Held for Others | - | - | 100,973 | 100,973 |
| Miscellaneous | - | 479,349 | - | 479,349 |
| Total Additions | 131,782 | 7,219,476 | 100,973 | 7,452,231 |
| **DEDUCTIONS** | | | | |
| Taxes and Other Collections Disbursed | - | 7,219,476 | - | 7,219,476 |
| Public Trustee Disbursements | 133,929 | - | - | 133,929 |
| Funds Held for Others | - | - | 82,656 | 82,656 |
| Total Deductions | 133,929 | 7,219,476 | 82,656 | 7,436,061 |
| Net Increase (Decrease) in Fiduciary Net Position | (2,147) | - | 18,317 | 16,170 |
| Net Position - Beginning of the Year | 11,227 | - | 145,886 | 157,113 |
| Net Position - End of the Year | $ 9,080 | $ - | $ 164,203 | $ 173,283 |

The accompanying notes are an integral part of this financial statement.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards.*

### REPORTING ENTITY

***Primary Government***

The County is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member Board of County Commissioners (the Board). Each commissioner is elected at-large by the voters of the County to represent one of the three separate districts and must reside in the district for which he or she is elected. There are also seven other elected officials - assessor, clerk and recorder, coroner, sheriff, district attorney, surveyor, and treasurer. The treasurer is also the County Public Trustee.

The County provides a wide range of services to its residents including general administration, public safety, highways and streets, parks and recreation, health and social services, public improvements, planning, zoning, sanitation, and the office of the public trustee.

***Component Units***

The County's combined financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards,* include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The County holds the corporate powers of the organization
- The County appoints a voting majority of the organization's board
- The County is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the County
- There is fiscal dependency by the organization on the County
- The organization is financially accountable to the County
- The organization receives or holds funds that are for the benefit of the County; and the County has access to a majority of the funds held; and the funds that are accessible are also significant to the County.

Based on the aforementioned criteria, Conejos County has no component units.

### GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. Government-wide statements report information on all of the activities of the County and its component units, except for County fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- 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 in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements.

Major individual governmental funds are reported as separate columns in the fund financial statements.

**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. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The County considers grant revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures are generally 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 County reports the following major governmental funds:

- The ***General Fund*** is the general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The ***Road and Bridge Fund*** is used to account for the maintenance and improvements of streets and highways. The sources of funds include property taxes, highway users fees, and other revenue sources.
- The ***Social Services Fund*** is used to account for the operations of social programs; i.e. Temporary Aid to Needy Families, Old Age Pension, Aid to the Blind, Aid to the Needy and Disabled, among others. Financing is provided by grants, allotments, and property tax revenue.
- The ***Capital Expenditures Fund,*** a Capital Projects Fund, is used to account for the monies set aside for capital expenditures.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The fiduciary fund financial statements consist of custodial funds that are fiduciary in nature and present changes in fiduciary net position. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in a fiduciary capacity.

- ***Public Trustee Fund*** was established to account for expenditures for the Public Trustee's Office. The Public Trustee is appointed by the Governor of Colorado for a four-year term. This office administers foreclosures including issuance of Public Trustee deeds, cure of default and lien redemptions.
- ***County Treasurer Fund*** accounts for monies collected (principally tax collections) by the Conejos County Treasurer for various local government entities within the County.
- ***Jail Commissary Fund*** is used to account for funds collected for and disbursed for inmates.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances have been eliminated in the Statement of Net Position. All interfund transfers have been eliminated in the Statement of Activities.

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

***Cash***

The County’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

***Investments***

All investments, if any, are recorded at fair market value.

***Property Taxes***

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The County Treasurer bills and collects all property taxes for the County. Property tax revenue is recognized by the County to the extent it results in a current receivable.

The 2025 property tax levy due January 1, 2026, has been recorded in the financial statements as a receivable and a corresponding deferred inflow of resources.

***Receivables/Payables from Other County Funds***

Balances that originate from current lending/borrowing arrangements between funds are referred to as “Due To/From Other Funds”.

***Inventories and Prepaid Items***

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the special revenue funds consists of expendable supplies held for use. Reported inventories are equally offset by a nonspendable fund balance, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. The inventory policy on government-wide statements is consistent with fund statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

***Capital Assets***

Capital assets, which include land, buildings and improvements, equipment, vehicles, construction in progress, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than $5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

| Assets | Years |
|---|---|
| Buildings and Improvements | 10-40 |
| Equipment | 5-15 |
| Vehicles | 5-7 |
| Infrastructure | 10-40 |

***Long-Term Obligations***

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as other financing sources and debt payments are reported as debt service expenditures.

***Compensated Absences***

County policy allows employees to accumulate unused vacation, comp time, and sick leave up to certain maximum hours. At December 31 of each year, unused vacation time over 150 hours is forfeited and unused sick time over 480 hours is forfeited. Employees are paid 100% of unused vacation and comp time. Employees are paid 50% up to 240 hours of sick leave upon departure. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability is reported in governmental funds only if they have matured, for example as a result of employee resignations or retirements.

***Unearned Revenue***

Revenues on grants, which are restricted by the grant contract for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

***Deferred Inflows of Resources***

In addition to liabilities, the Statement of Net Position and the governmental funds Balance Sheet report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

### *Net Position*

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

### *Fund Balance*

Fund balances are reported by classification based on the extent to which the County is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid expenditures.
- *Restricted Fund Balance* – amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of County Commissioners, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the Board of County Commissioners or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of County Commissioners has provided otherwise in its commitment or assignment actions.

| | General Fund | Road and Bridge Fund | Social Services Fund | Captial Expenditures Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| Nonspendable | | | | | | |
| Inventory | $ - | $ 41,040 | $ - | $ - | $ 26,445 | $ 67,485 |
| Prepaid Expenditures | - | 7,763 | - | - | - | 7,763 |
| | - | 48,803 | - | - | 26,445 | 75,248 |
| Restricted | | | | | | |
| TABOR | 395,000 | - | - | - | - | 395,000 |
| Title III | - | 47,357 | - | - | - | 47,357 |
| | 395,000 | 47,357 | - | - | - | 442,357 |
| Committed | | | | | | |
| Contingencies | 1,529,757 | - | - | - | - | 1,529,757 |
| Capital Expenditures | - | - | - | 171,132 | - | 171,132 |
| Health and Welfare | - | - | 2,080,324 | - | 311,361 | 2,391,685 |
| Highways and Streets | - | 2,095,453 | - | - | - | 2,095,453 |
| Culture and Recreation | - | - | - | - | 237,069 | 237,069 |
| | 1,529,757 | 2,095,453 | 2,080,324 | 171,132 | 548,430 | 6,425,096 |
| Assigned | | | | | | |
| Designated for Future Expenditures | 1,271,571 | - | - | - | - | 1,271,571 |
| Unassigned | 4,596,299 | - | - | - | - | 4,596,299 |
| Total Fund Balance | $ 7,792,627 | $ 2,191,613 | $ 2,080,324 | $ 171,132 | $ 574,875 | $ 12,810,571 |

***Use of Estimates***

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

***Reclassifications***

Certain reclassifications were made to fiscal year 2024 financial statements in order to conform to the fiscal year 2025 financial statement presentation.

## NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

***Budgets and Budgetary Accounting***

Conejos County follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff, which shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.

Formal budgetary integration is employed as a management control device for all funds of the County. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Board of County Commissioners adopted supplemental appropriations during 2025.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

## NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

A summary of Cash, Deposits, and Investments for the County are as follow:

| | |
|---|---|
| Cash on Hand | $ 7,385 |
| Cash Deposited in Banks | 1,205,962 |
| C-SAFE | 770,346 |
| ColoTrust | 13,048,186 |
| Total Cash, Deposits, and Investments (Book Balance) | 15,031,879 |
| Less: Amounts Related to Agency Fund | (1,133,823) |
| Total Cash, Deposits, and Investments on the Statement of Net Position | $ 13,898,056 |

### *Cash and Deposits*

Colorado State Statutes govern the County's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. All deposits in 2025 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

### *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At December 31, 2025, $1,134,750 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

### *Investments*

The County’s investment policy and Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. They 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
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investments contracts
- Corporate or bank debt issued by eligible corporations or banks

***Custodial Credit Risk - Investments***

The County's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The policy allows for the investment in local government investment pools.

***Interest Rate Risk***

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

***Fair Value***

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

The Colorado Government Liquid Asset Trust (ColoTrust) is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. ColoTrust operates similarly to a money market fund and each share is equal in value to $1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pools consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. ColoTrust is rated AAAm by Standard & Poor's.

The Colorado Surplus Asset Fund Trust (C-SAFE), Core Fund, investments are valued using the net asset value per share (or its equivalent) of the investments. The investments do not have any unfunded commitments, redemption restrictions, redemption notice periods or withdrawal restrictions. CSAFE investments conform to Colorado Statutes C.R.S. 24-75-601 et. seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado depositories collateralized at 102% of market value according to the guidelines of the Public Deposit Protection Act. CSAFE measures all of its investments at amortized cost. CSAFE is rated AAAF/SI by Fitch Ratings, reflecting the highest underlying credit quality of the portfolio and very low sensitivity to market risk.

## NOTE 4 ACCOUNTS RECEIVABLE

At December 31, 2025, the County had accounts receivable as follows:

| | |
|---|---|
| General Fund: | |
| Ambulance Accounts Receivable | $ 37,976 |
| (Less) Allowance for Uncollectible | - |
| | 37,976 |
| Total General Fund | 37,976 |
| Social Services | (645) |
| Capital Expenditures Fund | 211,653 |
| Public Health | 113,756 |
| | $ 362,740 |

## NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

### *Interfund Receivables/Payables*

The County reports interfund balances between many of its funds. The balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

Interfund receivable and payable balance at December 31, 2025 were as follows:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| Road & Bridge Fund | General Fund | $ 133,948 |
| Capital Expenditures Fund | Road & Bridge Fund | 42,722 |
| General Fund | Social Services Fund | 14,260 |
| Public Health Fund | Social Services Fund | 4,447 |
| General Fund | Public Health Fund | 18,382 |
| | | $ 213,759 |

### *Interfund Transfers*

Interfund transfers for the year ended December 31, 2025 were as follows:

| Transfer In | Transfer Out | Amount |
|---|---|---|
| General Fund (Contingency) | General Fund | $ 1,000,000 |
| | Public Health | 38,485 |
| | | $ 1,038,485 |

The General Fund (Contingency) received a transfer from the Public Health Fund for the repayment of a vehicle purchased, and the General Fund (Contingency) received a transfer from the General Fund for construction of the ambulance base project.

## NOTE 6 PROPERTY TAXES RECEIVABLE

At December 31, 2025, the County had an estimated property tax receivable divided among the funds as follows:

| | |
|---|---|
| General Fund | $ 1,672,731 |
| Road and Bridge Fund | 105,990 |
| Social Services Fund | 361,015 |
| Capital Expenditures Fund | 21,198 |
| | $ 2,160,934 |

## NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

| | Balance 12/31/2024 | Additions | Deletions | Balance 12/31/2025 |
|---|---|---|---|---|
| *Governmental Activities* | | | | |
| Capital assets not being depreciated | | | | |
| Land | $ 1,208,546 | $ - | $ - | $ 1,208,546 |
| Construction in Progress | 22,500 | 439,543 | - | 462,043 |
| Total capital assets not being depreciated | 1,231,046 | 439,543 | - | 1,670,589 |
| Capital assets being depreciated | | | | |
| Infrastructure | 1,709,599 | - | - | 1,709,599 |
| Buildings and Improvements | 6,808,814 | 32,954 | - | 6,841,768 |
| Equipment | 6,144,412 | 151,012 | - | 6,295,424 |
| Vehicles | 1,838,911 | 640,253 | 150,991 | 2,328,173 |
| Total capital assets being depreciated | 16,501,736 | 824,219 | 150,991 | 17,174,964 |
| Less: accumulated depreciation for | | | | |
| Infrastructure | 1,194,931 | 151,097 | - | 1,346,028 |
| Buildings and Improvements | 3,812,010 | 140,692 | - | 3,952,702 |
| Equipment | 4,262,309 | 266,203 | - | 4,528,512 |
| Vehicles | 1,435,519 | 189,663 | 150,991 | 1,474,191 |
| Total accumulated depreciation | 10,704,769 | 747,655 | 150,991 | 11,301,433 |
| Total Capital Assets being depreciated, net | 5,796,967 | 76,564 | - | 5,873,531 |
| Governmental Activities Capital Assets, Net | $ 7,028,013 | $ 516,107 | $ - | $ 7,544,120 |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---|---|
| *Governmental Activities:* | |
| General Government | $ 36,076 |
| Public Safety | 220,141 |
| Health and Welfare | 86,589 |
| Highways and Streets | 400,797 |
| Culture and Recreation | 4,052 |
| Total Depreciation Expense | $ 747,655 |

## NOTE 8 LONG-TERM LIABILITIES

### *Changes in Long-term Liabilities*

Long-term liability balances for the year ended December 31, 2025, were as follows:

| | 12/31/2024 Balance | Additions | Deletions | 12/31/2025 Balance | Due Within One Year |
|---|---|---|---|---|---|
| *Governmental Activities:* | | | | | |
| Financed Purchase Agreements | $ 381,651 | $ 238,500 | $ 61,640 | $ 558,511 | $ 77,684 |
| Compensated Absences | 480,212 | 6,189 | - | 486,401 | 367,541 |
| Total Governmental Activities | $ 861,863 | $ 244,689 | $ 61,640 | $ 1,044,912 | $ 445,225 |

*The change in compensated absences liability is presented as a net change.

### *Financed Purchase Agreements*

*2018 Alamosa State Bank*
A financed purchase agreement, dated September 7, 2018, was entered into for $96,380 between Alamosa State Bank as lessor, and Conejos County (the "County"), as lessee, for the purchase of three vehicles for the Sheriff's department. Payments are due annually with an interest rate of 4.5%. The vehicles are included in capital assets at a cost of $120,474 and accumulated depreciation of $120,474 as of December 31, 2025. Final payment of $15,651 was made September 2025.

*2024 San Luis Valley Federal Bank*
A financed purchase agreement, dated December 8, 2024, was entered into for $366,000 between San Luis Valley Federal Bank as lessor, and Conejos County (the "County"), as lessee, for the purchase of a motor grader for the Road and Bridge department. Payments are due annually with an interest rate of 4.25%. Final payment is due December 2031. The motor grader is included in capital assets at a cost of $366,434 and accumulated depreciation of $39,697 as of December 31, 2025. Principal balance at December 31, 2025, was $320,011.

*2025 San Luis Valley Federal Bank*
A financed purchase agreement, dated April 9, 2025, was entered into for $238,500 between San Luis Valley Federal Bank as lessor, and Conejos County (the "County"), as lessee, for the purchase of four trucks for the Sheriff department. Payments are due annually with an interest rate of 4.5%. Final payment is due April 2032. The trucks are included in capital assets at a cost of $253,262 and accumulated depreciation of $34,518 as of December 31, 2025. Principal balance at December 31, 2025, was $238,500.

The annual debt service for the capital leases is as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 77,684 | $ 24,334 | $ 102,018 |
| 2027 | 81,061 | 20,957 | 102,018 |
| 2028 | 84,583 | 17,435 | 102,018 |
| 2029 | 88,259 | 13,759 | 102,018 |
| 2030 | 92,095 | 9,923 | 102,018 |
| 2031-2032 | 134,829 | 7,663 | 142,492 |
| | $ 558,511 | $ 94,071 | $ 652,582 |

## NOTE 9 RETIREMENT

***Pension Plans***

All eligible employees, participate in the Colorado Retirement Association (CRA) (the Plan), a defined contribution plan, authorized by state statute. The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Employees are eligible after completing twelve months of service with the County, and participation is mandatory after one year of employment. Employee and employer contributions are 100% vested immediately upon employee participation in the plan.

The County must contribute 4% of the compensation of each participant. Each participant contributes a minimum amount equal to the County's contribution, and is permitted to make additional contributions not to exceed 10% of their compensation. For the year ended December 31, 2025, employee contributions totaled $195,823. and the County recognized pension expense of $176,539. The County recognized $8,490 of forfeitures in retirement expense during 2025.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The Plan may be amended by resolution of the Board of County Commissioners but it may not be amended beyond the limits established by state statute.

***Deferred Compensation Plan***

The County also offers its employees an additional voluntary deferred compensation plan created in accordance with Internal Revenue Code 457(f), administered by Colorado Retirement Association (CRA) (the Plan).

The Plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies. The County has no other liability other than to make the required monthly contribution.

## NOTE 10 COLORADO CONTRABAND FORFEITURE ACT

We have reviewed financial activity in the Sheriff’s Department for compliance with the above referenced act. There were no sales of contraband during the year ended December 31, 2025.

## NOTE 11 TABOR AMENDMENT RESERVE

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 County believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. The voters of the County have approved a measure that allows the County to retain and spend revenue in excess of the limit.

The amendment also requires that emergency reserves be established. These reserves must be at least three percent of fiscal year spending. The emergency reserve has been presented as restricted fund balance/net position in the financial statements. The County is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

## NOTE 12 RISK MANAGEMENT

### *Colorado Counties Casualty and Property Pool (CAPP)*

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The inter-governmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

At December 31, 2025, CAPP had assets of $34,299,751, liabilities of $26,669,759 (including $25,875,070 reserved for losses and claims), and members' equity of $7,629,992. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2025, amounted to $15,980,540 and total expenses were $16,505,933 resulting in net loss before return of surplus of $525,393.

### *Colorado Workers' Compensation Pool (CWCP)*

The County is exposed to various risks of loss related to injuries of employees while on the job. The County has joined together with other counties in the State of Colorado to form the Colorado Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

At December 31, 2025, CWCP had assets of $56,337,912, liabilities of $31,725,236 (including $25,077,488 reserved for losses and claims) and members' equity of $24,612,676. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2025, amounted to $10,668,172 total expenses were $6,989,274 resulting in net income before return of surplus of $3,678,898.

## NOTE 13 COMMITMENTS AND CONTINGENCIES

### *Grant Programs*
The County participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of expenditures, if any, which may be disallowed by the granting agencies, cannot be determined at this time although the County expects any such amounts to be immaterial.

### *Litigation*
The County is a party to various legal actions normally associated with governmental activities, aggregate effect, which in management's and legal counsel's opinion, would not be material to the financial statements.

### *Insurance Pools*
The County is a member of the Colorado Counties Casualty and Property Pool (CAPP) and the Colorado Workers' Compensation Pool (CWCP). CAPP and CWCP have a legal obligation for claims against its members to the extent that funds are available in their annually established loss funds and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds are direct liabilities of the participating members. CAPP and CWCP have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. The ultimate liability to the County resulting from claims not covered by CAPP and CWCP is not presently determinable.

### *Construction Projects*
The County is in the process of restoring the court house after a fire in August 2024. The project is estimated to be completed by December 2026. As of December 31, 2025 project costs are approximately $418,043 with total estimated completion costs of $3,075,000. The County has received $632,157 in insurance proceeds as of December 31, 2025 and expects to receive total insurance proceeds of $1,325,000.

# CONEJOS COUNTY, COLORADO

## REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and, if applicable, each of the County's major special revenue funds.

# CONEJOS COUNTY, COLORADO
## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
## GENERAL FUND
### For the Year Ended December 31, 2025

| | BUDGETED AMOUNTS ORIGINAL | BUDGETED AMOUNTS FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $ 4,117,832 | $ 4,117,832 | $ 4,467,801 | $ 349,969 |
| Intergovernmental Revenue | 2,432,683 | 2,432,683 | 2,149,285 | (283,398) |
| Licenses and Permits | - | - | 179,400 | 179,400 |
| Charges for Services | 821,860 | 821,860 | 1,140,622 | 318,762 |
| Interest on Investments | 204,000 | 204,000 | 555,053 | 351,053 |
| Miscellaneous | 14,500 | 14,500 | 47,308 | 32,808 |
| **TOTAL REVENUES** | 7,590,875 | 7,590,875 | 8,539,469 | 948,594 |
| **EXPENDITURES** | | | | |
| General Government | 2,879,765 | 2,879,765 | 2,604,018 | 275,747 |
| Public Safety | 3,515,309 | 3,515,309 | 3,662,449 | (147,140) |
| Health and Welfare | 980,756 | 980,756 | 990,855 | (10,099) |
| Highways and Streets | - | - | - | - |
| Judicial - District Attorney | 290,765 | 290,765 | 295,834 | (5,069) |
| Auxiliary Services | 44,741 | 44,741 | 39,799 | 4,942 |
| Capital Outlay | 456,631 | 456,631 | 540,149 | (83,518) |
| Debt Service | 60,000 | 60,000 | 16,356 | 43,644 |
| **TOTAL EXPENDITURES** | 8,227,967 | 8,227,967 | 8,149,460 | 78,507 |
| Excess (Deficiency) of Revenues Over Expenditures | (637,092) | (637,092) | 390,009 | 1,027,101 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers In | 40,000 | 40,000 | 38,485 | (1,515) |
| Transfers Out | - | - | - | - |
| Debt Proceeds | - | - | 238,500 | 238,500 |
| Sale of Capital Assets | - | - | 2,478 | 2,478 |
| **TOTAL OTHER FINANCING SOURCES (USES)** | 40,000 | 40,000 | 279,463 | 239,463 |
| Net Change in Fund Balance | (597,092) | (597,092) | 669,472 | 1,266,564 |
| **Fund Balance at Beginning of Year** | 8,067,336 | 8,067,336 | 7,123,155 | (944,181) |
| **Fund Balance at End of Year** | $ 7,470,244 | $ 7,470,244 | $ 7,792,627 | $ 322,383 |

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

# CONEJOS COUNTY, COLORADO
## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
## ROAD AND BRIDGE FUND
### For the Year Ended December 31, 2025

| | BUDGETED AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE |
|---|---|---|---|---|
| | ORIGINAL | FINAL | ACTUAL | (NEGATIVE) |
| **REVENUES** | | | | |
| Taxes | $ 129,089 | $ 129,089 | $ 116,008 | $ (13,081) |
| Intergovernmental Revenue | 1,668,300 | 1,668,300 | 2,245,059 | 576,759 |
| Licenses and Permits | 1,000 | 11,287 | 14,150 | 2,863 |
| Interest on Investments | 40,000 | 40,000 | 25,749 | (14,251) |
| Miscellaneous | 2,000 | 2,000 | 1,321 | (679) |
| **TOTAL REVENUES** | 1,840,389 | 1,850,676 | 2,402,287 | 551,611 |
| **EXPENDITURES** | | | | |
| General Government | 258,500 | 268,787 | 86,063 | 182,724 |
| Highways and Streets | 1,921,037 | 1,921,037 | 2,101,694 | (180,657) |
| Capital Outlay | 60,000 | 60,000 | 47,813 | 12,187 |
| Debt Service | 61,000 | 61,000 | 61,544 | (544) |
| **TOTAL EXPENDITURES** | 2,300,537 | 2,310,824 | 2,297,114 | 13,710 |
| Excess (Deficiency) of Revenues Over Expenditures | (460,148) | (460,148) | 105,173 | 565,321 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Debt Proceeds | - | - | - | - |
| Sale of Capital Assets | - | - | - | - |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | - | - |
| **TOTAL OTHER FINANCING SOURCSE (USES)** | - | - | - | - |
| Net Change in Fund Balance | (460,148) | (460,148) | 105,173 | 565,321 |
| **Fund Balance at Beginning of Year** | 1,534,763 | 1,534,763 | 2,086,440 | 551,677 |
| **Fund Balance at End of Year** | $ 1,074,615 | $ 1,074,615 | $ 2,191,613 | $ 1,116,998 |

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

# CONEJOS COUNTY, COLORADO
## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
## SOCIAL SERVICES FUND
## For the Year Ended December 31, 2025

| | BUDGETED AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE |
|---|---|---|---|---|
| | ORIGINAL | FINAL | ACTUAL | (NEGATIVE) |
| **REVENUES** | | | | |
| Taxes | $ 434,652 | $ 434,652 | $ 452,358 | $ 17,706 |
| Intergovernmental Revenue | 8,976,367 | 8,976,367 | 5,727,742 | (3,248,625) |
| Miscellaneous Revenue | - | - | - | - |
| **TOTAL REVENUES** | 9,411,019 | 9,411,019 | 6,180,100 | (3,230,919) |
| **EXPENDITURES** | | | | |
| Health and Welfare | 9,252,163 | 9,252,163 | 6,020,656 | 3,231,507 |
| Capital Outlay | - | - | 33,165 | (33,165) |
| **TOTAL EXPENDITURES** | 9,252,163 | 9,252,163 | 6,053,821 | 3,198,342 |
| Excess (Deficiency) of Revenues Over Expenditures | 158,856 | 158,856 | 126,279 | (32,577) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | - | - |
| Sale of Capital Assets | - | - | 30,000 | 30,000 |
| **TOTAL OTHER FINANCING SOURCSE (USES)** | - | - | 30,000 | 30,000 |
| Net Change in Fund Balance | 158,856 | 158,856 | 156,279 | (2,577) |
| **Fund Balance at Beginning of Year** | 1,542,515 | 1,542,515 | 1,924,045 | 381,530 |
| **Fund Balance at End of Year** | $ 1,701,371 | $ 1,701,371 | $ 2,080,324 | $ 378,953 |

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

# CONEJOS COUNTY, COLORADO

## SUPPLEMENTARY INFORMATION

The combining fund schedules represent the second level of financial reporting for the County. These schedules present more detailed information for the individual funds in a format that segregates information by fund type.

# CONEJOS COUNTY, COLORADO
## COMBINING BALANCE SHEET
## GENERAL FUND
## December 31, 2025

| | GENERAL FUND | GENERAL CONTINGENCY FUND | CONTINGENCY FUND | TOTAL |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and Investments | $ 5,440,439 | $ 2,249,156 | $ 393,837 | $ 8,083,432 |
| Accounts Receivable | 37,976 | - | - | 37,976 |
| Due From Other Governments | 564,257 | - | - | 564,257 |
| Due From Other Funds | 14,260 | - | - | 14,260 |
| Property Taxes Receivable | 1,651,533 | - | 21,198 | 1,672,731 |
| Prepaid Expenditures | - | - | - | - |
| **TOTAL ASSETS** | $ 7,708,465 | $ 2,249,156 | $ 415,035 | $ 10,372,656 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE** | | | | |
| **LIABILITIES** | | | | |
| Accounts Payable | $ (4,149) | $ - | $ - | $ (4,149) |
| Accrued Payroll Liabilities | 77,645 | - | - | 77,645 |
| Due to Other Governments | - | - | - | - |
| Due To Other Funds | 115,566 | - | - | 115,566 |
| Unearned Grant Revenue | - | 718,236 | - | 718,236 |
| **TOTAL LIABILITIES** | 189,062 | 718,236 | - | 907,298 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unearned Revenue - Property Tax | 1,651,533 | - | 21,198 | 1,672,731 |
| **FUND BALANCE** | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | 395,000 | - | 395,000 |
| Committed | - | 1,135,920 | 393,837 | 1,529,757 |
| Assigned | 1,271,571 | - | - | 1,271,571 |
| Unassigned | 4,596,299 | - | - | 4,596,299 |
| **TOTAL FUND BALANCE** | 5,867,870 | 1,530,920 | 393,837 | 7,792,627 |
| **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE** | $ 7,708,465 | $ 2,249,156 | $ 415,035 | $ 10,372,656 |

# CONEJOS COUNTY, COLORADO
## COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
## GENERAL FUND
## For the Year Ended December 31, 2025

| | GENERAL FUND | GENERAL CONTINGENCY FUND | CONTINGENCY FUND | ELIMINATIONS | TOTAL |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Taxes | $ 4,442,479 | $ - | $ 25,322 | $ - | $ 4,467,801 |
| Intergovernmental Revenue | 2,149,285 | - | - | - | 2,149,285 |
| Licenses and Permits | 179,400 | - | - | - | 179,400 |
| Charges for Services | 1,140,622 | - | - | - | 1,140,622 |
| Interest on Investments | 534,322 | 19,219 | 1,512 | - | 555,053 |
| Miscellaneous | 47,250 | - | 58 | - | 47,308 |
| **TOTAL REVENUES** | 8,493,358 | 19,219 | 26,892 | - | 8,539,469 |
| **EXPENDITURES** | | | | | |
| General Government | 2,603,385 | - | 633 | - | 2,604,018 |
| Public Safety | 3,662,449 | - | - | - | 3,662,449 |
| Health and Welfare | 990,855 | - | - | - | 990,855 |
| Highways and Streets | - | - | - | - | - |
| Judicial - District Attorney | 295,834 | - | - | - | 295,834 |
| Auxiliary Services | 39,799 | - | - | - | 39,799 |
| Capital Outlay | 540,149 | - | - | - | 540,149 |
| Debt Service | 16,356 | - | - | - | 16,356 |
| **TOTAL EXPENDITURES** | 8,148,827 | - | 633 | - | 8,149,460 |
| Excess (Deficiency) of Revenues Over Expenditures | 344,531 | 19,219 | 26,259 | - | 390,009 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers In | - | 1,038,485 | - | (1,000,000) | 38,485 |
| Transfers Out | (1,000,000) | - | - | 1,000,000 | - |
| Debt Proceeds | 238,500 | - | - | - | 238,500 |
| Sale of Capital Assets | 2,478 | - | - | - | 2,478 |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (759,022) | 1,038,485 | - | - | 279,463 |
| Net Change in Fund Balance | (414,491) | 1,057,704 | 26,259 | - | 669,472 |
| **Fund Balance at Beginning of Year** | 6,282,361 | 473,216 | 367,578 | - | 7,123,155 |
| **Fund Balance at End of Year** | $ 5,867,870 | $ 1,530,920 | $ 393,837 | $ - | $ 7,792,627 |

# CONEJOS COUNTY, COLORADO
## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to be expended for particular purposes.

***Public Health Fund*** **–** This fund is used to account for the multiple programs providing health services. Financing is provided by grants and fees for services.

***Conservation Trust Fund*** **–** This fund is used to account for the County share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

***Lodging Tax Fund*** **–** This fund is used to account for the County share of the lodging tax collected on each hotel/motel that is rented in Conejos County. The monies may be expended to promote Conejos County to tourists.

# CONEJOS COUNTY, COLORADO
## NONMAJOR GOVERNMENTAL FUNDS
## COMBINING BALANCE SHEET
## December 31, 2025

| | NONMAJOR SPECIAL REVENUE FUNDS | | | |
|---|---|---|---|---|
| | PUBLIC HEALTH FUND | CONSERVATION TRUST FUND | LODGING TAX FUND | TOTAL NONMAJOR GOVERNMENTAL |
| **ASSETS** | | | | |
| Cash and Investments | $ 238,279 | $ 173,381 | $ 63,708 | $ 475,368 |
| Accounts Receivable | 113,756 | - | - | 113,756 |
| Due From Other Governments | 58,359 | - | - | 58,359 |
| Due From Other Funds | - | - | - | - |
| Property Taxes Receivable | - | - | - | - |
| Inventories | 26,445 | - | - | 26,445 |
| Prepaid Expenditures | - | - | - | - |
| **TOTAL ASSETS** | $ 436,839 | $ 173,381 | $ 63,708 | $ 673,928 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE** | | | | |
| **LIABILITIES** | | | | |
| Accounts Payable | $ 22,137 | $ (6) | $ - | $ 22,131 |
| Accrued Payroll Liabilities | 9,021 | 26 | - | 9,047 |
| Due To Other Funds | 13,935 | - | - | 13,935 |
| Unearned Grant Revenue | 53,940 | - | - | 53,940 |
| **TOTAL LIABILITIES** | 99,033 | 20 | - | 99,053 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unavailable Revenue - Property Tax | - | - | - | - |
| **FUND BALANCE** | | | | |
| Nonspendable | 26,445 | - | - | 26,445 |
| Committed | 311,361 | 173,361 | 63,708 | 548,430 |
| **TOTAL FUND BALANCE** | 337,806 | 173,361 | 63,708 | 574,875 |
| **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE** | $ 436,839 | $ 173,381 | $ 63,708 | $ 673,928 |

# CONEJOS COUNTY, COLORADO
## NONMAJOR GOVERNMENTAL FUNDS
## COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
### For the Year Ended December 31, 2025

| | NONMAJOR SPECIAL REVENUE FUNDS | | | |
|---|---|---|---|---|
| | PUBLIC HEALTH FUND | CONSERVATION TRUST FUND | LODGING TAX FUND | TOTAL NONMAJOR GOVERNMENTAL |
| **REVENUES** | | | | |
| Taxes | $ - | $ - | $ 33,597 | $ 33,597 |
| Intergovernmental Revenue | 390,748 | 48,376 | - | 439,124 |
| Charges for Services | 389,779 | - | - | 389,779 |
| Interest on Investments | - | 506 | - | 506 |
| Miscellaneous | 18,114 | - | - | 18,114 |
| **TOTAL REVENUES** | 798,641 | 48,882 | 33,597 | 881,120 |
| **EXPENDITURES** | | | | |
| General Government | - | - | - | - |
| Health and Welfare | 857,107 | - | - | 857,107 |
| Culture and Recreation | - | 55,251 | 36,605 | 91,856 |
| Capital Outlay | - | - | - | - |
| **TOTAL EXPENDITURES** | 857,107 | 55,251 | 36,605 | 948,963 |
| Excess (Deficiency) of Revenues Over Expenditures | (58,466) | (6,369) | (3,008) | (67,843) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | (38,485) | - | - | (38,485) |
| Sale of Capital Assets | 7,850 | - | - | 7,850 |
| Commodities Received | 133,393 | - | - | 133,393 |
| Commodities Issued | (133,393) | - | - | (133,393) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (30,635) | - | - | (30,635) |
| Net Change in Fund Balance | (89,101) | (6,369) | (3,008) | (98,478) |
| **Fund Balance at Beginning of Year** | 426,907 | 179,730 | 66,716 | 673,353 |
| **Fund Balance at End of Year** | $ 337,806 | $ 173,361 | $ 63,708 | $ 574,875 |

# CONEJOS COUNTY, COLORADO

## SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
## BUDGET AND ACTUAL
## ALL MAJOR CAPITAL PROJECT FUND AND NON-MAJOR GOVERNMENTAL FUNDS
## For the Year Ended December 31, 2025

| | BUDGETED AMOUNTS | | EXPENDITURES REPORTED ON THE GAAP BASIS | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| **Governmental Funds** | | | | |
| Major Capital Projects Fund | | | | |
| Capital Expenditures Fund | $ 1,727,137 | $ 625,200 | $ 567,145 | $ 58,055 |
| Non-major Governmental Funds | | | | |
| Special Revenue Funds | | | | |
| Public Health Fund | 1,070,182 | 1,070,182 | 1,028,985 | 41,197 |
| Conservation Trust Fund | 66,141 | 66,141 | 55,251 | 10,890 |
| Lodging Tax Fund | 46,030 | 46,030 | 36,605 | 9,425 |
| Total Special Revenue Funds | 1,182,353 | 1,182,353 | 1,120,841 | 61,512 |
| Total Major Capital Projects Fund and Non-major Governmental Funds | $ 2,909,490 | $ 1,807,553 | $ 1,687,986 | $ 119,567 |

# CONEJOS COUNTY, COLORADO

## OTHER SCHEDULES AND REPORTS

# CONEJOS COUNTY, COLORADO
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
### For the Year Ended December 31, 2025

| *Federal Grantor/Program or Cluster Title* | *Assistance Listing Number* | *Pass-through Grantor and Number* | *Passed-through to Subrecipients ($)* | *Federal Expenditures($)* |
|---|---|---|---|---|
| ***Clusters*** | | | | |
| ***CCDF Cluster*** | | | | |
| U.S. Department of Health and Human Services | | | | |
| Child Care and Development Block Grant | 93.575 | Colorado Department of Human Services, N/A | $ - | $ 107,840 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | Colorado Department of Human Services, N/A | - | 30,518 |
| *Total U.S. Department of Health and Human Services* | | | - | 138,358 |
| ***Total CCDF Cluster*** | | | - | 138,358 |
| ***Food Distribution Cluster*** | | | | |
| U.S. Department of Agriculture | | | | |
| Commodity Supplemental Food Program - USDA Foods | 10.565 | Colorado Department of Human Services, N/A | - | 133,393 |
| Commodity Supplemental Food Program - Administrative Funds | 10.565 | Colorado Department of Human Services, N/A | - | 22,552 |
| Total Commodity Supplemental Food Program | | | - | 155,945 |
| Emergency Food Assistance Program (Food Commodities) | 10.569 | Colorado Department of Human Services and Care and Share Food Bank, N/A | - | 35,015 |
| *Total U.S. Department of Agriculture* | | | - | 190,960 |
| ***Total Food Distribution Cluster*** | | | - | 190,960 |
| ***Medicaid Cluster*** | | | | |
| U.S. Department of Health and Human Services | | | | |
| Grants to States for Medicaid | 93.778 | Colorado Department of Health Care Policy and Financing, N/A | - | 169,481 |
| ***Total Medicaid Cluster*** | | | - | 169,481 |
| ***SNAP Cluster*** | | | | |
| U.S. Department of Agriculture | | | | |
| Supplemental Nutrition Assistance Program | 10.551 | Colorado Department of Human Services, N/A | - | 714 |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | Colorado Department of Human Services, N/A | - | 107,630 |
| *Total U.S. Department of Agriculture* | | | - | 108,344 |
| ***Total SNAP Cluster*** | | | - | 108,344 |

# CONEJOS COUNTY, COLORADO
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
### For the Year Ended December 31, 2025

| *Federal Grantor/Program or Cluster Title* | *Assistance Listing Number* | *Pass-through Grantor and Number* | *Passed-through to Subrecipients ($)* | *Federal Expenditures($)* |
|---|---|---|---|---|
| ***Schools and Roads Cluster*** | | | | |
| U.S. Department of Agriculture | | | | |
| Schools and Roads - Grants to States, Title I | 10.665 | Colorado Department of Treasury, N/A | 34,191 | 35,991 |
| Schools and Roads - Grants to States, Title III | 10.665 | Colorado Department of Treasury, N/A | - | 51,872 |
| ***Total Schools and Roads Cluster*** | | | 34,191 | 87,863 |
| ***Total All Clusters*** | | | 34,191 | 695,006 |
| ***Other Programs*** | | | | |
| U.S. Election Assistance Commission | | | | |
| HAVA Election Security Grants | 90.404 | Colorado Department of State, N/A | - | 34,720 |
| *Total U.S. Election Assistance Commission* | | | - | 34,720 |
| U.S. Department of Justice | | | | |
| Crime Victim Assistance | 16.575 | Colorado Division of Criminal Justice, N/A | - | 25,272 |
| *Total U.S. Department of Justice* | | | - | 25,272 |
| U.S. Department of Health and Human Services | | | | |
| Public Health Emergency Preparedness | 93.069 | Colorado Department of Public Health and Environment,C25/26PHEP | - | 33,048 |
| Guardianship Assistance | 93.090 | Colorado Department of Human Services, N/A | - | 2,857 |
| COVID-19 Immunization Cooperative Agreements | 93.268 | Colorado Department of Public Health and Environment, IMM#4 | - | 19,440 |
| Immunization Cooperative Agreements | 93.268 | Colorado Department of Public Health and Environment, IMM#3 | - | 21,728 |
| COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | Colorado Department of Public Health and Environment, ELC 2.2/ELC 2.3 | - | 30,444 |
| Temporary Assistance for Needy Families | 93.558 | Colorado Department of Human Services, N/A | - | 207,642 |
| Child Support Services | 93.563 | Colorado Department of Human Services, N/A | - | 134,876 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | Colorado Department of Human Services, N/A | - | (2,013) |

# CONEJOS COUNTY, COLORADO
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
### For the Year Ended December 31, 2025

| *Federal Grantor/Program or Cluster Title* | *Assistance Listing Number* | *Pass-through Grantor and Number* | *Passed-through to Subrecipients ($)* | *Federal Expenditures($)* |
|---|---|---|---|---|
| Foster Care Title IV-E | 93.658 | Colorado Department of Human Services, N/A | - | 138,819 |
| Adoption Assistance | 93.659 | Colorado Department of Human Services, N/A | - | 50,600 |
| COVID-19 Social Services Block Grant | 93.667 | Colorado Department of Human Services, N/A | - | (2,444) |
| Social Services Block Grant | 93.667 | Colorado Department of Human Services, N/A | - | 19,484 |
| Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health | 93.967 | Colorado Department of Public Health and Environment, OPHP LPHA CDC | - | 70,091 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | Colorado Department of Public Health and Environment, OPHP LPHA | - | 7,319 |
| *Total U.S. Department of Health and Human Services* | | | - | 731,891 |
| U.S. Department of Homeland Security | | | | |
| Emergency Management Performance Grants | 97.042 | Colorado Department of Local Affairs, N/A | - | 44,800 |
| *Total U.S. Department of Homeland Security* | | | - | 44,800 |
| ***Total Other Programs*** | | | - | 836,683 |
| ***Total Expenditures of Federal Awards*** | | | $ 34,191 | $ 1,531,689 |

# CONEJOS COUNTY, COLORADO
## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
### For the Year Ended December 31, 2025

**NOTE 1  BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Conejos County, Colorado under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Conejos County, Colorado, it is not intended to and does not present the financial position and changes in net position of Conejos County, Colorado.

**NOTE 2  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, except for funds passed-through the Colorado Department of Human Services, Department of Public Health and Environment, Department of Health Care Policy and Financing, and Care and Share Food Bank. These funds are reported on the cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available. The County did not elect to use the 10-percent de minimis  or 15-percent de minimis indirect cost rate as allowed under Uniform Guidance for the year ended December 31, 2025.

**NOTE 3  FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the Schedule at the fair market value of commodities received and disbursed.

Wall,
Smith,
Bateman Inc.

# INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of County Commissioners
Conejos County, Colorado
Conejos, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Conejos County, Colorado (the County), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 27, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2025-001 and Finding 2025-002, that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an

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objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**County's Response to the Findings**

*Government Auditing Standards* require the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying corrective action plan. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 27, 2026

Wall,
Smith,
Bateman Inc.

# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of County Commissioners
Conejos County, Colorado
Conejos, Colorado

## Report on Compliance for Each Major Federal Program

### *Opinion on Each Major Federal Program*

We have audited Conejos County, Colorado's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2025. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 27, 2026

**CONEJOS COUNTY, COLORADO**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**For the Year Ended December 31, 2025**

## Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___X___yes _____no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? _______yes ___X___none reported
- Noncompliance material to financial statements noted? _______yes ___X___no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ________yes ___X___no
- Significant deficiency(ies) identified that are **not** considered to be material weakness(es)? ________yes ___X___none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _______yes ___X___no

Identification of major programs:

| Assistance Listing Number(s) | Name of Federal Program or Cluster |
|---|---|
| 10.551 and 10.561 | SNAP Cluster |
| 93.778 | Medicaid Cluster |
| 93.558 | Temporary Assistance for Needy Families |
| 93.563 | Child Support Services |

Dollar threshold used to distinguish between type A and type B programs: $1,000,000

Auditee qualified as a low-risk auditee? ______yes ___X___no

## Section II – Financial Statement Findings

**Finding 2025-001: Cash Reconciliations**
**(Repeat of Finding: 2024-001 and 2023-001)**

*Type of finding: Internal Control (material weakness)*

*Criteria:* Colorado Fiscal Policies and Procedures, along with governmental accounting best practices, suggest cash reconciliations be completed promptly after month-end typically within 30 days. Timely preparation of complete and accurate reconciliations is a key safeguard over cash receipts and disbursements and supports reliable financial reporting.

*Condition:* Cash reconciliations maintained by the Treasurer's office were not completed accurately or timely throughout 2025. Late reconciliations increase the risk of undetected errors, misstatements, or potential fraud.

*Cause:* The Treasurer's office continued to experience challenges completing cash reconciliations related to ongoing issues with the new accounting system.

*Effect:* Additional time was required during the audit to assist management with identifying, researching, and correcting difference related to Treasurer cash activity and balances. Audit adjustments were proposed to correctly state cash balances as of December 31, 2025.

*Recommendation:* The County should strengthen its internal controls with adopted policies and procedures requiring monthly cash reconciliations to be completed within established timeframes.

*Management's Response:* See corrective action plan.

**Finding 2025-002: Internal Control over Financial Reporting**
**(Repeat of Findings: 2024-002, 2023-002, 2022-001, 2021-001, 2020-001, 2019-001, 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001 and 12-1)**

*Type of finding: Internal Control (material weakness)*

*Criteria:* A system of internal controls should include procedures to ensure financial transactions are accurately recorded, inventory and capital assets are properly tracked and reconciled, and year-end closing procedures are performed to ensure the financial statements are prepared in accordance with generally accepted accounting principles.

*Condition:* The County's internal control procedures were not sufficient to prevent or detect and correct financial reporting errors on a timely basis. During the audit, adjustments were required to properly record financial transactions and account balances as inventory records were not adequately maintained and reconciled to the general ledger, capital asset activity was not accurately tracked, and the year-end closing process did not properly detect and correct financial misstatements

*Cause:* Existing control procedures were not effective in ensuring financial transactions, inventory, capital asset activity, and year-end closing entries were accurately recorded and reconciled in the accounting records.

*Effect:* Audit adjustments were proposed to properly state the financial statements in accordance with generally accepted accounting principles.

*Recommendation:* The County should strengthen its internal control procedures over financial reporting by implementing processes to ensure financial transactions are accurately recorded, inventory and capital asset records are maintained and reconciled, and year-end closing procedures are completed accurately and timely. Periodic reconciliations and documented review procedures should be performed throughout the year to identify and correct errors before financial statements preparation.

*Management's Response:* See corrective action plan.

## Section III – Federal Award Findings and Questioned Costs

None

## Section II – Financial Statement Findings

**Finding 2024-001: Cash Reconciliations**
**(Repeat of Finding: 2023-001)**

*Type of finding: Internal Control (material weakness)*

*Condition:* Cash account reconciliations were not completed during the year in the Treasurer's office or of the general ledger. Late reconciliations increase the risk of undetected errors, misstatements, or potential fraud.

*Recommendation:* The County should strengthen its internal controls with adopted policies and procedures requiring monthly cash reconciliations to be completed within established timeframes.

*Status:* Not Implemented (See Finding 2025-001)

**Finding 2024-002: Internal Control over Financial Reporting**
**(Repeat of Finding 2023-002, 2022-001, 2021-001, 2020-001, 2019-001, 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001 and 12-1)**

*Type of finding: Internal Control (material weakness) and Compliance (noncompliance)*

*Condition:* The County's system of internal controls did not prevent or detect and correct financial misstatements in a timely manner.

*Recommendation:* The County finance department should strengthen its internal controls with adopted policies and procedures regarding monthly and year-end financial close accounting as well as reconciling balance sheet accounts for accurate financial statement reporting and to meet the audited financial statement deadline.

*Status:* Partially Implemented (See Finding 2025-002)

## Section III – Federal Award Findings and Questioned Costs

**Finding 2024-003: Local Assistance and Tribal Consistency Fund, Federal Assistance Listing No. 21.032, U.S. Department of Treasury**

*Compliance Requirements: Reporting*

*Grant No.: N/A*

*Type of finding: Internal Control (material weakness) and Compliance (material noncompliance)*

*Condition:* The County overreported current period LATCF obligations and expenditures by \$482,368 which is greater than a 10% difference on the annual 2024 Obligation and Expenditure Report.

*Recommendation:* The County should strengthen its internal controls with adopted policies and procedures to ensure accurate financial reporting in compliance with the Reporting Guidance for the Local Assistance and Tribal Consistency Fund.

*Status:* Implemented

**Finding 2024-004: Internal Control over Compliance**

*Type of finding: Internal Control (material weakness) and Compliance (material noncompliance)*

*Condition:* The County did not submit the Single Audit reporting package to the Federal Audit Clearinghouse and data collection form by the due date of September 30, 2025.

*Recommendation:* The County should strengthen its internal controls over year-end financial close and reporting with adopted policies and procedures to ensure compliance with the Report submission portion of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements section.

*Status:* Implemented

Board of County Commissioners

Mitchell Jarvies | Joseph J. Baroz | Delfino Garcia

# CORRECTIVE ACTION PLAN

Oversight Agencies: U.S. Department of Agriculture and Health and Human Services

Conejos County, Colorado respectfully submits the following corrective action plan for the year ended December 31, 2025.

Independent Accountants: Wall, Smith, Bateman Inc.
Certified Public Accountants
3001 Adcock Circle, P.O. Box 809
Alamosa, CO 81101

Audit period: Year ended December 31, 2025

The findings from the December 31, 2025 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditors' Results, does not include findings and is not addressed.

## Section II – Financial Statement Findings

**Finding 2025-001: Cash Reconciliations**
**(Repeat of Finding: 2024-001 and 2023-001)**

*Type of finding: Internal Control (material weakness)*

*Recommendation:* The County should strengthen its internal controls with adopted policies and procedures requiring monthly cash reconciliations to be completed within established timeframes.

*Action Taken:* The Treasurer's Office will complete the following in their accounting software to ensure that bank reconciliations are completed in a timely manner. The change in account balance will be completed each month prior to the distribution reports being shared with the county accounts to ensure that all amounts going in and out of the bank account have been accounted for.

The county accountants will continue to implement the bank reconciliation process that has been in place beginning in 2025 and continuing into 2026; which are as follows. In addition, the county will adopt a policy in 2026 with the following procedures being outlined to ensure they are being implemented.

Weekly the Treasurer's office sends over a check/ACH report to the AP department for the AP department to review and make sure that all checks match what the Treasurer has listed. The AP department is making sure that the checks are in the correct fund and for the correct amount. If there are any discrepancies, then they are addressed and corrected immediately.

Monthly by the 10th, the Treasurer's office supplies the accounting office with financial reports based on the previous month's transactions. These reports contain revenues, expenditures, and cash ending balance, as well as a list of checks/ACH's, and payroll taxes. The county revenues for the various funds are then entered into the accounting software no later than the 15th. After the revenues are entered then budget reports are pulled for each county fund with the last date of the previous month. These budget reports are then shared with me for review. If I have any questions, then I will bring them to the accountant's attention for research and discussion. Along with the input of revenues, the accountant also posts journal entries for the admin fees based on the Treasurer's reports.

Then by the last day of each month, bank reconciliations are completed by the accountant for each county fund for the previous month based on reports that were given by the Treasurer mentioned above. Upon the completion of the bank reconciliations for each fund, if there are any discrepancies between the cash accounts pulled from the accounting software and the Treasurers reports then an email is sent to the Treasurer's office addressing these issues. The Treasurer's office then will let the accountant know when the corrections are made and will supply an updated report if wanted.

In addition, when an item is paid via an ACH to the bank, the process is as follows. The accountant submits it to the bank, then emails the Treasurer's office details about the transaction so they may approve. Upon their approval, they email the accountants to let them know it has been completed. Then the Treasurer's office is aware of where to post it in their system. These transactions are also available for a double check by the accountant in the reports mentioned already.

**Finding 2025-002: Internal Control over Financial Reporting (Repeat of Findings: 2024-002, 2023-002, 2022-001, 2021-001, 2020-001, 2019-001, 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001, and 12-1)**

*Type of finding: Internal Control (material weakness)*

*Recommendation:* The County should strengthen its internal control procedures over financial reporting by implementing processes to ensure financial transactions are accurately recorded, inventory and capital asset records are maintained and reconciled, and year-end closing procedures are completed accurately and timely. Periodic reconciliations and documented review procedures should be performed throughout the year to identify and correct errors before financial statement preparation.

*Action Taken:* The accountant will ensure that an A/R report is available beginning with the 2026 audit. The accountant will collaborate with the Treasurer's office in identifying accounts receivable in the early months of 2027 that belong to 2026. These items will be listed on a spreadsheet for audit purposes, and will include pertinent information such as the fund, amount received, date received, etc.

The accountant will meet with the AP person in December to remind them that invoices dated for goods or services for the following year are not to be paid until after January 1. Thus, making sure that invoices are not prepaid for the following year.

As for the recording of inventory and capital assets. The accountant will request that the AP person let them know when an asset over $5,000 has been purchased. The accountant will then keep a running spreadsheet with information concerning the purchasing of the assets such as fund, account numbers, cost, date, etc. The same will be completed for inventory. On a quarterly basis, the accountant will pull reports to ensure that assets/inventory are recorded. Then a request will be made to all departments to send inventory lists as of year-end for a final check. The accountant is also looking into utilizing the fixed assets feature in the accounting software program.

If there are questions regarding this plan, please call the responsible party listed below.

Sincerely yours,

Tressesa Martinez

Tressesa Martinez
County Administrator
Conejos County, Colorado

Mack Crowther

Mack Crowther
County Treasurer
Conejos County, Colorado

# LOCAL HIGHWAY FINANCE REPORT

| | | |
|---|---|---|
| **THIS INFORMATION FROM THE RECORDS OF:** | **PREPARED BY:** | **STATE:** COLORADO |
| Conejos County Government | Staci Turner sturner@co.conejos.co.us | **REPORT YEAR ENDING DATE(mm/yyyy):** 12/2025 |

## *I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE*

| ITEM | A. Local Motor-Fuel Taxes | B. Local Motor-Vehicle Taxes | C. Receipts from State Highway-User Taxes | D. Receipts from Federal Highway Administration |
|---|---|---|---|---|
| 1. Total receipts available | | | | |
| 2. Minus amount used for collection expenses | | | | |
| 3. Minus amount used for nonhighway purposes | | | | |
| 4. Minus amount used for mass transit | | | | |
| 5. Total (1 - (2 through 4)) | | | | |

## *II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL*

| ITEM | AMOUNT | ITEM | AMOUNT |
|---|---|---|---|
| **A.3. Other Local Imposts:** | | **A.4. Miscellaneous Local Receipts:** | |
| a. Property Taxes and Assesments | 97,271 | a. Interest on investments | 25,749 |
| b. Non-property Taxes and Assessments Imposts | 19,025 | b. Other Misc. Local Receipts | 17,222 |
| **c. Total (a + b)** | $ 116,296 | **c. Total (a + b)** | 42,971 |
| **ITEM** | **AMOUNT** | **ITEM** | **AMOUNT** |
| **C. Receipts from State Government** | | **D. Receipts from Federal Government** | |
| 1. Highway-user Taxes (from Item I.C.5.) | 2,160,104 | 1. FHWA (from Item I.D.5.) | 0 |
| 2. State General Funds | | 2. Other Federal Agencies: | 35,991 |
| 3. Other State funds: | | | |
| a. State Bond Proceeds | | | |
| b. Non-State Bond Proceeds | 46,925 | | |
| **c. Total (a + b)** | $ 46,925 | | |
| **4. Total (1 + 2 + 3c)** | $ 2,207,029 | **3. Total (1 + 2)** | 35,991 |

## *III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL*

| ITEM | AMOUNT |
|---|---|
| **A.1. Capital outlay:** | |
| a. Right-Of-Way Costs | 0 |
| b. Engineering Costs | 0 |
| c. Construction Costs | 280,244 |
| **d. Total Capital Outlay (a+ b + c)** | 280,244 |

# LOCAL HIGHWAY FINANCE REPORT

**STATE:** COLORADO

**REPORT YEAR ENDING DATE(mm/yyyy):** 12/2025

## *I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE*

| ITEM | A. Local Motor-Fuel Taxes | B. Local Motor-Vehicle Taxes | C. Receipts from State Highway-User Taxes | D. Receipts from Federal Highway Administration |
|---|---|---|---|---|
| 1. Amount used for highway purposes | | | | |

## *II. RECEIPTS FOR ROAD AND STREET PURPOSES*

| ITEM | AMOUNT |
|---|---|
| **A. Receipts from Local Sources:** | |
| 1. Local Highway-user Taxes | |
| a. Motor Fuel (from Item I.A.1) | |
| b. Motor Vehicle (from Item I.B.1) | |
| **c. Total (a + b)** | |
| 2. General Fund Appropriations | 0 |
| 3. Other Local Imposts (from page 1, Item II.A3.c) | 116,296 |
| 4. Miscellaneous Local Receipts (from page 1, Item II.A4.c) | 42,971 |
| 5. Transfers from Toll Facilities | |
| 6. Proceeds of Sale of Bonds and Notes: | |
| a. Bonds - Original Issues | |
| b. Bonds - Refunding Issues | |
| c. Notes | |
| **d. Total (a + b + c)** | 0 |
| **7. Total (1 through 6)** | 159,267 |
| B. Private Contributions | |
| C. Receipts from State government (from page 1, Item II.C.4) | 2,207,029 |
| D. Receipts from Federal government (from page 1, Item II.D.3) | 35,991 |
| **E. Total receipts (A.7 + B + C + D)** | 2,402,287 |

## *III. EXPENDITURES FOR ROAD AND STREET PURPOSES*

| ITEM | AMOUNT |
|---|---|
| **A. Local highway expenditures:** | |
| 1. Capital Outlay (from page 1, Item III.A1.d) | $ 280,244 |
| 2. Maintenance: | $ 1,455,751 |
| 3. Road and Street Services: | |
| a. Snow and Ice Removal | |
| b. Other & Traffic Control Operations | $ 3,752 |
| **c. Total (a + b)** | $ 3,752 |
| 4. General Administration & Miscellaneous | $ 443,951 |
| 5. Highway Law Enforcement and Safety | $ 51,872 |
| **6. Total (1 through 5)** | $ 2,235,570 |
| **B. Debt Service on Local Obligations:** | |
| 1. Bonds: | |
| a. Interest | |
| b. Redemption | |
| **c. Total (a + b)** | $ - |
| 2. Notes: | |
| a. Interest | $ 15,555 |
| b. Redemption | $ 45,989 |
| **c. Total (a + b)** | $ 61,544 |
| **3. Total (1c + 2c)** | $ 61,544 |
| C. Payments to State for Highways | |
| D. Payments to Toll Facilities | |
| **E. Total Expenditures (A6 + B3 + C + D)** | $ 2,297,114 |

## *IV. LOCAL HIGHWAY DEBT STATUS*

*(Show all entries at par)*

| ITEM | OPENING DEBT | AMOUNT ISSUED | REDEMPTIONS | CLOSING DEBT |
|---|---|---|---|---|
| A. Bonds (Total) | | $ - | $ - | $ - |
| 1. Bonds (Refunding Portion) | | $ - | | |
| B. Notes (Total) | 366,000 | $ - | $ 45,989 | $ 320,011 |