Crowley County, Colorado

Financial Statements

December 31, 2025

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Independent Auditor's Report

Board of County Commissioner
Crowley County, Colorado

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditor's 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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages iii – x and 30 – 32 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 supplementary information on pages 33 – 53 and 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is 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 14, 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 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.

rfarmer, llc

July 14, 2026

CROWLEY COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANAYLSIS
FOR THE YEAR ENDING DECEMBER 31, 2025

The Management's Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, providing an overview of the County's financial activity, and identifying changes in the County's financial condition, material deviations from the financial budget and individual fund issues or concerns. Please read this section in conjunction with the County's financial statements, which follow this section.

Financial Highlights (net position, revenues & expenditures)

- The County's combined net position increased $1,750,043 (8%). In governmental activities there were large changes in assets and liabilities. Material changes include:
  - ✓ All but two funds increased their cash balances between 2024 and 2025. The SECOR fund had significant increase in cash from opioid settlement funds. Overall, assets increased by $6,731,797 (24%).
  - ✓ Our liabilities increased by 122%, in the amount of $4,853,888. The SECOR fund has $8,405,786 due to other entities. These funds are disbursed to entities in the form of a grant which is used in the fight against the opioid epidemic.
- Governmental Activities – general revenue experienced a 1% increase by $22,315, and expenditures increased by $631,258 (9%), which is related to increased costs of salaries and benefits; and general price increases in products and services.
- Business-Type Activities - general revenues increased 729%, or by $111,269. This is due to the receipt of PFAS settlement funds, which will be used for future water treatment plant upgrades. Expenses increased by $94,708 (13%). This is related to increased costs of salaries and benefits; and general price increases in products or services.

Overview of the Financial Statement

The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This discussion and analysis are intended to serve as an introduction to the basic financial statements. This report also contains the required supplementary and other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statement – The government-wide financial statements are designed to provide readers with a broad overview of County finances, in a manner similar to private-sector financial statements. The government-wide financial statements of the County are divided into two categories:

- ***Governmental Activities*** – Most of the County's basic services are included here, such as general government, public safety, judicial, economic development, building inspection and land use planning, road and bridge maintenance, emergency response, human services, and park and recreation.
- ***Business-Type Activities*** – The County charges fees to customers to help it cover the costs of certain services. Ambulance and water services are included here.

The **Statement of Net Position** presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Crowley County is improving or deteriorating.

The **Statement of Activities** presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as accounts payable or uncollected taxes.

Fund Financial Statement

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The County uses fund accounting to ensure and demonstrate compliance with legal requirements for financial transactions and reporting. The County has three kinds of funds: governmental funds, proprietary funds, and fiduciary funds.

- ***Governmental funds*** – Governmental funds are used to account for the same functions as those reported under the governmental activities on the government-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

  By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

  Governmental funds individually presented in Crowley County's statements include four major funds: General Fund, Road & Bridge Fund, Human Services Fund, and Other Governmental Funds. Other Governmental Funds include the following County Funds: Contingent Fund, Conservation Trust Fund, E911 Fund, Revolving Loan Fund, EMS/Fire Fund, Southeast Region All Hazards Board (SERAHB) Fund, and Southeast Colorado Opioid Response Settlement (SECOR) Fund.

- ***Proprietary funds*** – The County maintains two types of proprietary funds. Enterprise funds report in greater detail the same information presented as business-type activities in the government-wide financial statements for County ambulance and water services.

- ***Fiduciary funds*** - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Custodial funds are used to report resources held by the County in a custodial capacity for the benefit of those outside of the government that are not held in a trust.

Notes to the Financial Statement – The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* which includes a schedule of revenues and expenditures budget and actual for the various funds, Local Highway Finance Report, schedule of findings and questioned costs, Schedule of Expenditure of Federal Awards, and reports on internal control and compliance.

Government-Wide Financial Analysis

Net Position. The following table presents a summary of the County's net position for the year ended December 31, 2025, with comparison totals as of December 31, 2024. The County's *combined* net position increased $1,750,043 (8%).

Crowley County, Colorado Statement of Net Position December 31, 2025						
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Cash and Equivalents	$ 21,738,816	$ 16,025,087	$ 1,973,792	$ 1,638,070	$ 23,712,608	$ 17,663,157
Other Current Assets	$ 4,017,020	$ 3,473,640	$ 57,419	$ 128,476	$ 4,074,439	$ 3,602,116
Capital Assets	$ 8,643,951	$ 7,896,977	$ 4,496,416	$ 4,610,089	$ 13,140,367	$ 12,507,066
Less: Accumulated Depreciation	$ (3,607,554)	$ (3,213,779)	$ (2,509,117)	$ (2,479,614)	$ (6,116,671)	$ (5,693,393)
Total Assets	**$ 30,792,233**	**$ 24,181,925**	**$ 4,018,510**	**$ 3,897,021**	**$ 34,810,743**	**$ 28,078,946**
LIABILITIES						
Accounts Payable	$ 170,635	$ 266,849	$ 18,914	$ 21,245	$ 189,549	$ 288,094
Due to Other Governmental Agencies	$ 8,405,786	$ 3,550,774	$ -	$ -	$ 8,405,786	$ 3,550,774
Unearned Revenues - Grants	$ -	$ 11,440	$ -	$ -	$ -	$ 11,440
Long-Term Liabilities	$ 23,574	$ 47,097	$ -	$ -	$ 23,574	$ 47,097
Compensated Absences	$ 209,835	$ 77,451	$ -	$ -	$ 209,835	$ 77,451
Total Liabilities	**$ 8,809,830**	**$ 3,953,611**	**$ 18,914**	**$ 21,245**	**$ 8,828,744**	**$ 3,974,856**
Deferred In-Flows of Resources - Property Taxes	$ 2,710,054	$ 2,582,188	$ -	$ -	$ 2,710,054	$ 2,582,188
NET POSITION						
Net Investment in Capital Assets	$ 5,012,823	$ 4,636,101	$ 1,987,299	$ 2,130,475	$ 7,000,122	$ 6,766,576
Restricted for Other Projects	$ 327,024	$ 162,918	$ -	$ -	$ 327,024	$ 162,918
Unrestriceted	$ 13,932,502	$ 12,847,107	$ 2,012,297	$ 1,745,301	$ 15,944,799	$ 14,592,408
Total Net Position	**$ 19,272,349**	**$ 17,646,126**	**$ 3,999,596**	**$ 3,875,776**	**$ 23,271,945**	**$ 21,521,902**

- **Governmental Activities Statement of Net Position**

  Net position of the County's governmental activities increased 9% to $19,272,349 on December 31, 2025. Assets increased by $6,610,308 (27%), and our liabilities increased by $4,856,219 (123%) compared to 2024. Factors affecting the increase in assets include:
  - ✓ The cash balance of our SECOR fund increased $5,088,691 due to the receipt of opioid settlement funds,
  - ✓ Current assets increased $543,380 which is related to the purchase of Colorado Canal and Lake Meredith water shares for investment purposes, and
  - ✓ Capital assets increased $746,974 which included the construction of new jail holding cells, a new senior center in Olney Springs, installation of two large generators, and other equipment purchases.

  Our liabilities increased significantly because the revenues of the SECOR fund were reclassified as a liability and the expenditures were reclassified as a reduction of the liability to show that there is a flow through of funds. Crowley County only receives a monthly administration fee for being the fiscal agent for SECOR. This was done to prevent an overstatement of county revenues and expenditures.

- **Business-Type Activities Statement of Net Position**

  Net position of the County's business-type activities increased 3% to $3,999,596, and our liabilities decreased by 11%. There are no notable transactions that impacted these changes.

Statement of Activities - Change in Net Position

Crowley County, Colorado Statement of Activities December 31, 2025						
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
REVENUES						
General Revenues:						
Property Taxes, Levied for General Purposes	$ 2,564,032	$ 2,493,712			$ 2,564,032	$ 2,493,712
Use & Misc. Taxes	$ 935	$ 992			$ 935	$ 992
SO and Sales Tax	$ 1,252,099	$ 1,136,223			$ 1,252,099	$ 1,136,223
Unrestricted Investment Earnings	$ 924,215	$ 1,073,387			$ 924,215	$ 1,073,387
Miscellaneous	$ 164,869	$ 264,021	$ 126,522	$ 15,253	$ 291,391	$ 279,274
Adjustment to General Fixed Assets	$ 94,500	$ 10,000			$ 94,500	$ 10,000
Gain on Sale of Assets	$ -	$ -			$ -	$ -
Program Revenues:						
Charges for Services	$ 1,313,139	$ 1,249,502	$ 721,943	$ 726,922	$ 2,035,082	$ 1,976,424
Operating Grants and Contributions	$ 3,174,705	$ 3,332,603	$ 109,851	$ 146,333	$ 3,284,556	$ 3,478,936
Capital Grants and Contributions	$ -	$ -			$ -	$ -
Total Revenues	$ 9,488,494	$ 9,560,440	$ 958,316	$ 888,508	$ 10,446,810	$ 10,448,948
PROGRAM EXPENSES						
Governmental Activities:						
General Government	$ 2,392,084	$ 1,878,192			$ 2,392,084	$ 1,878,192
Public Safety	$ 2,194,948	$ 2,160,394			$ 2,194,948	$ 2,160,394
Public Works	$ 1,534,218	$ 1,494,037			$ 1,534,218	$ 1,494,037
Human Services	$ 1,703,671	$ 1,648,285			$ 1,703,671	$ 1,648,285
Culture and Recreation	$ 37,350	$ 50,105			$ 37,350	$ 50,105
Interest on Long-Term Debt	$ -	$ -			$ -	$ -
Business-Type Activities:						
Water			$ 387,854	$ 317,778	$ 387,854	$ 317,778
Ambulance			$ 446,642	$ 422,010	$ 446,642	$ 422,010
Total Expenses	$ 7,862,271	$ 7,231,013	$ 834,496	$ 739,788	$ 8,696,767	$ 7,970,801
Escess (deficiency) of Revenues Before Transfers Over (Under) Expenses	$ 1,626,223	$ 2,329,427	$ 123,820	$ 148,720	$ 1,750,043	$ 2,478,147
Transfers	$ -	$ -	$ -	$ -	$ -	$ -
Increase in Net Position	$ 1,626,223	$ 2,329,427	$ 123,820	$ 148,720	$ 1,750,043	$ 2,478,147
Net Position - Beginning	$ 17,646,126	$ 15,316,699	$ 3,875,776	$ 3,727,056	$ 21,521,902	$ 19,043,755
Net Position - Ending:	**$ 19,272,349**	**$ 17,646,126**	**$ 3,999,596**	**$ 3,875,776**	**$ 23,271,945**	**$ 21,521,902**

- **Governmental Activities Statement of Activities**

Crowley County's governmental activities net position increased by $1,626,223 (9%) from the previous year. There was an insignificant decrease in revenues of $71,946. Factors affecting net position increase were an increase in specific ownership and sales taxes in the amount of $115,876, a decrease in investment earnings of $149,172, and program revenues consisting of operating grants and contributions decreasing by $157,898. Interest rates are lower than those in 2024, and capital projects that are funded by grants are nearing completion. Of our total governmental revenues, 27% is from property taxes, 33% is from operating grants and contributions, and 14% is charges for services. This illustrates the County's continued dependence on property taxes and grant funds to finance its general functions.

Our total governmental activities expenditures increased by $631,258 (9%). The main factors impacting the increase in expenditures occurred in general government. A 5% raise was given to most of the employees. Our medical insurance increased by 13.5% from the previous year. Our professional services increased by $74,798 which is related to the preparation of a Regional Comprehensive Plan. Our contracted services increased by $151,794, which is a partnership with Southeast Colorado Enterprise Development to hire a Regional Housing Director.

Below are tables showing the sources of governmental activities revenue and expenditures.

Revenues by Source : Governmental Activities		
Type of Revenue	Amount	% of Total Revenue
Operating Grants and Contributions	$ 3,174,705	33%
Property Taxes, Levied for General Pu	$ 2,564,032	27%
Charges for Services	$ 1,313,139	14%
SO and Sales Tax	$ 1,252,099	13%
Adjustment to General Fixed Assets	$ 94,500	1%
Unrestricted Investment Earnings	$ 924,215	10%
Miscellaneous	$ 164,869	2%
Use & Misc. Taxes	$ 935	0%
Capital Grants and Contributions	$ -	0%
Gain on Sale of Assets	$ -	0%
Total Revenues:	**$ 9,488,494**	**100%**

Expenses by Function: Governmental Activities		
Type of Expenditure	Amount	% of Total Expenditures
General Government	$ 2,392,084	30%
Public Safety	$ 2,194,948	28%
Human Services	$ 1,703,671	22%
Public Works	$ 1,534,218	20%
Culture and Recreation	$ 37,350	0%
Interest on Long-Term	$ -	0%
Total Expenses:	**$ 7,862,271**	**100%**

- **Business-Type Activities Statement of Activities**

  Business-type activities' net position increased $123,820 (3%) from the previous year. Revenue from business-type activities increased $69,808 (8%), and expenditures increased $94,708 (13%). The increase in revenues is related to the receipt of $125,622 in PFAS settlement funds, which increased general revenues by 729%. Program revenues decreased $41,461 (5%), which was the result of less proceeds from the EMTS Provider grant. Overall expenditures increased by $94,708 (13%). This was related to an increase in salary and benefit costs, and the water fund experienced a $71,327 increase in repairs due to a lengthy pipe break and electrical issues at the wells.

  Below are tables showing the sources of business-type activities revenues and expenditures.

Revenues by Source : Business-Type Activities		
Type of Revenue	Amount	% of Total Revenue
Charges for Services	$ 721,943	75%
Operating Grants and Contributions	$ 109,851	11%
Unrestricted Investment Earnings	$ -	0%
Miscellaneous	$ 126,522	13%
Total Revenues:	**$ 958,316**	**100%**

Expenses by Function: Business-Type Activities		
Type of Expenditure	Amount	% of Total Expenditures
Water	$ 387,854	46%
Ambulance	$ 446,642	54%
Total Expenses:	**$ 834,496**	**100%**

Financial Analysis of the County's Funds

Crowley County has a strong financial position. A three-year period of ratios is reviewed for trend analysis. Our 2025 cash to liabilities ratio is 2.87. This is a decrease from the two previous years. Our liabilities in the SECOR fund increased considerably over the previous year. Even though there is a downward trend we are still above the benchmark ratio. If we cease to be the fiscal agent for SECOR Region 19, we would be well above the benchmark. We have plenty of cash available to pay off our current liabilities and bills in the short term. Our unrestricted fund balance ratio is 2.17, which increased from the previous year. Crowley County remains in an adequate position to withstand a financial emergency. In 2025, the General fund is the only fund with debt. In calculating the debt burden ratio for only this fund, the ratio has decreased from 242.83 in 2024 to 241.49 in 2025. The decrease is the is the result of a slight decrease in General fund revenue for 2025. Our cash balances are sufficient for making our debt service payments. Tax revenue increased $104,252 in 2025, and there was a very slight increase in the population. The Tax Revenue per Capita ratio increased to 695.65. Crowley County has sufficient revenues to continue to provide the same level of services for our constituents. Crowley County experienced a very small increase in expenditure per capita. Typically, an increasing ratio trend over a three-year period is not good as it means that expenditures have grown faster than the population. This has an insignificant impact on the County considering our population remains stagnant, and we have a strong cash position. Our operating margin ratio decreased to 0.14. The benchmark is 0, yet we continue to have greater revenues than we do expenditures.

The Ambulance and Water funds are our enterprise funds. Our current enterprise funds net position (EFNP) ratio is 1.03, which is 0.01 lower than 2024. When looking at each fund individually, the Water fund ratio has increased to

1.01. This is due to the receipt of PFAS settlement funds which increased the revenues from 2024. The Ambulance fund experienced a decrease from 1.18 to 1.08. A downward trend is not what we want to see. Since fiscal year end 2024, our operating revenues decreased $15,920 and our operating expenses increased $24,633. The ambulance fund is monitored closely to ensure that it will not become insolvent.

Capital Asset and Debt Administration

Crowley County, Colorado
Capital Assets
December 31, 2025

	Governmental Activities		Business-Type Activites		Total	
	2025	2024	2025	2024	2025	2024
Capital Assets Being Depreciated						
Buildings	$ 2,277,876	$ 1,511,049			$ 2,277,876	$ 1,511,049
Equipment & Furniture	$ 5,470,104	$ 5,300,298			$ 5,470,104	$ 5,300,298
Distribution Assets			$ 3,345,540	$ 3,345,539	$ 3,345,540	$ 3,345,539
Vehicles & Equipment			$ 1,130,326	$ 1,244,000	$ 1,130,326	$ 1,244,000
Total Capital Assets Being Depreciated	**$ 7,747,980**	**$ 6,811,347**	**$ 4,475,866**	**$ 4,589,539**	**$ 12,223,846**	**$ 11,400,886**
Less Accumulated Depreciation	$ (3,607,554)	$ (3,213,779)	$ (2,509,117)	$ (2,479,613)	$ (6,116,671)	$ (5,693,392)
Total Net Capital Assets	**$ 4,140,426**	**$ 3,597,568**	**$ 1,966,749**	**$ 2,109,926**	**$ 6,107,175**	**$ 5,707,494**
Construction in Progress	$ 895,971	$ 1,085,630	$ 20,550	$ 20,550	$ 916,521	$ 1,106,180
Total Capital Assets	**$ 5,036,397**	**$ 4,683,198**	**$ 1,987,299**	**$ 2,130,476**	**$ 7,023,696**	**$ 6,813,674**

Capital Assets

Capital assets include buildings, equipment, vehicles, infrastructure, and construction in progress. For governmental activities, the total capital assets increased by $353,199 (8%). Our land and building assets increased by $766,827 which included the completion of the construction of new jail holding cells, purchase of land for a future Justice Center, building upgrades to offices at 232 and 631 Main Street, and completion of the new Olney Springs Senior Center.

Business-type activities total capital assets decreased $143,177 (7%), because there were no major capital purchases made by the Ambulance or Water funds.

Long-Term Debt

In 2022, we entered into a lease purchase agreement in the amount of $115,393 which was for the purchase of body worn cameras for the Sheriff's Department. The final payment of $23,599 is due in 2026. Our leave accruals increased $132,384 in 2025. The ending debt balance as of December 31, 2025, is $233,434.

Budgetary Highlights

Over the course of the year, the Board of County Commissioners amended the County budget to reflect a variety of actions taken since certifying the original budget.

Crowley County, Colorado Budget and Actual December 31, 2025						
	2025 Revenues		2025 Expenditures		2025 Other Financing Sources, Special Item or Reconciling Item	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
General	$ 4,631,222	$ 5,681,886	$ 5,907,028	$ 4,878,805	$ -	$ 29,355
Road and Bridge	$ 1,467,649	$ 1,436,458	$ 1,504,240	$ 1,339,602	$ -	$ 1,500
Human Services	$ 1,504,421	$ 1,696,650	$ 1,937,642	$ 1,623,945		
Water	$ 301,942	$ 428,464	$ 410,852	$ 387,855		
Ambulance	$ 370,500	$ 432,924	$ 528,757	$ 446,643	$ 90,851	$ 96,929
EMS/Fire	$ 127,917	$ 144,793	$ 175,835	$ 156,516		
Revolving Loan Fund	$ -	$ -	$ -	$ -		
E-911 Fund	$ 91,700	$ 110,393	$ 94,950	$ 45,113		
Conservation Trust	$ 58,000	$ 55,218	$ 34,697	$ 25,628		
Contingent Fund	$ -	$ -	$ -	$ -	$ -	$ (29,355)
SERAHB Fund	$ 421,748	$ -	$ 421,748	$ -		
SECOR Fund	$ 5,100,000	$ 268,595	$ 4,605,000	$ 37,000		
Totals:	**$ 14,075,099**	**$ 10,255,381**	**$ 15,620,749**	**$ 8,941,107**	**$ 90,851**	**$ 98,429**
Amount Over/(Under) Budget:	$ (3,819,718)		$ (6,679,642)		$ 7,578	

Noteworthy events related to budget amendments include:

- General fund expenditure allocation increased $1,069,242. This included a transfer of monies from Contingency fund 70 to General fund to increase the capital outlay allocation for expenses related to the construction of the new administration building. Other expenditure allocation increases were for unforeseen legal services related to regulatory changes, compliance reviews, planning and zoning violation and lawsuits; increases in information technology costs, increases in capital outlay expenditures due to transfer of equipment between funds, the completion of a design study for a new Justice Center, a cost savings offer to purchase four new vehicles for the Sheriff's Office; and the completion of the new Olney Springs Senior Center.
- EMS/Fire fund expenditure allocation increased $24,373 to cover the cost of unanticipated increases in the cost of flow tests for the air tanks, fuel costs, employee benefits, casualty and property insurance premiums, firehall repairs, and to account for the donation of a cargo trailer.
- Water fund expenditure allocation increased $94,735 due to unanticipated repairs to the wells.
- DHS fund expenditure allocation increased $107,165 to cover the purchase of a new van to transport children, and to pay out excessive amounts of compensatory time to employees.
- E911 fund expenditure allocation increased $36,500 to cover the unanticipated cost of Vesta Mech E911 equipment.

Economic Factors and Next Year's Budget

The financial condition of Crowley County government remains strong. Healthy reserves, increasing property valuations, awards of grant funds, and additional revenue from acting as the Fiscal Agent for outside entities have allowed the County to maintain services without growth in the tax rate.

Crowley County's economic growth appears stagnant. Key factors limiting growth (www.economicstabilityiq.com):

- Low Income Stability – household incomes are not growing steadily, and poverty trends are a concern. Without rising incomes, even job growth may not translate into broader economic expansion.
- Low Population Stability – the county is experiencing limited population growth, which can reduce the labor supply and consumer base needed for sustained growth.
- Limited Employment Health – unemployment and labor force participation are relatively low, suggesting fewer people are actively working or enter the workforce, which constrains economic activity.

- High Industry Concentration (scedd.com) – the economy remains heavily reliant on agriculture, ranching and prisons, which can make it vulnerable to market or policy shifts.

In an effort to combat this stagnation, Crowley County has been working with a consultant to create a regional Comprehensive Plan to include the county and all four municipalities. Work includes planning for land use, identification of growth and development patterns, strategies for resource allocation, transportation needs, the use of parks and open space, water planning, utility planning, facilities planning, downtown revitalization, education, youth engagement, tourism, energy planning, and services for aging. This plan will help establish a vision, goals, and policies for the region's growth and development.

Fiscal years 2026 and 2027 will have similar challenges. Medical benefits are expected to increase 13-15% each year. Federal and state funding sources have experienced large cuts, and these will likely continue into 2027. Inflation is projected to increase from 2.3% to 2.6%. Continued interest rate cuts are expected. Consumer spending is expected to slow further as employment and personal income growth weakens.

Request for Information

This financial report is designed to provide a general overview of Crowley County's finances for all those with an interest in the government's financing. Questions concerning any of the information should be addressed to the Finance Department, 603 Main Street, Ordway, CO 81063, telephone (719) 267-5249 or email at lashelle.benbow@crowleycounty.net.

Basic Financial Statements

Crowley County, Colorado
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	$ 21,738,816	$ 1,973,792	$ 23,712,608
Investments	1,008,147	-	1,008,147
Receivables	2,920,901	57,419	2,978,320
Due from Other Governments	73,472	-	73,472
Inventories	14,500	-	14,500
Capital Assets:			
Construction in Progress	895,971	20,550	916,521
Buildings	2,277,876	-	2,277,876
Equipment and Furniture	5,470,104	4,475,865	9,945,969
Less: Accumulated Depreciation	(3,607,554)	(2,509,116)	(6,116,670)
Total Capital Assets	5,036,397	1,987,299	7,023,696
Total Assets	30,792,233	4,018,510	34,810,743
LIABILITIES			
Accounts payable and accrued expenses	170,635	18,914	189,549
Due to other governmental agencies	8,405,786	-	8,405,786
Long-term liabilities:			
Due within one year:			
Leases	23,574	-	23,574
Due in more than one year:			
Compensated absences	209,835	-	209,835
Total liabilities	8,809,830	18,914	8,828,744
Deferred In-Flows of Resources:			
Deferred Property Taxes	2,710,054	-	2,710,054
NET POSITION			
Net investment in capital assets	5,012,823	1,987,299	7,000,122
Restricted for:			
Other projects	327,024	-	327,024
Unrestricted	13,932,502	2,012,297	15,944,799
Total net position	$ 19,272,349	$ 3,999,596	$ 23,271,945

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

Crowley County, Colorado
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenue		Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Primary government						
Governmental activities:						
General Government	$ 2,392,084	$ 667,043	$ 678,931	$ (1,046,110)	$ -	$ (1,046,110)
Public Safety	2,194,948	642,186	132,228	(1,420,534)	-	(1,420,534)
Public Works	1,534,218	1,600	838,230	(694,388)	-	(694,388)
Human Services	1,703,671	-	1,479,189	(224,482)	-	(224,482)
Culture and Recreation	37,350	2,310	46,127	11,087	-	11,087
Total governmental activities	7,862,271	1,313,139	3,174,705	(3,374,427)	-	(3,374,427)
Business-type activities:						
Water	387,854	301,942	-	-	(85,912)	(85,912)
Ambulance	446,642	420,001	109,851	-	83,210	83,210
Total business-type activities	834,496	721,943	109,851	-	(2,702)	(2,702)
Total primary government	$ 8,696,767	$ 2,035,082	$ 3,284,556	(3,374,427)	(2,702)	(3,377,129)
General revenues:						
Taxes:						
Property taxes, levied for general purposes				$ 2,564,032	$ -	$ 2,564,032
Use and miscellaneous taxes				935	-	935
SO and sales tax				1,252,099	-	1,252,099
Unrestricted investment earnings				924,215	-	924,215
Miscellaneous				164,869	126,522	291,391
Special item - gain on sale of fixed assets				94,500	-	94,500
Total general revenues, special items, and transfers				5,000,650	126,522	5,127,172
Change in net position				1,626,223	123,820	1,750,043
Net position - beginning				17,646,126	3,875,776	21,521,902
Net position - ending				$ 19,272,349	$ 3,999,596	$ 23,271,945

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

Crowley County, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General	Road & Bridge	Human Services	SECOR	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 9,571,038	$ 1,404,977	$ 932,608	$ 8,966,488	$ 863,705	$ 21,738,816
Investments	1,008,147	-	-	-	-	1,008,147
Taxes receivable, net	1,728,321	627,594	209,315	-	144,824	2,710,054
Receivable from other governments	-	-	73,472	-	-	73,472
Other receivables	129,018	71,499	-	-	10,329	210,846
Inventories	-	14,500	-	-	-	14,500
Total assets	12,436,524	2,118,570	1,215,395	8,966,488	1,018,858	25,755,835
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	120,777	22,210	20,247	2,083	5,317	170,634
Payable to other governments	-	-	-	8,405,786	-	8,405,786
Total liabilities	120,777	22,210	20,247	8,407,869	5,317	8,576,420
Deferred in-flows of resources:						
Deferred property taxes	1,728,321	627,594	209,315	-	144,824	2,710,054
Total deferred in-flows	1,728,321	627,594	209,315	-	144,824	2,710,054
Fund balance:						
Non-spendable:						
Inventories	-	14,500	-	-	-	14,500
Committed:	-	1,454,266	985,833	558,619	-	2,998,718
Unassigned:	10,587,426		-	-	-	10,587,426
Assigned:						
Special revenue funds	-	-	-	-	868,717	868,717
Total fund balance	10,587,426	1,468,766	985,833	558,619	868,717	14,469,361
Total liabilities and fund balance	$ 12,436,524	$ 2,118,570	$ 1,215,395	$ 8,966,488	$ 1,018,858	$ 25,755,835

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

Crowley County, Colorado
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2025

Total fund balances, governmental funds	$	14,469,361
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		5,036,397
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(233,409)
Net Position of Governmental Activities in the Statement of Net Position	$	19,272,349

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

Crowley County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	Road & Bridge	Human Services	SECOR	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	$ 1,753,361	$ 527,050	$ 195,381	$ -	$ 88,240	$ 2,564,032
SO Tax	190,643	57,957	21,643		9,989	280,232
Sales and miscellaneous taxes	1,104,938	-	-	-	-	1,104,938
Fees and fines	5,328	-	-	-	-	5,328
Licenses and permits	4,842	1,600	-	-	-	6,442
Intergovernmental	1,213,281	847,119	1,479,422	-	87,691	3,627,513
Charges for services	573,143	-	-	-	91,769	664,912
Investment earnings	628,256	-	-	268,595	18,624	915,475
Miscellaneous	104,204	2,732	204	-	14,091	121,231
Rent Income	103,890	-	-	-	-	103,890
Total revenues	5,681,886	1,436,458	1,696,650	268,595	310,404	9,393,993
EXPENDITURES						
Current:						
General government	3,481,503	15,768	-	-	500	3,497,771
Public Safety	624,385	-	-	37,000	196,129	857,514
Public Works	-	1,306,675	-	-	-	1,306,675
Health and sanitation and Human Services	20,154	-	1,616,467	-	-	1,636,621
Culture and recreation	11,903	-	-	-	25,628	37,531
Debt Service:						
Principal	23,528	-	-	-	-	23,528
Capital Outlay	717,332	17,159	7,478	-	5,000	746,969
Total Expenditures	4,878,805	1,339,602	1,623,945	37,000	227,257	8,106,609
Excess (deficiency) of revenues over expenditures	803,081	96,856	72,705	231,595	83,147	1,287,384
OTHER FINANCING SOURCES (USES)						
Transfers in	29,355	-	-	-	-	29,355
Transfers out	-	-	-	-	(29,355)	(29,355)
Total other financing sources and uses	29,355	-	-	-	(29,355)	-
SPECIAL ITEM						
Proceeds from sale of assets	93,000	1,500	-	-	-	94,500
Net change in fund balance	925,436	98,356	72,705	231,595	53,792	1,381,884
Fund balance - beginning	9,661,990	1,370,410	913,128	327,024	814,925	13,087,477
Fund balance - ending	$ 10,587,426	$ 1,468,766	$ 985,833	$ 558,619	$ 868,717	$ 14,469,361

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

Crowley 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:	$	1,381,884
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays of $746,969 is more than depreciation of $393,345 in the current period.		353,624
Governmental funds report debt proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.		23,523
Change in net positions of governmental activities	$	1,759,031

Crowley County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2025

	Enterprise Funds		
	Water	Ambulance	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,491,324	$ 482,467	$ 1,973,791
Accounts Receivable, net	450	56,969	57,419
Total current assets	1,491,774	539,436	2,031,210
Non-current assets:			
Capital Assets:			
Utility System	3,345,539	-	3,345,539
Construction in Progress	20,550	-	20,550
Equipment and Furniture	52,450	1,077,876	1,130,326
Less Accumulated depreciation	(2,062,222)	(446,894)	(2,509,116)
Total non-current assets	1,356,317	630,982	1,987,299
Total assets	2,848,091	1,170,418	4,018,509
LIABILITIES			
Current Liabilities:			
Accounts payable	12,707	6,207	18,914
Total current liabilities	12,707	6,207	18,914
Total liabilities	12,707	6,207	18,914
NET POSITION			
Net investment in capital assets	1,356,316	630,982	1,987,298
Designated	125,622	-	125,622
Unrestricted	1,353,446	533,229	1,886,675
Total net position	$ 2,835,384	$ 1,164,211	$ 3,999,595

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

Crowley County, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Enterprise Funds		
	Water	Ambulance	Total
OPERATING REVENUES			
Charges for services	$ 301,942	$ 420,001	$ 721,943
Miscellaneous revenue	126,522	12,923	139,445
Total operating revenues	428,464	432,924	861,388
OPERATING EXPENSES			
Personal services	-	261,448	261,448
Contractual services	100,309	5,159	105,468
Utilities	49,900	4,465	54,365
Repairs and maintenance	109,190	5,841	115,031
Other supplies and expenses	20,349	63,835	84,184
Insurance claims and expenses	16,460	9,487	25,947
Miscellaneous expenses	3,109	35,650	38,759
Depreciation	88,538	60,758	149,296
Total Operating Expenses	387,855	446,643	834,498
Operating income (loss)	40,609	(13,719)	26,890
NON-OPERATING REVENUES (EXPENSES)			
Capital Grant	-	96,929	96,929
Total non-operating revenue (expenses)	-	96,929	96,929
Income (loss) before contributions and transfers	40,609	83,210	123,819
Change in net position	40,609	83,210	123,819
Total net position - beginning, restated	2,794,775	1,081,001	3,875,776
Total net position - ending	$ 2,835,384	$ 1,164,211	$ 3,999,595

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

Crowley County, Colorado
Statement of Cash Flows
Proprietary Fund Types
for the year ended December 31, 2025

	Enterprise Funds		
	Water	Ambulance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Charges for Services	$ 301,492	$ 491,508	$ 793,000
Cash Received from Miscellaneous Sources	126,522	12,923	139,445
Cash Payments to Suppliers for Goods & Services	(297,275)	(128,811)	(426,086)
Cash Payments for Salaries & Benefits	-	(261,448)	(261,448)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	130,739	114,172	244,911
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:			
Refund of construction in project expenses	-	-	-
Purchase of Fixed Assets	-	(6,120)	(6,120)
Proceeds from Capital Grant	-	96,929	96,929
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	90,809	90,809
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	130,739	204,981	335,720
Cash & Cash Equivalents:			
Beginning of Year	1,360,585	277,486	1,638,071
End of Year	$ 1,491,324	$ 482,467	$ 1,973,791
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	$ 40,609	$ (13,719)	$ 26,890
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:			
Depreciation	88,538	60,758	149,296
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivables	(450)	71,507	71,057
Increase (Decrease) in Accounts Payable	2,042	(4,374)	(2,332)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 130,739	$ 114,172	$ 244,911
Analysis of cash:			
Cash with County Treasurer	1,491,324	482,467	1,973,791
TOTAL	$ 1,491,324	$ 482,467	$ 1,973,791

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

Crowley County, Colorado
Custodial Funds
Statement of Fiduciary Net Position
December 31, 2025

		Custodial Funds
ASSETS:		
Cash and cash equivalents	$	25,259,416
Total assets		25,259,416
LIABILITIES:		
Due to other governmental units		25,259,416
Total liabilities	$	25,259,416

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

Crowley County, Colorado
Fiduciary Funds
Statement of Changes in Net Position
December 31, 2025

	Custodial Funds	
Additions:		
Collections for other governments	$ 20,166,916	
County Clerk collections	2,138,377	
Sheriff's collections	17,772	
Public Trustee foreclosure collections	305,842	
Total Additions		22,628,907
Deductions:		
Disbursements to other governments	13,939,845	
County clerk disbursements	2,124,113	
Sheriff's collections	17,340	
Public Trustee foreclosure disbursements	297,992	
Total Deductions		16,379,291
Change in Net Position		6,249,616
Net Position, beginning of year		19,009,800
Net Position, end of year		$ 25,259,416

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

Note 1 Summary of Significant Accounting Policies

The accounting policies of Crowley County, Colorado (the County) conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-wide Financial Statements

The government-wide financial statements report all nonfiduciary activities of the primary government and its component units. Fiduciary activities of the primary government are excluded from the government-wide statements because these resources are not available to fund the programs of the County. The government-wide statements include the *Statement of Net Position* and the *Statement of Activities*; these statements show the December 31 financial position during the current year.

Financial Reporting Entity

Crowley County was incorporated in 1911. It is governed by an elected three-member Board of Commissioners. There are also five other elected officials of the County: the Assessor; Clerk and Recorder; Coroner; Sheriff; and Treasurer/Public Trustee.

The accompanying financial statements present the financial activities of the County, the primary government, and its component units, if any. The County is the primary government because it has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The Commissioners themselves may serve on the boards of these related organizations and provide some financial and operational influence, but they do not serve in a controlling capacity. These organizations are not included as component units of the County; however, any financial support and obligations of the County related to these organizations are reported in the County financial statements.

Measurement Focus

Government-Wide Statements

The government-wide statements focus on the County as a whole. The *Statement of Net Position* and the *Statement of Activities* are presented using the economic resources measurement focus. Other than the fiduciary funds, all revenues and expenses and all current and long-term assets, deferred outflows of resources, liabilities and deferred inflows of resources of the County are reported, including capital and lease assets, depreciation, and long-term debt. Certain interfund governmental activity has been eliminated from these statements. Since assets of the fiduciary funds are not available to the County, these funds are not reported in the government-wide statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separate from certain legally separate component units for which the primary government is financially accountable.

The *Statement of Net Position* presents the financial position of the County. The net position section of the statement focuses on whether assets and deferred outflows, net of related liabilities and deferred inflows have been restricted as to the purpose for which they may be used. The assets and liabilities of the Internal Service Funds are reported in the governmental activities in the government-wide *Statement of Net Position.*

The *Statement of Activities* shows the changes in financial position for the year. It focuses on the net program cost of individual functions and business-type activities of the County. It does this by netting program costs with program revenues, which consist primarily of charges for services and grants. This net amount is the tax burden of the program to the taxpayers of the County. The change in net position represents the increase or decrease in the overall financial position of the County on an annual basis.

Fund Financial Statements

The fund financial statements provide additional detail about the County. These statements are provided in three types: governmental funds, proprietary funds, and fiduciary funds. With the exception of the proprietary and fiduciary funds, the Basic Financial Statements focus on the major funds of each type.

Governmental funds employ the current financial resources measurement focus, while the proprietary and fiduciary fund types employ the economic resources measurement focus, similar to the government-wide financial statements.

MAJOR FUNDS

Governmental Type:

General Fund

This is the general operating fund of the County that accounts for all financial resources that are not accounted for in other funds. Operations of the County such as public safety, planning and zoning, property valuation, tax collection and distribution, vehicle licensing, County administration, and other activities financed from tax and general revenues are reflected in this fund.

The General Fund is always a major fund and GASB has defined other major funds based on percentage thresholds. However, management has the discretion to include funds which are of particular importance to financial statement users.

Road and Bridge Fund

This fund records costs related to County road and bridge construction and maintenance except for engineering and public works administration, which are recorded in the General Fund. By State law, Colorado counties are required to maintain a Road and Bridge Fund and a portion of road and bridge taxes is allocated to cities and towns for use in their road and street activities. Most of this fund's revenues come from property, auto ownership and highway use taxes.

Human Services Fund

This fund administers human services programs under state and federal regulations. Programs include, but are not limited to, Medicaid, Food Stamps, Child Welfare Program, Aging and Adult Services, Job Training Services, and Temporary Assistance to Needy Families (TANF). Colorado counties are required by State law to maintain a Social Services Fund. Besides receiving most of its revenue from federal and state grants, this fund receives property taxes to cover the County's portion to pay for these programs.

SECOR (Southeast Colorado Opioid Recovery) Fund

This fund accounts for funds received and spent in southeast Colorado relating to opioid use and addiction.

Business Type:

Water Fund

This fund accounts for sales and purchases of water to the County users.

Ambulance Fund

This fund accounts for the ambulance services provided by the County.

NONMAJOR FUNDS

Governmental Type:

Special Revenue Funds

These funds account for revenues generated from various sources such as charges for services, property taxes, grants and impact and other fees. These funds expend those revenues for recreation, ambulance and fire and other areas.

Fiduciary Type:

Custodial Fund

The Custodial Fund accounts for transactions relating to assets held by the County in the capacity of custodian for individuals, governmental entities and non-public organizations as established by resolution or state statute. By statute, the Custodial Fund collects and distributes all property tax revenues to local governments and other County funds.

Basis of Accounting

The basis of accounting applied to a fund depends on both the type of fund and the financial statement in which the fund is presented.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

The government-wide, proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. For the government-wide and proprietary funds, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions are those in which the County gives or receives value without directly receiving or giving equal value in exchange, and include property taxes, grants, and donations. Revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental funds are reported using the modified-accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental finds to be available if the revenues are collected within 60 days after year-end. Property taxes, sales taxes, licenses, and interest are susceptible to accrual. Grant revenue is considered available if it is expected to be collected within one year and all eligibility requirements are met.

Expenditures are recorded when related fund liability is incurred, except that principal and interest on long-term debt and employee compensated absences are recognized when due. Acquisitions of capital assets are reported as expenditures in governmental funds. Long-term debt and acquisitions under lease and subscription liabilities of financed purchases are reported as other financing sources.

Encumbrance Accounting

The County uses encumbrance accounting as an extension of its budgetary plan. Encumbrances are recorded when a purchase order or contract is issued. They are reduced when the related expenditure/expense is made. Encumbrances lapse at year-end but may be re-established in the subsequent year if the budget related to the encumbrance is approved by the Boad of County Commissioners to be reappropriated to the subsequent year, or if the subsequent year's budget is adequate to cover the amount of the rolled over encumbrance. Any significant encumbrances are shown in Note 8 Commitments. The County does not restrict any fund balance for encumbrances unless those amounts are restricted for a specific purpose under GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*.

Implementation of New Accounting Standards

The County implemented GASB Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. This statement improves financial reporting by providing more understandable and comparable information for making decisions or assessing accountability. There was no financial impact as a direct result of this implementation.

The County also implemented GASB Statement No. 101 – *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements. The County adopted this standard on January 1, 2025. There was no effect on beginning net position for the year ended December 31, 2025.

Note 2 Accounting Policies for Specific Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position

Investments are reported at fair value for investments with quoted market prices. Fair value is the price that would be received to sell an investment in an orderly transaction at year end. Investment in government pools or money market funds are reported at cost, which approximate fair value or net asset value. All investment income, including changes in the fair value of investments, is reported as revenue in the statements of revenues, expenditures and changes in fund balances.

Receivables

Property taxes are not due and payable until after the assessment year has ended. Thus, they are not included in the revenues or net position of the assessment year. They are recorded in the relevant funds as taxes receivable and deferred inflows of resources at December 31, 2025. Property tax abatements are recorded as an offset to property tax revenues when they are paid. An allowance for uncollectible property taxes is not provided, as any uncollectible amounts are not considered material.

Property taxes are levied on or before December 15th and attached as an enforceable lien on the property the following January 1st. Taxes are payable either in full on April 30th or in two installments due on February 28th and June 15th. The County, through the Treasurer, bills and collects its own property taxes as well as the property taxes of all other taxing authorities within the County. Distribution of taxes to the various taxing entities is made by the 10th of each month following the month of collection.

Other receivables are reported gross, as the County's experience does not warrant the establishment of an allowance for uncollectible accounts. The majority of these receivables are for sales, cigarette, and fuel taxes due to the County.

Prepaid Items

Prepaid expenditures are included in the presentation of other assets in both the government-wide and fund financial statements. Prepaid items include certain payments to vendors that reflect costs applicable to future accounting periods and are subsequently recognized as expenditures as they are consumed.

Inventories

Inventories are recorded at cost, using first in, first out to record costs when they become expenditures/expenses of the funds when consumed.

Capital Assets

Capital assets, which include land, land improvements, distribution systems, buildings, equipment, and vehicles, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of $5,000 or more and an estimated useful life in excess of one year for all assets other than equipment. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. New infrastructure costs will be capitalized as of January 1, 2004 and future years.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed.

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

Assets	Years
Buildings and Improvements	40 – 50
Infrastructure	75
Heavy Equipment	7 – 10
Office Machinery & Equipment	5
Passenger Vehicles	7 – 10

Vacation Days and Sick Leave

Vacation leave is accrued monthly for regular full-time employees, with a maximum of 140 hours or 160 hours, depending on how many hours are worked weekly. Accrual begins the first full month after date of hire. Unused vacation hours are carried over into the next year. Sick leave is accrued monthly beginning on date of hire. Depending on employee classification status and hours worked per week, maximum accruals are set at 48 hours, 420 hours, or 480 hours. Upon termination, any unused vacation hours accrued will be paid out to the employee. 10% of the accrued sick leave will be paid to regular full-time employees. Accrued sick leave will not be paid to regular part-time or temporary employees upon termination of employment.

Compensated absence liabilities related to the governmental funds are recognized as liabilities of the fund if they are due and payable at December 31, 2025, or if it is more likely than not that payment will be made or otherwise settled. For proprietary fund types, both current and long-term portions of compensated absences are recorded as liabilities. On the government-wide Statement of Net Position, all compensated absence liabilities are reported in full.

Net Position

Net position equals assets less liabilities on the accrual basis of accounting. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The County's policy is that if both restricted and unrestricted amounts are available when an expense is incurred, the restricted amount is spent first.

Fund Balances

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for general use because they are legally restricted by outside parties for a specific purpose. Fund balance commitments are not external legal restrictions but are reserved for a specific purpose by formal action of the County's Board of County Commissioners. If the funds are not spent on the committed purpose then removal of the commitment also requires formal action of the Board.

In accordance with Government Finance Officers Association (GFOA) recommendations, the County designates an amount equivalent to two months of General Fund operating expenditures to cover unexpected events and ensure sufficient working capital. This amount is reported as a combination of the unassigned fund balance and restricted TABOR reserve in the General Fund. Only the General Fund can have a positive unassigned fund balance. Reserves for emergencies required under TABOR are appropriated in the General Fund.

The County's policy is that if both restricted and unrestricted amounts are available for expenditure, the restricted amount is spent first. Likewise, if only unrestricted is available for an expenditure, then committed is spent first if allowable, before assigned or unassigned is spent.

Article X, Section 20 (TABOR) of the state constitution requires that 3 percent of the TABOR defined Fiscal Year Spending (FYS) be reserved for emergencies. FYS is defined by TABOR as all expenditures, except for those from certain revenues, and the net change in reserve balances. The Colorado Supreme Court in interrogatories on Senate Bill 93-74 has defined reserve balances in the TABOR language to be the fund balances of the various funds.

Note 3 Accounting Policies for Revenues and Expenditures/Expenses

Revenues

The government-wide *Statement of Activities* presents two broad types of revenues, program revenues and general-purpose revenues. All taxes are reported as general-purpose revenues as well as the investment income earned on the general-purpose revenues of the County. Program revenues consist primarily of charges for services and grants. Grants are operating grants unless the sponsor specifically designated them primarily for capital purchases.

Capital contributions from a governmental fund to a proprietary fund are recognized as revenue in the proprietary fund, net of the accumulated depreciation that would have accrued if the asset had been in the proprietary fund since it was first acquired by the County.

Use of Estimates

The County uses estimates and assumptions in the preparation of the financial statements. Generally accepted accounting principles require management to make estimates and assumptions that affect the amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results may differ from those estimates.

Note 4 Stewardship, Compliance and Accountability

In 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (TABOR), which established two separate limits on revenue for state and local governments: (1) the Fiscal Year Spending revenue limit; and (2) the Property Tax revenue limit. Additionally, the Annual Levy Law, C.R.S. § 29-1-301, *et seq.*, imposes a separate 5.5% annual growth limit on property tax revenue. The County's financial activity provides the basis for calculation of these three revenue limitations, with adjustment for allowable increases tied to inflation and local growth where applicable.

TABOR excludes from its provisions "enterprises." Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10 percent of their annual revenue in grants from all state and local governments combined, are excluded from the TABOR provisions. Revenue from TABOR revenue limits also include certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves.

Tabor Fiscal Year Spending and Tabor Property Tax revenue limits are determined based on the prior year's actual revenue or the prior year's limit, whichever is lower, then adjusted for inflation and local growth. Revenue in excess of these TABOR limits must be refunded unless the voters approve retention of such revenue through an election. TABOR Fiscal Year Spending is generally defined as revenues plus reserve increases with certain exceptions. TABOR also requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above authorized levels or extending an expiring tax.

The County levies 42.081 mills for property taxes to be collected in 2025. The official mill levy of the County is 42.081 mills. There was no temporary mill levy reduction for property tax collections in 2025. Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or irrevocably pledging present cash reserves for all future payments.
TABOR is complex and remains subject to judicial interpretation. The County believes it is in compliance with the requirements of TABOR and has made certain interpretations of the TABOR language to determine its compliance.

Note 5 Cash/Cash Equivalents and Investments

The County Treasurer acts as a banker for the County's funds (e,g, makes deposits, transfers funds between accounts). Some funds have their own department-managed bank accounts.

The Treasurer invests the cash until it is needed. All investments are considered short-term for accounting purposes.

Cash/Cash Equivalents

Colorado State statutes, specifically the Public Deposit Protection Act (PDPA) of 1989, limit the deposit of public monies to financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral for any amounts in excess of the required Federal Deposit Insurance Corporation (FDIC) amount, as promulgated by the Colorado Division of Banking, having a fair value in excess of 102 percent of the aggregate, uninsured public deposits. Of bank balances totaling $7,251,968, $1,250,000 was covered by the FDIC and $6,001,968 was covered by PDPA.

Deposits in local government investment pools are included in Cash/Cash Equivalents. While not covered by the FDIC of PDPA, the Colorado Division of Securities routinely monitors the investment pools with regard to operations and investments. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal mechanisms of the pooled funds. The County can redeem cash from the COLOTRUST Cash Fund account as often as needed without penalty or notice period. At December 31, 2025, the County had $17,703,109 in the COLOTRUST Cash Fund. The State Securities Commissioner administers and enforces the requirements of creating and operating the local government investment pools. The pools operate similarly to a money market fund and each share in COLOTRUST is equal to $1.00. COLOTRUST is rated AAAf by Fitch Ratings and has a weighted average maturity of 34 days. The local government investment pools are established by State statute for local government entities in Colorado to pool and invest surplus funds. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions.

Investments

The County's investment policy parallels Colorado statutes. The statutes specify investment instruments that meet defined rating and risk criteria in which local government entities may invest, which are:

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

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. The County had no Level 1 investments as of December 31, 2025. Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities' relationship to benchmark quoted prices. The County's Level 2 investments are detailed below:

Investment Type	Fair Value	Duration (Years)	Fair Value Hierarchy
Certificates of Deposit	$ 7,099,600	Varies	Level 2

The certificates of deposit are included with cash.

Interest Rate Risk

Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the effective duration of its purchased securities. These purchases are generally limited to those having a maturity of 5 years or less. However, securities with a maturity up to 10 years may be purchased if the effective duration is 3 years or less.

Credit Risk

The County's general investment policy is to apply the prudent-person rule, as investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and in general avoid speculative investments. The County's investments in certificates of deposit are covered by FDIC and the PDPA Colorado State statute.

Custodial Credit Risk

For an investment, Custodial Credit Risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County adheres to state statutes regarding custody of investments and therefore has no additional written policy regarding custodial credit risk. All of the County's investments at December 31, 2025 are held in the name of the County Treasurer.

Note 6 Receivables

The details for other receivables shown below are for each of the major funds and the non-major governmental funds.

	General Fund	Road & Bridge Fund	Human Services Fund	Other Governmental Funds	Water Fund	Ambulance Fund
Accounts Receivable – State of Colorado	$ 129,017	$ 71,499	$ 73,472	$ 10,329	$ 450	$ 56,969

Most of these receivables are for sales and other taxes due to the County across various funds. In the Human Services Fund, funds due are for health and welfare benefits. The receivables for the Water and Ambulance funds are for services provided and are net of estimated losses.

Note 7 Interfund Transactions

Interfund Receivables/Payables

Transactions between the various funds of the County can result in receivables and payables at year-end. The sum of all balances presented in the following tables agrees with the sum of interfund balances presented in the balance sheets for the governmental funds and the statement of net position for the proprietary funds. Interfund balances not expected to be repaid within one year of the financial statement date are reported in the governmental fund balance sheets as advances to other funds. There were not any interfund receivables/payables as of December 31, 2025.

Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the fund making the debt service payments as payments become due; and to use unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The contingent fund was closed during 2025 with a transfer of $29,355 to the General Fund.

Note 8 Capital Assets

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

	Governmental Activities:			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets being Depreciated				
Buildings	$ 1,511,049	$ 766,827	$ -	$ 2,277,876
Equipment & Furniture	5,300,298	169,806	-	5,470,104
Total Capital Assets being Depreciated	6,811,347	936,633	-	7,747,980
Less Accumulated Depreciation	(3,213,779)	(393,775)	-	(3,607,554)
Total Capital Assets	$ 3,597,568	$ 542,858	$ -	$ 4,140,426

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

DHS	$ 2,904
Recreation	11,722
General Government	75,150
Public Safety	108,168
Public Works	195,831
Total Depreciation Expense – Governmental Activities	$ 393,775

	Beginning Balance	Increases	Decreases	Ending Balance
Construction in progress	$ 1,085,630	$ 391,767	$ (581,426)	$ 895,971

	Business-type Activities:			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets being Depreciated				
Distribution Assets	$ 3,345,539	$ -	$ -	$ 3,345,539
Vehicles & Equipment	1,244,000	6,119	(119,793)	1,130,326
Total	4,589,539	6,119	(119,793)	4,475,865
Less Accumulated Depreciation	(2,479,613)	(149,296)	119,793	(2,509,116)
Total Capital Assets being Depreciated	2,109,926	(143,177)	-	1,966,749
Construction in Progress	20,550	-	-	20,550
Total Capital Assets	$ 2,130,476	$ (143,177)	$ -	$ 1,987,299

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

Water Distribution	$ 88,538
Ambulance Services	60,758
Total Depreciation Expense – Business-Type Activities	$ 149,296

Note 9 Commitments

Encumbrances lapse at year-end but may be re-established in the subsequent year if the budget related to the encumbrance is approved by the Board of County Commissioners to be reappropriated to the subsequent year, or if the subsequent year's budget is adequate to cover the amount rolled over.

Note 10 Long-Term Debt

A summary of changes in long-term debt is:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental Type Activities	$ 47,097	$ -	$ (23,498)	$ 23,599	$ 23,599
Accrued Vacation and Sick Leave	77,451	132,384	-	209,835	-
	$ 124,547	$ 132,384	$ (23,498)	$ 233,434	$ 23,599

General Long-Term Debt

During January 2022, the County entered into a lease purchase agreement for the purchase of body cams. The total cost will be $115,393. The agreement calls for a down payment of $21,401 and four annual payments of $23,498. There was not a stated interest rate in the contract and any interest paid by the County would be immaterial.

	Principal	Interest	Total
2026	$ 23,599	$ -	$ 23,599

Note 11 Fund Balances

Nonspendable

Nonspendable fund balance represents the amount of assets held in a form that will not be converted to cash such as inventories, prepaid expenses, or long-term receivables.

Restricted

Restricted fund balance represents the amount that is externally restricted to purpose. These restrictions may have been imposed by debt covenants, grantors, the courts, Federal or state statutes, or the state constitution.

Committed

Committed fund balance is the amount for which the Board of County Commissioners has taken formal action to reserve the funds to be used only for a specific purpose. It cannot be expended for any other purpose without another formal action of the Board to lift the commitment. That formal action would come in the form of a board resolution, which could establish, modify or rescind a commitment to the fund balance.

Assigned

Assigned fund balance is the portion of the fund balance of a governmental fund that represents sources set aside for a particular purpose. Assigned fund balance can also include the residual amount of other governmental funds if not restricted. Assigned funds are assigned by the County Manager and the Budget Division for these specific purposes.

Unassigned

Unassigned fund balance is the residual amount of the fund balance in the General Fund that has not been classified as belonging in any of the previous categories.

If both restricted and unrestricted amounts of the fund balance are available for use when an expenditure is incurred, it is County policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned and unassigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Nonspendable, restricted, committed, and assigned fund balances of the Governmental Funds consist of the following:

	Fund Financial Statements
Nonspendable	
Inventory	$ 14,500
Total	14,500
Committed	
SECOR	558,619
Department of Human Services	985,833
Road & Bridge	1,454,266
Total	2,998,718
Assigned	
Non-Major Funds:	
E911	488,906
Conservation Trust	231,646
Revolving Loan	750
EMS/Fire	147,415
Total	868,717
Unassigned	
General	10,587,426
Total	10,587,426
Total Fund Balance	$ 14,469,361

Note 12 Retirement Plan

All eligible County officials and employees participate in the Colorado Retirement Association (CRA) defined contribution retirement plan (the Plan) authorized by State statute.

The Plan is a defined contribution plan administered by the CRA. Employees are eligible immediately upon their employment with the County, and participation is mandatory. Employee contributions are always 100 percent vested. The County match is 100 percent vested immediately upon participation.

The County and employees each contributed 5 and 4 percent, respectively, of the employee's salary into the Plan for 2025 based on the employee's irrevocable initial decision. Employees could have contributed up to a maximum of $69,000 in 2025, minus their 401(a) contribution, but including the County match, to the Plan on a voluntary after-tax basis.

In 2025 the County contributed $111,128 and employees contributed $88,902.

The total compensation of County employees was $2,984,335 in 2025. Compensation of employees covered by the Plan was $2,222,556 in 2025. The difference represents seasonal and temporary employees, bonuses, and overtime wages. The Plan has no unfunded liability since it is a defined contribution plan.

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. A separate CRA audited benefit plan report is available on the CRA website: https://www,cra-online.org.

Note 13 Deferred Compensation

The County offers its benefits-eligible employees a traditional pre-tax and Roth after-tax deferred compensation plan created in accordance with Internal Revenue Code Section 457 and offered through CRA. The regular contribution limit (for employees under age 50) was $23,000, and the contribution limit for age 50 and older was $30,500. The deferred compensation plan permits employees to defer a portion of their salary to future years. Access to the withdrawal of funds from the deferred compensation plan(s) are available to employees following termination, retirement, death, or an unforeseeable emergency.

All assets and income of the deferred compensation plan are held in trust by a third party for the exclusive benefit of the participants and their beneficiaries, and per federal law, are not available to the County or its creditors. As a result, the assets and liabilities of the deferred compensation plan are not included in the County's financial statements.

Note 14 Risk Management

The County is exposed to various risks of loss through its operations and physical assets. Those exposures may include injuries to employees, bodily injuries to others, theft, destruction of physical assets (such as buildings or vehicles), and damage to the property of others. Additional exposures to loss may result from the decisions of elected officials and employees. Financial protection from these potential losses is provided to the taxpayers through commercial insurance. Insurance settlements have not exceeded insurance coverage for each of the past three fiscal years.

Property and Casualty Insurance

The County insures itself against property and casualty losses through a number of insurance policies. A description of the County's risk financing/insurance program is as follows:

Liability

Coverage furnished under the Colorado Counties Casualty and Property Pool (CAPP) includes general liability, automobile liability, law enforcement liability, and public official's liability, which includes liability arising from the acts of public officials.

Medical , Dental, and Vision Benefits

There are various deductible depending on the type of loss. The deductibles range from $0 to $20,000.

Claims and Judgments

The amounts paid on Colorado lawsuits and claims are significantly restricted by the Colorado Governmental Immunity Act (the Act), limiting recovery for most claims to $350,000 per person and $990,000 per occurrence as of July 1, 2013, and barring many other claims in their entirety. There is also a 180-day reporting requirements under the Act. The County maintains a surety bond in compliance with the regulations of the Colorado Department of Labor and Employment, Division of Workers' Compensation of approximately $5,000,000 in the unlikely case that the County would have inadequate reserves to pay all valid claims.

Factors which favorably control costs relating to Workers' Compensation claims are state reporting requirements of four working days and proper handling of claims which are regulated by the Division of Workers' Compensation. The amounts of settlements did not exceed insurance coverage for each of the past three years.

Note 15 Contingencies

Many County departments have grant and contract agreements with the federal and/or state governments and other parties. These agreements generally provide for audits of the transactions pertaining to the agreements, with the County being liable to those parties for any disallowed expenditure. The County does not believe that there will be any actual assessments in material amounts regarding any of these matters.

Required Supplementary Information

Crowley County, Colorado
Budget and Actual
General
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	$ 1,755,935	$ 1,755,935	$ 1,753,361
SO Taxes	180,000	180,000	190,643
Sales and miscellaneous taxes	1,063,000	1,063,000	1,104,938
Fees and fines	10,350	10,350	5,328
Licenses and permits	4,000	4,000	4,842
Intergovernmental	472,337	472,337	1,213,281
Charges for services	495,600	495,600	573,143
Investment earnings	519,000	519,000	628,256
Rental income	68,000	68,000	103,890
Miscellaneous	63,000	63,000	104,204
Total revenues	4,631,222	4,631,222	5,681,886
EXPENDITURES			
Current:			
General government	3,295,185	3,719,310	3,481,503
Public Safety	735,457	779,457	624,385
Health	24,610	24,610	20,154
Culture and recreation	24,960	24,960	11,903
Debt Service:			
Principal	23,574	23,574	23,528
Capital Outlay	734,000	1,335,117	717,332
Total Expenditures	4,837,786	5,907,028	4,878,805
Excess (deficiency) of revenues over expenditures	(206,564)	(1,275,806)	803,081
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	29,355
Total other financing sources and uses	-	-	29,355
SPECIAL ITEM			
Proceeds from sale capital assets	-	-	93,000
Net change in fund balance	(206,564)	(1,275,806)	925,436
Fund balance - beginning	9,441,018	9,441,018	9,661,990
Fund balance - ending	$ 9,234,454	$ 8,165,212	$ 10,587,426

Crowley County, Colorado
Budget and Actual
Road & Bridge
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	$ 537,091	$ 537,091	$ 527,050
SO Taxes	65,000	65,000	57,957
Licenses and permits	500	500	1,600
Intergovernmental	864,958	864,958	847,119
Miscellaneous	100	100	2,732
Total revenues	1,467,649	1,467,649	1,436,458
EXPENDITURES			
Current:			
General government	20,000	20,000	15,768
Highways and roads	1,384,240	1,384,240	1,306,675
Debt Service:			
Capital Outlay	100,000	100,000	17,159
Total Expenditures	1,504,240	1,504,240	1,339,602
Excess (deficiency) of revenues over expenditures	(36,591)	(36,591)	96,856
SPECIAL ITEM			
Proceeds from sale capital assets	-	-	1,500
Net change in fund balance	(36,591)	(36,591)	98,356
Fund balance - beginning	1,395,223	1,395,223	1,370,410
Fund balance - ending	$ 1,358,632	$ 1,358,632	$ 1,468,766

Crowley County, Colorado
Budget and Actual
Human Services
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	$ 199,495	$ 199,495	$ 195,381
SO Taxes	20,000	20,000	21,643
Intergovernmental	1,283,926	1,283,926	1,479,422
Miscellaneous	1,000	1,000	204
Total revenues	1,504,421	1,504,421	1,696,650
EXPENDITURES			
Current:			
Health and welfare	1,830,477	1,898,542	1,616,467
Capital Outlay	-	39,100	7,478
Total Expenditures	1,830,477	1,937,642	1,623,945
Excess (deficiency) of revenues over expenditures	(326,056)	(433,221)	72,705
Net change in fund balance	(326,056)	(433,221)	72,705
Fund balance - beginning	887,723	887,723	913,128
Fund balance - ending	$ 561,667	$ 454,502	$ 985,833

Crowley County, Colorado
Budget and Actual
Water
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for services	$ 301,942	$ 301,942	$ 301,942
Miscellaneous	-	-	126,522
Total revenues	301,942	301,942	428,464
EXPENDITURES			
Contractual services	99,279	99,279	100,309
Utilities	67,000	67,000	49,900
Repairs and maintenance	30,000	120,000	109,190
Other supplies and expenses	14,300	19,035	20,349
Insurance claims and expenses	15,000	15,000	16,460
Miscellaneous	2,000	2,000	3,109
Depreciation	88,538	88,538	88,538
Total Operating Expenses	316,117	410,852	387,855
Operating income (loss)	(14,175)	(108,910)	40,609
Net change in net position	(14,175)	(108,910)	40,609
Net position - beginning	2,803,267	2,806,267	2,794,775
Net position - ending	$ 2,789,092	$ 2,697,357	$ 2,835,384

Crowley County, Colorado
Budget and Actual
Ambulance
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for services	$ 370,500	$ 370,500	$ 420,001
Miscellaneous	-	-	12,923
Total revenues	370,500	370,500	432,924
EXPENDITURES			
Personal services	281,414	281,414	261,448
Contractual services	50,000	50,000	5,159
Utilities	4,300	4,300	4,465
Repairs and maintenance	8,500	8,500	5,841
Other supplies and expenses	70,450	70,450	63,835
Insurance claims and expenses	16,423	16,423	9,487
Miscellaneous	42,670	42,670	35,650
Depreciation	55,000	55,000	60,758
Total Operating Expenses	528,757	528,757	446,643
Operating income (loss)	(158,257)	(158,257)	(13,719)
OTHER FINANCING SOURCES (USES)			
Capital grants	90,851	90,851	96,929
Total other financing sources and uses	90,851	90,851	96,929
Net change in net position	(67,406)	(67,406)	83,210
Net position - beginning	995,987	995,987	1,081,001
Net position - ending	$ 928,581	$ 928,581	$ 1,164,211

Crowley County, Colorado
Balance Sheet
Other Governmental Funds
December 31, 2025

	E-911	Conservation Trust	Revolving Loan Fund	EMS/Fire	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 481,074	$ 231,646	$ 750	$ 150,235	$ 863,705
Taxes receivable, net	-	-	-	144,824	144,824
Other receivables	10,223	-	-	106	10,329
Total assets	491,297	231,646	750	295,165	1,018,858
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	2,391	-	-	2,926	5,317
Total liabilities	2,391	-	-	2,926	5,317
Deferred in-flows of resources					
Deferred property taxes	-	-	-	144,824	144,824
Total deferred in-flows	-	-	-	144,824	144,824
Fund balance:					
Assigned	488,906	231,646	750	147,415	868,717
Fund balance:	488,906	231,646	750	147,415	868,717
Total liabilities and fund balance	$ 491,297	$ 231,646	$ 750	$ 295,165	$ 1,018,858

Crowley County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Other Governmental Funds
For the Year Ended December 31, 2025

	E-911	Conservation Trust	Contingent	Revolving Loan Fund	EMS/Fire	Total-Other Governmental Funds
REVENUES						
Property Taxes	$ -	$ -	$ -	$ -	$ 88,240	$ 88,240
SO Taxes	-	-	-	-	9,989	9,989
Intergovernmental	-	46,127	-	-	41,564	87,691
Charges for services	91,769	-	-	-	-	91,769
Investment earnings	18,624	-	-	-	-	18,624
Miscellaneous	-	9,091	-	-	5,000	14,091
Total revenues	110,393	55,218	-	-	144,793	310,404
EXPENDITURES						
Current:						
General government	500	-	-	-	-	500
Public Safety	44,613	-	-	-	151,516	196,129
Culture and recreation	-	25,628	-	-	-	25,628
Capital Outlay	-	-	-	-	5,000	5,000
Total Expenditures	45,113	25,628	-	-	156,516	227,257
Excess (deficiency) of revenues over expenditures	65,280	29,590	-	-	(11,723)	83,147
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	(29,355)	-	-	(29,355)
Total other financing sources and uses	-	-	(29,355)	-	-	(29,355)
SPECIAL ITEM						
Net change in fund balance	65,280	29,590	(29,355)	-	(11,723)	53,792
Fund balance - beginning	423,626	202,056	29,355	750	159,138	814,925
Fund balance - ending	$ 488,906	$ 231,646	$ -	$ 750	$ 147,415	$ 868,717

Crowley County, Colorado
Budget and Actual
EMS/Fire
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	$ 91,867	$ 91,867	$ 88,240
SO Taxes	10,000	10,000	9,989
Intergovernmental	26,050	26,050	41,564
Miscellaneous	-	-	5,000
Total revenues	127,917	127,917	144,793
EXPENDITURES			
Current:			
Public Safety	151,462	170,835	151,516
Capital Outlay	-	5,000	5,000
Total Expenditures	151,462	175,835	156,516
Excess (deficiency) of revenues over expenditures	(23,545)	(47,918)	(11,723)
Net change in fund balance	(23,545)	(47,918)	(11,723)
Fund balance - beginning	174,326	174,326	159,138
Fund balance - ending	$ 150,781	$ 126,408	$ 147,415

Crowley County, Colorado
Budget and Actual
Revolving Loan Fund
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	$ -	$ -	$ -
Charges for services	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
General government	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance - beginning	750	750	750
Fund balance - ending	$ 750	$ 750	$ 750

Crowley County, Colorado
Budget and Actual
E-911
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for services	$ 79,700	$ 79,700	$ 91,769
Investment earnings	12,000	12,000	18,624
Total revenues	91,700	91,700	110,393
EXPENDITURES			
Current:			
General government	500	500	500
Public Safety	57,950	57,950	44,613
Capital Outlay	-	36,500	-
Total Expenditures	58,450	94,950	45,113
Excess (deficiency) of revenues over expenditures	33,250	(3,250)	65,280
Net change in fund balance	33,250	(3,250)	65,280
Fund balance - beginning	403,957	403,957	423,626
Fund balance - ending	$ 437,207	$ 400,707	$ 488,906

Crowley County, Colorado
Budget and Actual
Conservation Trust
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	$ 50,000	$ 50,000	$ 46,127
Miscellaneous	8,000	8,000	9,091
Total revenues	58,000	58,000	55,218
EXPENDITURES			
Current:			
Culture and recreation	34,697	34,697	25,628
Total Expenditures	34,697	34,697	25,628
Excess (deficiency) of revenues over expenditures	23,303	23,303	29,590
Net change in fund balance	23,303	23,303	29,590
Fund balance - beginning	190,687	190,687	202,056
Fund balance - ending	$ 213,990	$ 213,990	$ 231,646

Crowley County, Colorado
Budget and Actual
Contingent
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property taxes	$ -	$ -	$ -
Total revenues	-	-	-
EXPENDITURES			
Current:			
General government	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(29,355)
Total other financing sources and uses	-	-	(29,355)
Net change in fund balance	-	-	(29,355)
Fund balance - beginning	29,355	29,355	29,355
Fund balance - ending	$ 29,355	$ 29,355	$ -

Crowley County, Colorado
Budget and Actual
SERAHB
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	$ 421,748	$ 421,748	$ -
Total revenues	421,748	421,748	-
EXPENDITURES			
Current:			
Public Safety	45,721	45,721	-
Capital Outlay	376,027	376,027	-
Total Expenditures	421,748	421,748	-
Net change in fund balances	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	$ -	$ -	$ -

Crowley County, Colorado
Budget and Actual
SECOR
For the year ended December 31, 2025

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	$ 5,000,000	$ 5,000,000	$ -
Investment earnings	100,000	100,000	268,595
Total revenues	5,100,000	5,100,000	268,595
EXPENDITURES			
Current:			
Public Safety	4,605,000	4,605,000	37,000
Total Expenditures	4,605,000	4,605,000	37,000
Excess (deficiency) of revenues over expenditures	495,000	495,000	231,595
Net change in fund balances	495,000	495,000	231,595
Fund balances - beginning	1,359,795	1,359,795	327,024
Fund balances - ending	$ 1,854,795	$ 1,854,795	$ 558,619

LOCAL HIGHWAY FINANCE REPORT

THIS INFORMATION FROM THE RECORDS OF:	PREPARED BY:	STATE:
CROWLEY COUNTY	LASHELLE BENBOW lashelle.benbow@crowleycounty.net	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. 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	$ 527,050	a. Interest on investments	$ -
b. Non-property Taxes and Assessments Imposts	$ 57,957	b. Other Misc. Local Receipts	$ 5,832
c. Total (a + b)	$ 585,007	**c. Total (a + b)**	$ 5,832

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	$ 836,323	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	$ 312
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	$ 10,485		
c. Total (a + b)	$ 10,485		
4. Total (1 + 2 + 3c)	$ 846,807	**3. Total (1 + 2)**	$ 312

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	$ -
b. Engineering Costs	$ -
c. Construction Costs	$ 17,159
d. Total Capital Outlay (a+ b + c)	$ 17,159

Form FHWA-536 (Rev. 02-2025) Page2

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	$ -
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 585,007
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 5,832
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)	$ -
7. Total (1 through 6)	$ 590,839
B. Private Contributions	$ -
C. Receipts from State government (from page 1, Item II.C.4)	$ 846,807
D. Receipts from Federal government (from page 1, Item II.D.3)	$ 312
E. Total receipts (A.7 + B + C + D)	$ 1,437,959

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 17,159
2. Maintenance:	$ 1,220,356
3. Road and Street Services:	
a. Snow and Ice Removal	$ -
b. Other & Traffic Control Operations	$ -
c. Total (a + b)	$ -
4. General Administration & Miscellaneous	$ 15,768
5. Highway Law Enforcement and Safety	
6. Total (1 through 5)	$ 1,253,283
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	$ -
b. Redemption	$ -
c. Total (a + b)	$ -
2. Notes:	
a. Interest	$ -
b. Redemption	$ -
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	$ -
D. Payments to Toll Facilities	$ -
E. Total Expenditures (A6 + B3 + C + D)	$ 1,253,283

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)	$ -	$ -	$ -	$ -

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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*

Independent Auditor's Report

Board of County Commissioners
Crowley County, Colorado

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Crowley County (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 14, 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 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. Given these limitations, during our audit we did not identify any

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deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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 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.*

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

rfarmer, llc

July 14, 2026

Single Audit

Crowley County
Schedule of Findings and Questioned Costs
December 31, 2025

Section I: Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **unmodified**

Internal control over financial reporting:		
• Material weakness(es) identified?	____ Yes	_X_ No
• Significant deficiency(ies) identified?	____ Yes	_X_ None Reported
Noncompliance material to financial statements noted?	____ Yes	_X_ No

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	____ Yes	_X_ No
• Significant deficiency(ies) identified?	____ Yes	_X_ None Reported
Type of auditor's report issued on compliance for major federal programs: **unmodified**		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	_X_ No
Identification of major federal programs:		
Assistance Listing Number(s): 93.558	Name of Federal Program or Cluster:	TANF
Dollar threshold used to distinguish between type A and type B programs:	$1,000,000	
Auditee qualified as a low-risk auditee?	_X_ Yes	____ No

Section II: Financial Statement Findings

There are not any findings to report.

Section III: Federal Awards Findings

There are not any findings to report.

Crowley County, Colorado
Schedule of Expenditures of Federal Awards
for the year ended December 31, 2025

GRANT TITLE	PASS THRU AGENCY	FEDERAL ALN NUMBER	AMOUNT OF AWARD EXPENDED	
DEPARTMENT OF HEALTH & HUMAN SERVICES:				
Child Care - Title IV-B	CO Dept of Human Services	93.645	$ 19,488	
IV-E FC - Title IV-E	CO Dept of Human Services	93.658	140,873	
IV-E Relative Guardianship	CO Dept of Human Services	93.090	27,478	
Block Grant - Title XX	CO Dept of Human Services	93.667	22,285	
IV-D ADMIN	CO Dept of Human Services	93.563	104,465	
LEAP	CO Dept of Human Services	93.568	18,953	
IV-E Adoption	CO Dept of Human Services	93.659	84,971	
TANF	CO Dept of Human Services	93.558	207,766	
CCDF	CO Dept of Human Services	93.596	23,717	
CCDF Discretionary	CO Dept of Human Services	93.575	45,485	
IV-E Kinship Navigator	CO Dept of Human Services	93.471	19,924	
IV-E Prevention	CO Dept of Human Services	93.472	9,212	
				724,617
DEPARTMENT OF HEALTH & HUMAN SERVICES:				
Medicaid Title XX	CO Dept of Health Care Policy & Fin.	93.778	113,958	
				113,958
DEPARTMENT OF HEALTH & HUMAN SERVICES:				
Area Agency on Aging	Title III B	93.044	14,451	
				14,451
VETERANS AFFAIRS DEPARTMENT:				
Department of Veterans Affairs	Veterans Administration	64.047	10,826	
				10,826
DEPARTMENT OF AGRICULTURE:				
PILT		15.226	12,825	
Food Stamp Admin.	CO Dept of Human Services	10.561	86,736	
				99,561
U.S. DEPARTMENT OF TREASURY				
Local Assistance and Tribal Consistency Fund		21.032	10,678	
				10,678
DEPARTMENT OF HOMELAND SECURITY:				
Department of Homeland Security	Dept of Homeland Security	97.042	37,017	
				37,017
TOTAL FEDERAL FDINANCIAL AWARDS				$ 1,011,108

Crowley County, Colorado
Notes to Schedule of Expenditures of Federal Awards
December 31, 2025

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Crowley County (the "County"). The County's reporting entity is defined in Note I to the general-purpose financial statements. All federal financial assistance received by the primary government directly from federal agencies, as well as federal financial assistance passed through other government agencies, including the State of Colorado, is included on the schedule.

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the County 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 the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

The County received federal awards indirectly through pass-through entities. Federal financial assistance provided to a sub-recipient, if any, is treated as an expenditure when it is paid to the sub-recipient.

The County has elected not to use the 10 percent de minim is indirect cost rate allowed under the Uniform Guidance.

Note 2 Federal Financial Assistance Listing

Federal Financial Assistance Listing (ALN) is managed and administered by the General Services Administration, formerly known as the Catalog of Federal Domestic Assistance (CFDA).

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Independent Auditor's Report

Board of County Commissioners
Crowley County, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Crowley County'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 auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditor's 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.

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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.

Auditor's 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 GAAS, *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 GAAS, *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 Auditor's 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 weaknesses, 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.

rfarmer, llc

July 14, 2026