Elbert County, Colorado

Annual Financial Report
For the year Ended December 31, 2025

Contents

Contents

Page

Required Supplementary Information

Supplementary Information

Contents

Page

Other Schedule

ELBERT COUNTY GOVERNMENT

215 Comanche St.
P.O. Box 7
Kiowa, CO 80117

July 29, 2026

To the Board of County Commissioners and the Citizens of Elbert County:

The Comprehensive Annual Financial Report of Elbert County, Colorado for the fiscal year ended December 31, 2025 is hereby submitted.

This report consists of management's representations concerning the finances of Elbert County. Consequently, management assumes full responsibility for both the accuracy of the presented data, and for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of Elbert County has established internal controls that are designed both to protect the taxpayers' assets from loss, theft or misuse and to compile sufficient reliable information of the preparation of the Elbert County financial statements in conformity with Generally Accepted Accounting Principles in the United States of America (US GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Since the cost of internal controls should not outweigh their benefits, Elbert County's internal controls have been designed to provide reasonable assurance the financial statements will be free from material misstatement.

To the best of our knowledge and belief, this financial report is accurate in all material aspects and reported in a manner which fairly represents the financial position and results of operations of Elbert County as measured by the financial activity of its various funds. Further, we believe all disclosures that are necessary to enable the reader to gain the maximum understanding of Elbert County's financial activities have been included.

Colorado Revised Statute (CRS) 29-1-603 requires local governments to have an annual audit of their financial statements, performed in accordance with generally accepted auditing standards, by a firm of licensed certified public accountants. CRS 29-6-605 requires the financial statements be presented in conformity with US GAAP.

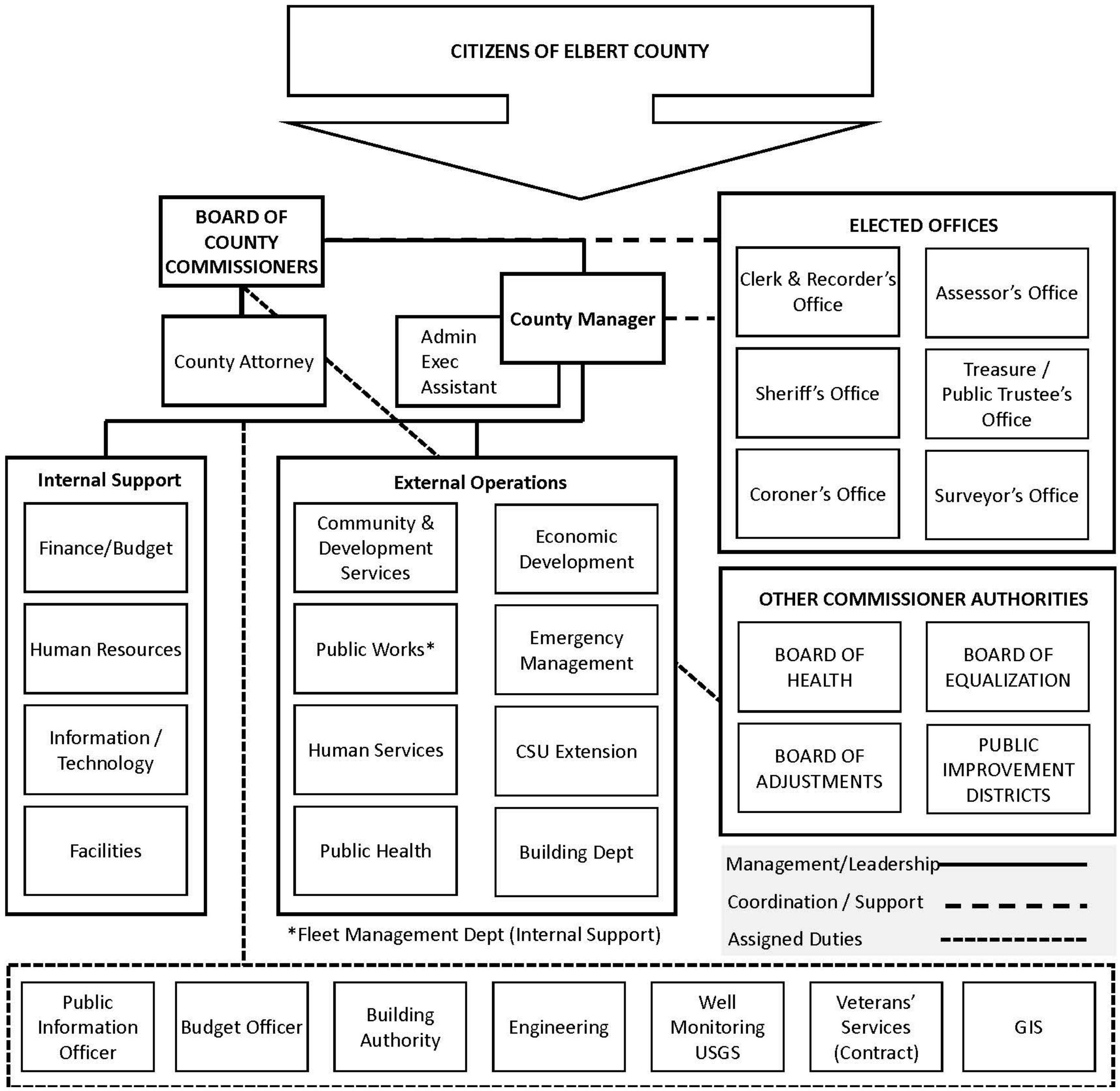
The County's financial statements have been audited by RubinBrown, LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County, for the fiscal year ended December 31, 2025, are free of material misstatement. The independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements, assessing the accounting policies used as well as the reasonableness of estimates made by management, and evaluating the overall financial statement presentation. The independent auditor, based upon their audit, rendered an unmodified opinion, concluding that these financial statements are fairly presented in conformity with US GAAP. The independent auditor's report is presented in the financial section of this report. In addition to meeting the requirements set forth in state statutes, the audit included a federally mandated "Single Audit" designed to meet the needs of federal grantor agencies (Single Audit Act

Respectfully submitted,

Shawn Fletcher
County Manager

Tiffany Hermes

Tiffany Hermes
Finance Director


CITIZENS OF ELBERT COUNTY
BOARD OF COUNTY COMMISSIONERS
County Attorney
Admin Exec Assistant
County Manager
ELECTED OFFICES
Clerk & Recorder's Office
Assessor's Office
Sheriff's Office
Treasure / Public Trustee's Office
Coroner's Office
Surveyor's Office
Internal Support
Finance/Budget
Human Resources
Information / Technology
Facilities
External Operations
Community & Development Services
Economic Development
Public Works*
Emergency Management
Human Services
CSU Extension
Public Health
Building Dept
OTHER COMMISSIONER AUTHORITIES
BOARD OF HEALTH
BOARD OF EQUALIZATION
BOARD OF ADJUSTMENTS
PUBLIC IMPROVEMENT DISTRICTS
Management/Leadership
Coordination / Support
Assigned Duties
*Fleet Management Dept (Internal Support)
Public Information Officer
Budget Officer
Building Authority
Engineering
Well Monitoring USGS
Veterans' Services (Contract)
GIS

Elected & Appointed Officials

Elbert County 2025 Budget Team

Board of County Commissioners

Mike Buck - District One - Vice Chairman
Dallas Schroeder - District Two
Byron McDaniel - District Three - Chairman

Elected Officials

Susan Murphy - Assessor
Rhonda Braun - Clerk & Recorder
Sandy Graeff - Coroner
Sherry Hewlett - Trustee/Treasurer
Tim Norton - Sheriff
Sam Gallucci - Surveyor

Department Directors

Marc Dettenrieder - Community and Development Services
Kali Benson - CSU Extension
Darcy Bolding - Department of Human Services
Tiffany Hermes- Finance
Dolores Grady - Human Resources
Chris Bowman - Information Technology
Aaron Borne - Office of Emergency Management
Sarah McIntosh - Public Health
Monty Hankins - Public Works

RubinBrown

1900 16th Street
Suite 1700
Denver, CO 80202

T: 303.698.1883
E: info@rubinbrown.com
www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of County Commissioners
Elbert County, Colorado
Kiowa, Colorado

Report On The Audit Of The Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County, as of December 31, 2025, and the respective changes in financial position 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities Of Management For The Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities For The Audit Of The Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 14 and 49 through 55, respectively, 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, which 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 GAAS, 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 combining and individual fund statements and schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules and the Local Highway Finance Report, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information, otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2026 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

RubinBrown LLP

July 29, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Board of County Commissioners offers this narrative overview and analysis of Elbert County's financial activities for the year ended December 31, 2025.

Financial Highlights

- The assets and deferred outflows of resources of Elbert County (the County) exceeded its liabilities and deferred inflows of resources at December 31, 2025 by $144.8 million (net position), $38.9 million (unrestricted net position) is available to meet ongoing and future obligations of the County).

- The County's total net position increased by $3.3 million.

- As of December 31, 2025, the County's governmental funds reported combined ending fund balances of $41.3 million, an increase of $2.7 million from 2024.

- The County's net investment in capital assets as of December 31, 2025 amounts to $104.1 million (net of accumulated depreciation), a net increase of $0.3 million.

- The County's long-term debt liabilities totaled $22.0 million at the end of 2025. The $0.9 million increase from 2024 was primarily due to new financing leases exceeding principal payments during 2025.

- On December 31, 2025, the unassigned fund balance for the General Fund was $10.7 million.

- During 2025, the County increased committed stabilization fund balance and assigned contingency fund balance in the General Fund by $2.0 million and $0.5 million, respectively. As of December 31, 2025 total stabilization fund balance in the General Fund is $5.9 million and total contingency fund balance in the General Fund is $1.0 million.

- The County, through various departments such as the County Treasurer and the County Clerk and Recorder, collects funds on behalf of other governments, organizations, and individuals. During the year ended December 31, 2025 these collections totaled $54.0 million.

Overview of the Financial Statements

This discussion and analysis is an introduction to the County's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report contains supplementary information and schedules in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The government-wide financial statements use an economic resource measurement focus and the full accrual basis of accounting to present the Statement of Net Position and the Statement of Activities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fiduciary fund assets held by the County for other parties are not included in the government-wide financial statements because resources of these funds are not available to support the County's own programs.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Both government-wide financial statements identify functions of the County that are principally to be supported by taxes and intergovernmental revenue (governmental activities). The governmental activities of the County include general government, public safety, public works, public health and welfare, culture and recreation, auxiliary services, and debt service.

Fund financial statements. 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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the County include both governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statement. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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 financing requirements. Revenues and expenses are higher in the fund statements while equity is higher in the government-wide statements. Revenues are higher because of debt proceeds. Expenditures are higher because of capital outlay, some of which is offset by depreciation expense.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, Road and Bridge Special Revenue Fund, Human Services Special Revenue Fund, and the Sales and Use Tax Special Revenue Fund, all of which are considered major funds. Data for the other 8 governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its major and nonmajor governmental funds. All funds are adopted on the GAAP basis of accounting except for the General, Road and Bridge, Law Enforcement Assistance, and the Sales and Use Tax Funds. Amounts expended as the result of capital lease proceeds are not included in the budgeted revenues or expenditures. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Fiduciary funds. Fiduciary funds are used to account for assets held for the benefit of parties outside the County. The County uses three fiduciary funds, which include activities associated with property tax collections, The Custodial Treasurer's Fund which includes Clerk & Recorder collections, and Other Custodial Funds. The Other Custodial Funds include the Office of the Public Trustee, CSU Extension, Sheriff's Office evidence, County inmates, and two Sheriff's Office foundations. All the County's fiduciary funds are classified as custodial funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of 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 presents required supplementary information and budgetary comparison statements for the major governmental funds.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

This report also contains a local highway finance report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $144.8 million.

The largest portion of the County's net position (72%) reflects its investment in capital assets. This compares to the December 31, 2024 percentage of 73%. However, the County uses its capital assets to provide services to citizens;consequently, the assets are not available for future spending.

An additional portion of the County's net position (1%) represents resources that are subject to restrictions on how they can be used and/or are not currently available for the County's ongoing obligations.

The County's Unrestricted Net Position, or liquid net assets, increased $0.8 million dollars from 2024 to 2025, an increase of 2.1%.

At the end of 2025, the County reported positive balances in all three categories of net position.

Net Position

	2025	2024
Current assets	$ 64,729,821	$ 59,077,262
Capital assets	125,063,960	123,921,581
Total assets	189,793,781	182,998,843
Current liabilities	2,813,789	2,114,599
Long-term liabilities	21,958,172	21,091,195
Total liabilities	24,771,961	23,205,794
Deferred inflows of resources	20,242,661	18,272,836
Net investment in capital assets	104,127,077	103,790,414
Restricted net position	1,736,344	1,581,718
Unrestricted net position	38,915,738	36,148,081
Total net position	$ 144,779,159	$ 141,520,213

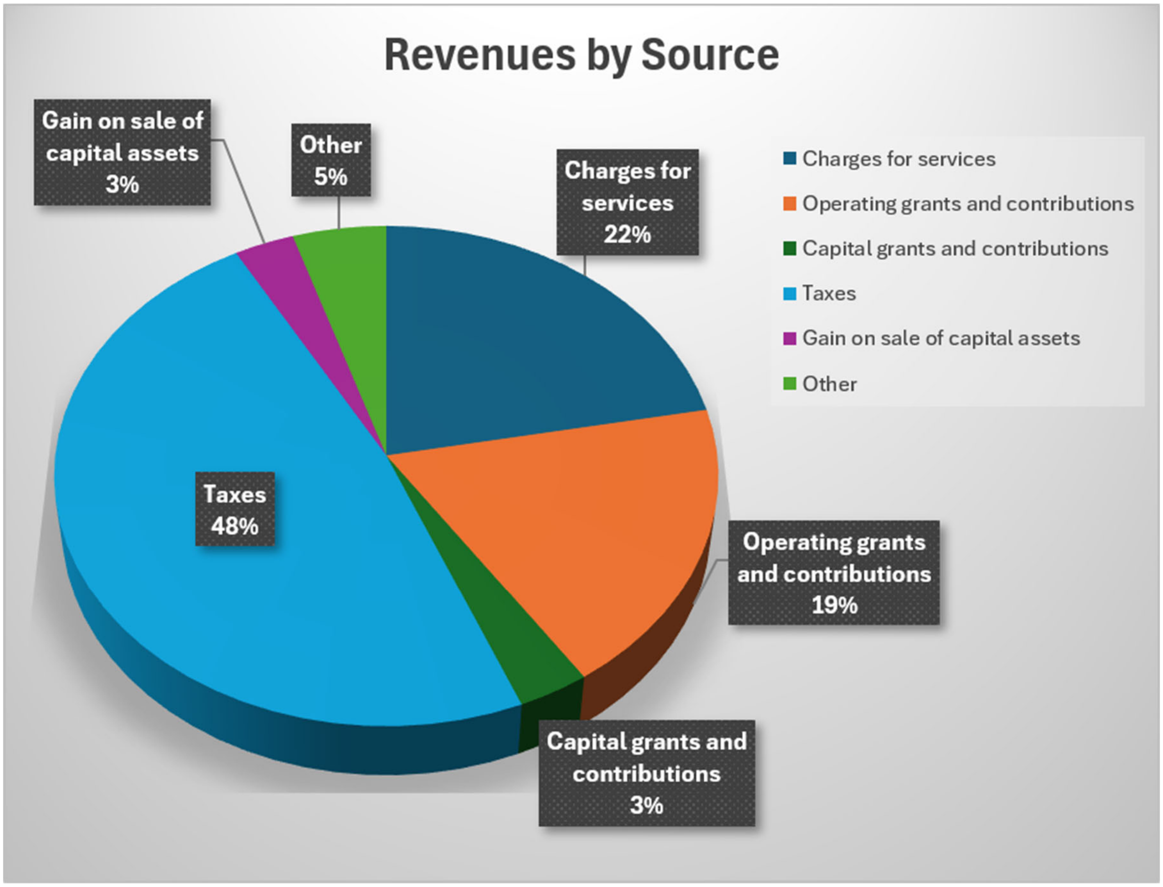
The County's total net position increased by $3.3 million during the 2025 fiscal. Total revenues decreased $28.9 million in the current year with a $33.6 million decrease in capital grants and contributions. The decrease in capital grants and contributions is largely the result of the County receiving one-time significant developer contributed roads in the amount of $33.9 million during the prior year. The significant decrease in capital grants and contributions was offset, in part, by an increase in taxes of $2.3 million and an increase in charges for services of $2.1 million. Expenses increased in all categories except culture and recreation, with the largest increases occurring in the general government, public safety, and public works categories. The increase in expenses is largely attributable to increased personnel expenses associated with a 3% cost of living adjustment, merit increases, and additional staff members. Additionally, the County continued to incur significant additional public works expenses during 2025 for mitigation and repair of roads and infrastructure damaged from multiple flooding events that occurred in 2023.

Changes in Net Position

	2025	2024
Revenues		
Program revenues		
Charges for services	$ 12,353,846	$ 10,266,086
Operating grants and contributions	10,409,410	10,668,827
Capital grants and contributions	1,737,678	35,353,793
General revenues		
Taxes	26,914,317	24,613,741
Intergovernmental	-	-
Investment and interest income	1,711,066	2,027,504
Gain on sale of capital assets	1,809,304	945,539
Other	1,052,591	1,055,002
Total revenues	55,988,212	84,930,492
Expenses		
General government	12,208,091	10,981,983
Public safety	12,302,334	10,071,889
Public works	19,230,152	17,291,474
Public health and welfare	7,168,194	6,613,714
Culture and recreation	521,826	655,789
Auxiliary services	308,144	204,059
Pooled vehicles	409,563	136,161
Interest on long-term debt	580,962	247,685
	52,729,266	46,202,754
Change in net position	3,258,946	38,727,738
Net position - Beginning (restated)	141,520,213	102,792,475
Net position Ending	$ 144,779,159	$ 141,520,213

A County government is not expected to generate enough revenues to pay for most programs. For the year ended December 31, 2025, program revenues covered approximately 46% of the program costs.

The sources of revenues are shown in the following graph. Taxes, which include property, specific ownership, sales, and use taxes, are approximately 48% of total revenues. Operating and capital grants are about 22% of the County’s revenues. Charges for services account for around 22% of the County’s revenues. Gain on sale of capital assets and other revenues are the remaining 8%.



<u>Financial Analysis of the Government's Funds</u>
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds
The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted fund balances may serve as a useful measure of a County's net resources available for spending at the end of the year.

As of December 31, 2025, the County's governmental funds reported combined ending fund balances of $41.3 million, of which $34.0 million or 82%, is attributed to the major funds.

The General Fund is the chief operating fund of the County. At the end of 2025, fund balance of the General Fund was $20.5 million, of which $10.7 million was unassigned. As a measure of the General Fund's liquidity, unassigned fund balance represents 44% of the General Fund expenditures of $24.0 million. The General Fund balance increased $1.3 million during 2025. General Fund revenues increased $3.0 million in the current year with a $1.7 million increase in taxes, a $1.8 million increase in licenses and permits, a $0.2 million decrease in intergovernmental revenue, and a $0.3 million decrease in net investment income. The increase in taxes is mainly due to a $1.7 million increase in property taxes, which was a result of the change in mills levied between years. The temporary mill reduction of 1.483 mills present in the 2024 certification was not carried forward into 2025, resulting in total General Fund mills increasing from 12.892 in 2024 to 14.831 in 2025. The increase in licenses and permits was largely driven by a one-time cost of construction payment in the amount of $3.3 million from Sundance Solar LLC, which was offset in part, by decreases in planning and subdivision improvement agreement (SIA) revenues. General Fund total expenditures increased $5.1 million with a $1.2 million increase in general government, a $2.1 million increase in public safety, and a $1.1 million increase in capital outlay. The increase in general government and public safety expenditures is largely attributable to increased personnel expenses associated with a 3% cost of living adjustment, merit increases, and additional staff members. The increase in capital outlay expenditures is largely attributable to expenditures associated with leases and subscription-based information technology arrangements (SBITAs). Additionally, due to closeout of the Grant Fund in 2024, various grant program revenues and expenditures are now being reported in the General Fund.

At the end of 2025, total fund balance of the Road and Bridge Fund was $2.2 million, a $0.6 million increase from 2024. Public works revenues increased $0.6 million as compared to 2024 with a $0.3 million increase in each taxes and charges for services. Additionally, other financing sources increased $0.8 million with a $0.3 million increase in proceeds and issuance of leases and a $0.4 million increase in insurance recoveries.

Fund balance of the Human Services Fund was $2.3 million as of December 31, 2025. The Human Services Fund balance increased $0.4 million from the previous year. Human Services Fund revenues and expenditures each increased $0.7 million from 2024.

At the end of 2025, total fund balance of the Sales and Use Tax Fund was $8.9 million. Fund balance of the Sales and Use Tax Fund decreased $1.0 million during 2025, which is attributable to continued significant capital outlay expenditures. Of the total capital outlay expenditures of $6.7 million, $4.7 million were road improvement projects.

Original Budget Compared to Final Budget

The Board of County Commissioners adopted supplemental appropriations to increase expenditures as follows:

Fund	Amount	Reason
General	$ 1,000,000	Additional contract service and capital purchases
Road and Bridge	750,000	Increased expenses for daily operations and contract services
Law Enforcement Assistance Fund	55,000	Insurance repairs
Human Services Fund	1,045,000	Government pass-through expenditures
Sun Country Meadows Debt Service	6,000	Treasurer fees
Growth and Development	700,000	Intergovernmental transfer of escrow funds.

Capital Assets

The County's investment in capital assets as of December 31, 2025 amounts to $125.0 million (net of accumulated depreciation), a net increase of $1.1 million. This investment in capital assets includes land, water rights, buildings, equipment, infrastructure (roads, bridges, and drainage systems), construction in progress, and right to use assets (leased equipment and technology subscriptions).

Major capital asset events during 2025 included:

- Road rebuild and improvement projects
- Replacement of public works motor graders
- Additions of public works semi tractor equipment
- Additions of public safety vehicles

A detail of capital assets at December 31, 2025 and 2024 is as follows:

Capital Assets
(net of depreciation and amortization)

	December 31, 2025	December 31, 2024
Capital assets, not being depreciated:		
Water rights	$ 4,100,445	$ 4,100,445
Land	2,442,291	2,442,291
Construction in progress	1,670,224	295,514
Total capital assets, not being depreciated	8,212,960	6,838,250
Capital assets, being depreciated:		
Buildings	8,299,291	8,418,343
Equipment	5,820,740	4,595,150
Infrastructure	80,064,019	82,527,726
Total capital assets, being depreciated	94,184,050	95,541,219
Right to use assets, being amortized		
Buildings	13,306,845	13,667,301
Equipment	8,204,701	6,583,600
Information technology subscriptions	1,155,404	1,291,211
Total right to use assets, being amortized	22,666,950	21,542,112
Total capital assets	$ 125,063,960	$ 123,921,581

Additional information on the County's capital assets can be found in Note 4 beginning on page 37 of this report.

Long-Term Debt

As of December 31, 2025, the County had total long-term debt outstanding of $22.0 million. Long-term debt issuances include the Limited Tax General Obligation Bonds of Sun County Meadows Public Improvement District, the Jail Lease Revenue Refunding Bonds Series 2020, lease liabilities used for financing equipment, vehicles, and the public works building, subscription based information technology, and compensated absences.

A detail of long-term outstanding debt as of December 31, 2025 and 2024 is as follows:

Outstanding Debt

	December 31, 2025	**December 31, 2024**
Debt from direct borrowings and placements		
Limited tax general obligation bonds	$ 1,231,121	$ 1,308,855
Jail lease refunding 2020	2,400,430	2,810,678
Lease liabilities	16,204,546	15,177,112
Subscription based information technology	999,857	807,312
Compensated absences	1,122,218	987,238
	$21,958,172	$21,091,195

Additional information on the County's long-term debt can be found in Note 5 beginning on page 38 of this report.

Economic Factors and Next Year's Budget

The County has appropriated $56.6 million for spending in the 2026 fiscal year budget. Budgeted 2026 revenue of $51.7 and the use of accumulated fund balances is sufficient to cover the appropriated expenditures in 2026. For the 2026 fiscal year, the fund balances of all County funds are expected to decrease about $4.9 million. This expected decrease in fund balances is primarily a result of intentional spend-down of accumulated fund balances for one-time capital project and equipment expenditures that include significant road improvement projects.

Requests for Information

This financial report is designed to provide a general overview of Elbert County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Elbert County, P.O. Box 7, Kiowa, Colorado 80117.

ELBERT COUNTY, COLORADO

STATEMENT OF NET POSITION
December 31, 2025

	Governmental Activities
Assets	
Cash and investments	$ 40,055,533
Accounts receivable	3,001,919
Due from other governments	109,632
Property taxes receivable	20,242,661
Inventory of supplies	929,028
Prepaid expenses	233,501
Cash and investments - restricted	157,547
Capital assets, not being depreciated	
Land, water rights and construction in progress	8,212,960
Capital assets, net of accumulated depreciation	
Buildings, equipment and infrastructure	94,184,050
Right to use assets, net of accumulated amortization	
Buildings, equipment, infrastructure and subscriptions	22,666,950
Total Assets	189,793,781
Liabilities	
Accounts payable and accrued liabilities	1,743,335
Accrued interest payable	139,062
Due to other governments	617,416
Unearned revenues	313,976
Noncurrent liabilities	
Due within one year	3,918,968
Due in more than one year	18,039,204
Total Liabilities	24,771,961
Deferred Inflows Of Resources	
Property taxes and assessments	20,242,661
Net Position	
Net investment in capital assets	104,127,077
Restricted	
Emergency reserves	750,029
Other purposes	54,903
Capital asset purchases	143,845
Clerk and Recorder's technology fee	88,538
Conservation trust	699,029
Unrestricted	38,915,738
Total Net Position	$ 144,779,159

ELBERT COUNTY, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants And Contributions	Program Revenues: Capital Grants And Contributions	Net (Expense) Revenue And Changes In Net Position: Governmental Activities
Primary government:					
Governmental activities:					
General government	$ 12,208,091	$ 2,707,810	$ 382,081	$ —	$ (9,118,200)
Sheriff	10,069,947	640,602	494,688	—	(8,934,657)
Community Development Services	1,227,674	3,802,894	—	—	2,575,220
Building	1,004,713	2,381,951	—	—	1,377,238
Public works	19,230,152	2,118,676	3,483,543	1,519,312	(12,108,621)
Public health and welfare	7,168,194	275,686	6,049,098	—	(843,410)
Culture and recreation	521,826	426,227	—	218,366	122,767
Auxiliary services	308,144	—	—	—	(308,144)
Pooled vehicles	409,563	—	—	—	(409,563)
Interest on long-term debt	580,962	—	—	—	(580,962)
Total Primary Government	$ 52,729,266	$ 12,353,846	$ 10,409,410	$ 1,737,678	(28,228,332)

General Revenues:	
Property and specific ownership taxes	20,293,331
Sales tax	4,474,095
Use tax	2,129,569
Other taxes	17,322
Investment earnings	1,711,066
Other	1,809,304
Gain on disposal of assets	1,052,591
Total General Revenues	31,487,278
Change In Net Position	3,258,946
Net Position - Beginning Of Year	141,520,213
Net Position - End Of Year	$ 144,779,159

ELBERT COUNTY, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2025

Assets

	General	Road and Bridge	Human Services	Sales and Use Tax	Nonmajor Governmental Funds	Total Governmental Funds
Cash and investments with Treasurer	$ 21,272,715	$ 992,528	$ 2,211,845	$ 8,076,193	$ 7,502,252	$ 40,055,533
Cash and investments - restricted	14,753	—	—	—	142,794	157,547
Accounts receivable	694,430	765,871	—	1,470,567	71,051	3,001,919
Due from other funds	119,419	11,733	117,209	192,168	15,234	455,763
Advances to other funds	—	—	—	109,811	—	109,811
Due from other governments	—	—	109,632	—	—	109,632
Property taxes receivable	12,056,129	6,729,332	562,430	—	894,770	20,242,661
Prepaid expenses	233,146	355	—	—	—	233,501
Inventory of supplies	3,729	925,299	—	—	—	929,028
Total Assets	$ 34,394,321	$ 9,425,118	$ 3,001,116	$ 9,848,739	$ 8,626,101	$ 65,295,395

Liabilities And Deferred Inflows Of Resources And Fund Balances

	General	Road and Bridge	Human Services	Sales and Use Tax	Nonmajor Governmental Funds	Total Governmental Funds
Liabilities						
Accounts payable	$ 347,550	$ 250,816	$ 28,613	$ 424,691	$ 106,572	$ 1,158,242
Retainage payable	—	—	—	145,445	—	145,445
Accrued expenses	387,369	—	52,279	—	—	439,648
Due to other governments	581,854	—	—	—	35,562	617,416
Due to other funds	130,238	206,135	—	—	119,390	455,763
Unearned revenue	241,646	1,876	16,474		53,980	313,976
Advances from other funds	—	—	—	—	109,811	109,811
Total Liabilities	1,688,657	458,827	97,366	570,136	425,315	3,240,301
Deferred Inflows Of Resources						
Property taxes	12,056,129	6,729,332	562,430	—	894,770	20,242,661
Unavailable revenues	168,745	—	—	351,078	—	519,823
Total Deferred Inflows of Resources	12,224,874	6,729,332	562,430	351,078	894,770	20,762,484
Fund Balances						
Nonspendable:						
Prepaid expenses	233,146	355	—	—	—	233,501
Inventory	3,729	925,299	—	—	—	929,028
Restricted:						
Emergency reserves	483,133	195,367	30,610	—	40,919	750,029
Other purposes	18,202	—	36,701	—	—	54,903
Capital asset purchases	1,051	—	—	—	142,794	143,845
Clerk and Recorder's technology fee	88,538	—	—	—	—	88,538
Conservation trust	—	—	—	—	699,029	699,029
Committed:						
Stabilization	5,850,000	—	—	—	—	5,850,000
Assigned:						
Contingency	1,000,000	1,000,000	—	—	—	2,000,000
Transportation	—	115,938	—	8,927,525	—	9,043,463
Public health and welfare	—	—	2,274,009	—	352,274	2,626,283
Public safety	—	—	—	—	222,123	222,123
Capital projects	—	—	—	—	5,054,629	5,054,629
Debt service	—	—	—	—	412,101	412,101
Retirement	—	—	—	—	382,147	382,147
Subsequent year's budget:						
Appropriation of fund balance	2,152,021	—	—	—	—	2,152,021
Unassigned	10,650,970	—	—	—	—	10,650,970
Total Fund Balances	20,480,790	2,236,959	2,341,320	8,927,525	7,306,016	41,292,610
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	$ 34,394,321	$ 9,425,118	$ 3,001,116	$ 9,848,739	$ 8,626,101	$ 65,295,395

ELBERT COUNTY, COLORADO

RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS
December 31, 2025

Total Fund Balance - Total Governmental Funds	$ 41,292,610
Amounts Reported For Governmental Activities In The Statement Of Net Position Are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	125,063,960
Accrued interest payable is not due and therefore is not included in the funds.	(139,062)
Unavailable revenues	519,823
Noncurrent liabilities, including compensated absences, leases and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(21,958,172)
Net Position Of Governmental Activities	$ 144,779,159

ELBERT COUNTY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	General	Road And Bridge	Human Services	Sales And Use Tax	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 12,083,135	$ 6,277,273	$ 991,176	$ 6,603,664	$ 959,069	$ 26,914,317
Licenses and permits	6,136,274	—	—	—	—	6,136,274
Intergovernmental	876,769	4,628,246	5,782,631	96,786	484,833	11,869,265
Charges for services	2,933,643	870,040	—	—	2,413,889	6,217,572
Net investment income	1,482,066	9,236	1,358	—	218,406	1,711,066
Miscellaneous	373,940	57,386	27,796	—	67,926	527,048
Total Revenues	23,885,827	11,842,181	6,802,961	6,700,450	4,144,123	53,375,542
Expenditures						
Current						
General government	9,812,300	188,590	—	193,719	1,436,091	11,630,700
Public safety:						
Sheriff	8,822,637	—	—	—	396,052	9,218,689
Community Development Services	1,223,760	—	—	—	—	1,223,760
Building	980,651	—	—	—	—	980,651
Public works	—	9,676,532	—	16,279	—	9,692,811
Public health and welfare	—	—	6,434,127	—	628,445	7,062,572
Culture and recreation	338,575	—	—	—	35,275	373,850
Auxiliary services	304,226	—	—	—	—	304,226
Pool vehicles	269,354	—	—	—	—	269,354
Debt service						
Principal and interest	286,213	1,221,698	—	659,489	976,648	3,144,048
Capital outlay	1,928,892	3,195,496	—	6,688,753	1,128,175	12,941,316
Total Expenditures	23,966,608	14,282,316	6,434,127	7,558,240	4,600,686	56,841,977
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(80,781)	(2,440,135)	368,834	(857,790)	(456,563)	(3,466,435)
Other Financing Sources (Uses)						
Issuance of debt	1,514,655	1,333,819	—	—	907,812	3,756,286
Insurance recoveries	302,331	491,258	72,560	—	416,107	1,282,256
Sale of general capital assets	51,745	900,790	—	165,000	17,500	1,135,035
Transfers in	—	350,000	—	—	522,213	872,213
Transfers out	(522,213)	—	—	(350,000)	—	(872,213)
Total Other Financing Sources (Uses)	1,346,518	3,075,867	72,560	(185,000)	1,863,632	6,173,577
Net Change In Fund Balances	1,265,737	635,732	441,394	(1,042,790)	1,407,069	2,707,142
Fund Balances - Beginning Of Year	19,215,053	1,601,227	1,899,926	9,970,315	5,898,947	38,585,468
Fund Balances - End Of Year	$ 20,480,790	$ 2,236,959	$ 2,341,320	$ 8,927,525	$ 7,306,016	$ 41,292,610

ELBERT COUNTY, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
Year Ended December 31, 2025

Net Change In Fund Balances - Total Governmental Funds		$ 2,707,142
Amounts Reported For Governmental Activities In The Statement Of Activities Are Different Because:		
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
Other revenue		277,823
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation and amortization expense. This is the amount by which capital outlay and donated infrastructure exceeded depreciation and gain on the disposal of assets in the current period		
Capital outlay	$ 12,941,316	
Net effect of various miscellaneous transactions involving capital assets (i.e. dispositions, adjustments) to increase net position	(82,444)	
Depreciation and amortization	(11,716,333)	1,142,539
The issuance of long-term debt (e.g., leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Leases and subscriptions financing	(3,756,286)	
Principal payments	3,024,289	(731,997)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
Change in compensated absences	(134,980)	
Change in accrued interest	(1,581)	(136,561)
Change In Net Position Of Governmental Activities		$ 3,258,946

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
December 31, 2025

	Custodial Funds			
	Property Tax Fund	Custodial Treasurer's Fund	Other Custodial Funds	Total
Assets				
Cash and investments	$ 630,641	$ 581,747	$ 663,689	$ 1,876,077
Accounts receivable	—	—	10,251	10,251
Property taxes receivable	45,208,869	—	—	45,208,869
Total Assets	45,839,510	581,747	673,940	47,095,197
Liabilities				
Accounts payable	—	—	6,591	6,591
Due to other governments	532,928	530,965	13,231	1,077,124
Other liabilities	97,713	—	1,000	98,713
Total Liabilities	630,641	530,965	20,822	1,182,428
Deferred Inflows Of Resources				
Unavailable revenue-property taxes	45,208,869	—	—	45,208,869
Net Position				
Restricted for individuals, organizations and other governments	$ —	$ 50,782	$ 653,118	$ 703,900

STATEMENT3 OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
Year Ended December 31, 2025

	Custodial Funds			
	Property Tax Fund	Custodial Treasurer's Fund	Other Custodial Funds	Total
Additions				
Tax collections for other governments	$ 44,715,504	$ —	$ —	$ 44,715,504
County Clerk and Recorder collections	—	7,064,115	—	7,064,115
County Extension collections	—	—	52,392	52,392
Deposits from inmates	—	—	243,320	243,320
Sheriff's Office Community Foundation collections	—	—	40,098	40,098
Sheriff's Office Foundation collections	—	—	290,630	290,630
Sheriff's Office K-9 collections	—	—	44,397	44,397
Office of the Public Trustee receipts	—	—	1,563,642	1,563,642
Miscellaneous collections	—	10,572	—	10,572
Interest	—	—	15	15
Total Additions	44,715,504	7,074,687	2,234,494	54,024,685
Deductions				
Payments of taxes to other governments	44,715,504	—	—	44,715,504
County Clerk and Recorder payments to other governments	—	7,064,115	—	7,064,115
County Extension disbursements	—	—	49,896	49,896
Payments on behalf of inmates	—	—	221,183	221,183
Sheriff's Office Community Foundation disbursements	—	—	41,803	41,803
Sheriff's Office Foundation disbursements	—	—	196,908	196,908
Sheriff's Office K-9 disbursements	—	—	18,298	18,298
Office of the Public Trustee disbursements	—	—	1,562,616	1,562,616
Other	—	8,013	—	8,013
Total Deductions	44,715,504	7,072,128	2,090,704	53,878,336
Net Increase In Fiduciary Net Position	—	2,559	143,790	146,349
Net Position - Beginning Of Year	—	48,223	509,328	557,551
Net Position - End Of Year	$ —	$ 50,782	$ 653,118	$ 703,900

1. Definition Of Reporting Entity

Elbert County, Colorado (the County) is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member elected Board of County Commissioners (the Board), responsible for setting policy, appointing administrative personnel, and the adoption of an annual budget in accordance with State statutes. The County provides the following services: public safety, health and welfare, fairground facilities construction and maintenance, construction and maintenance of roads and bridges, and general administrative services.

The County follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's reporting entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Based on the application of these criteria, the County is financially accountable for the Elbert County Building Authority (the Building Authority), Foxwood Estates and Foxwood Ranches Public Improvement District (Foxwood Estates), and Sun Country Meadows Public Improvement District (Sun Country Meadows). These entities are reported as blended component units within the debt service funds of the County. The Building Authority's capital assets are reflected in the County's capital assets and its debt is recorded in the County's long-term debt. The Building Authority was registered with the State of Colorado as a nonprofit corporation on November 11, 2005. The Building Authority is governed by a Board of Directors that consists of three members. The County Commissioners established the initial Board. Any future changes to Board members will be decided by a majority vote of the existing members. The Building Authority provides services entirely, or almost entirely, to the County. For Foxwood Estates and Sun Country Meadows, the County Commissioners are the Board of Directors of the Districts. In addition, the County is obligated in some manner for the debt of these Districts. The financial statements of the component units are found only in this document.

2. Summary Of Significant Accounting Policies

The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to government units. The following is a summary of the more significant policies.

Government-Wide And Fund Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities. These financial statements include all activities of the primary government except for the fiduciary activities. During the course of operations, the County has activity between funds for various purposes. As more fully described in Note 10 to the financial statements, any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds.

While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the primary government. The difference between the assets and deferred outflows of resources, less liabilities and deferred inflows of resources of the County is reported as net position. The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis Of Accounting, And Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets, and payment of principal for bonds, leases, and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The County has determined that expenditure-driven grants should be recognized as soon as all eligibility criteria have been met. For this purpose, the County considers grant revenues to be available if they are anticipated to be collected within a year after the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, sales taxes, and grant funding. All other revenue items are considered measurable and available only when cash is received by the County. Expenditures, other than interest on long-term obligations, interest on leases, and certain compensated absences, are recorded when the liability is incurred, or the long-term obligation is due.

<u>*Major Funds*</u> - In the fund financial statements, the County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The *Road and Bridge Fund* accounts for the proceeds of restricted revenue to be used for maintaining road and bridge operations.
- The *Human Services Fund* accounts for federal and state resources received by the County for various social programs as well as a portion of the County property taxes designated for this purpose.
- The *Sales and Use Tax Fund* accounts for the revenue generated by the 1% sales and use tax on applicable sales and purchases within the County.

Nonmajor Funds - The County reports two nonmajor governmental funds that account for debt service requirements of the following special improvement districts: 1) Bond Redemption 2) Sun Country Meadows. The County reports five nonmajor special revenue funds: 1) Law Enforcement Assistance, 2) Growth and Development, 3) Public Health and Administration, 4) Retirement, and 5) Conservation Trust. The County also reports one nonmajor capital projects fund, the Capital Improvement Fund.

The Custodial Funds are fiduciary in nature and present changes in fiduciary net position. Custodial Funds are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. These funds are used to account for assets that the County holds for others in a fiduciary capacity (e.g., taxes collected by the Treasurer, fees and taxes collected by the Clerk and Recorder for the benefit of other governments, amounts held by the Sheriff's Office and the County Extension Office and the Office of the Public Trustee).

Budgets

In accordance with the State Budget Law, the County Commissioners hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level, which includes other financing uses, and lapses at year end. The County Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The General, Road and Bridge, Sales and Use Tax, and Law Enforcement Assistance Funds do not budget or appropriate amounts related to entering into lease transactions or provisions related to buy back guarantees as entering into a capital lease does not provide for or use financial resources. The payments required under capital lease agreements are budgeted.

None of the Custodial Funds present a budget to actual statement. After consultation with the State of Colorado and GASB, management believes that there is no requirement for custodial funds to adopt a budget.

Assets, Liabilities, Deferred Outflows/Inflows Of Resources And Net Position/Fund Balances

Cash and Investments - Except for cash held by third parties (cash and investments with trustee and lessor), all cash is deposited with the County Treasurer. The Treasurer invests the funds to achieve the best possible return on the investment while ensuring the principal is maintained. All funds record cash and investments as cash and investments with County Treasurer. Net investment income is allocated to the General, Conservation Trust and Growth and Development Funds, in accordance with statutory requirements. Cash equivalents are defined as investments with original maturities of three months or less. Investments are stated at fair value, with the exception of the local government investment pool, which is stated at the net asset value of the shares owned.

Accounts Receivable - Accounts receivable relate to amounts earned in 2025 which the County earned or were entitled to during the 2025 fiscal year. The County believes all amounts recorded are fully collectible.

Inventories - Inventories of supplies held for consumption by the General and Road and Bridge Funds are valued at average cost. The cost of inventory is recorded as an expenditure at the time individual inventory items are used. Reported inventories are equally offset by a fund balance reserve which indicates they do not constitute available spendable resources even though they are a component of assets.

Capital Assets - Capital assets, which include property, equipment, and infrastructure (e.g., roads and similar items), intangibles (e.g., water rights) and right-to-use (RTU) lease/subscription assets, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital assets of the County are depreciated using the straight-line method over the estimated economic useful lives:

Buildings	20 - 40 years
Equipment	3 - 15 years
Infrastructure	10 - 30 years

Leases - For arrangements where the County is a lessee, a lease liability and a RTU intangible asset are recognized at the commencement of the lease term. RTU assets represent the County's right to use an underlying asset for the lease term and lease liabilities represent the County' s obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

The RTU asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, and is amortized on a straight-line basis over its useful life. RTU assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses an estimated incremental borrowing rate, that represents the rate at which it could borrow funds for a term equivalent to the lease agreements, as the discount rate for leases. The lease term includes the noncancellable period of the lease plus periods covered by options that are determined to be reasonably certain to be exercised. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Subscriptions - The County has contracts providing the right to use a vendor's software, along or in combination with tangible capital assets, for a specified period of time. For short-term subscription-based information technology arrangements (SBITAs) with a maximum term of 12 months or less at commencement, the County recognizes expenditures based on the provisions of the SBITA agreement. For long-term SBITAs with a term exceeding 12 months at commencement, the County recognizes a SBITA liability and an intangible RTU SBITA asset. SBITA assets are reported with capital assets, and SBITA liabilities are reported with long-term debt in the government-wide statement of net position. SBITA assets are amortized over the term of the agreement, and SBITA liabilities are reduced by the principal portion of the SBITA payments made.

The County uses its estimated incremental borrowing rate as the discount rate for the SBITA liability unless the rate is explicitly stated in the contract. The SBITA term includes the noncancellable period of the SBITA plus periods covered by options that are determined to be reasonably certain to be exercised. SBITA payments included in the measurement of the SBITA liability are comprised of fixed and fixed in-substance payments, payments reasonably certain of being required, and the price of options reasonably certain to be exercised. The SBITA asset is measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the commencement of the SBITA term, including incentives received, plus applicable capitalizable implementation costs. If amendments or other certain circumstances occur that are expected to significantly affect the amount of a SBITA, the present value is remeasured and corresponding adjustments made.

Unearned Revenues - Unearned revenues consist of advances received on grants and fees received in advance of performing services that are recognized as revenue when the terms of the grant are fulfilled or the services are performed.

Compensated Absences - The County has a policy that allows employees to accumulate unused vacation benefits up to certain maximum hours. Compensated absences are accrued at rate and estimated likelihood that the hours will be utilized or paid out in the future. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absence when earned in the government-wide financial statements. A liability is reported in the governmental funds when payment is due.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities financial statements. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Deferred Outflows/Inflows Of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes earned but levied for a subsequent period totaling $20,242,661.

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, governmental funds report fund balance in five different classifications:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form (i.e., inventories or prepaid items) or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - Amounts that can be used only for specific purposes determined by a formal action of the Board, as the Board is the highest level of decision-making body for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

The General Fund's committed fund balance is comprised of a stabilization fund totaling $5,850,000, which can only be used when the decrease in General Fund revenues is more than 5%, the assigned contingency fund, discussed below, is extinguished, or the ending fund balance of the General Fund is less than $400,000.

Assigned - Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes. Included in assigned fund balance is a contingency fund of $1,000,000 in the General Fund and $1,000,000 in the Road and Bridge Fund to be used if there is a catastrophic event to County owned equipment or vehicles or if the County is directly involved in an emergency situation.

Unassigned - All other spendable amounts.

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

Property Taxes

Property taxes are levied by the Board. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to put a tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the County's taxes and taxes for other entities within the County during the ensuing calendar year. The collection and remittance of taxes for other entities is accounted for in a custodial fund. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November. Property taxes levied in the previous year, but collected in subsequent year, are recorded as taxes receivable and a deferred inflow of resources in the year there is an enforceable lien and the amount is measurable. Amounts deferred are subsequently recorded as revenue in the year they were levied for.

Estimates

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

3. Cash And Investments

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

Governmental Activities:		
Cash and investments	$	40,055,533
Cash and investments- restricted		157,547
Total Cash And Investments - Governmental Activities		40,213,080
Fiduciary Activities:		
Cash and investments		1,876,077
Total Cash And Investments	$	42,089,157

Cash and investments consists of the following:		
Cash on hand	$	556
Deposits with financial institutions		25,480,803
Investments		16,607,798
Total Cash And Investments	$	42,089,157

Deposits With Financial Institutions

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

The State Bank Commissioner is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2025, the County's cash deposits had a bank balance of $30,532,262 and a carrying balance of $25,480,803. As of December 31, 2025, of the County’s deposits $2,353,990 was covered by the Federal Deposit Insurance Corporation (FDIC), with the remainder covered by the PDPA.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

Concentration Of Credit Risk. While the County's policy does not prescribe percentages of investments that may be held, the County generally limits its concentration of investments to certain money market funds and local government investment pools, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the County is not subject to concentration of custodial risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Interest Rate Risk. The County's policy for the investment of operating funds limits maturities to five years or less unless approved by the Commissioners in a separate action. Such actions are generally associated with a debt service reserve or sinking fund requirements.

At December 31, 2025, the County had the following investments and maturities:

Investment Type	Ratings	Amount	1 - 2 Years	3 - 5 Years
Federal Agency Bonds	AA1/AA+	$ 1,074,573	$ 525,178	$ 549,395

In addition, the maturities of the certificate of deposits, which are reported as part of deposits are as follows:

Due within one year	$	2,568,730
Due within two years		737,233
Due within five years		490,856
	$	3,796,819

As of December 31, 2025, the County had the following pool investments:

Investment Pool	Weighted Average Maturity		Net Asset Value	Rating	
COLOTRUST PLUS+	42 days to reset 81 of days to maturity	$	4,632,466	AAAm	Standard & Poors
COLOTRUST EDGE	122 days to reset 212 of days to maturity		5,878,647	AAAF/S1	Fitch
CSAFE	24 days to reset 74 of days to maturity		5,022,112	AAAmmf	Fitch

The County holds investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The County invests in two of COLOTRUST's pools, COLOTRUST PLUS+ and COLOTRUST EDGE. The PLUS+ Trust operates similarly to a money market fund and each share is equal in value to $1.00. This portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. COLOTRUST PLUS+ attempts to maintain a Net Asset Value (NAV) of $1.00 per share. COLOTRUST EDGE may invest in any of the investments listed above. COLOTRUST EDGE is a variable NAV fund, which attempts to maintain a NAV of $10.00 per share.

The County also holds investments in the Colorado Surplus Asset Fund Trust (CSAFE) Cash Fund, an investment vehicle established for local government entities in Colorado to pool surplus funds. CSAFE Cash Fund is a highly liquid fund that operates in a manner similar to a money market-like fund. The CSAFE Cash Fund permissible investments are more restrictive than Colorado Revised Statutes. variable NAV fund. The CSAFE Cash Fund attempts to maintain a NAV of $1.00 per share.

COLOTRUST PLUS+ and CSAFE Cash Fund do not have any unfunded commitments, redemption restrictions or redemption notice periods. COLOTRUST EDGE does not have any unfunded commitments, redemption restrictions. Amounts may be withdrawn from this pool with two days' notice.

Fair Value Hierarchy. 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; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Bonds are valued using level 2 inputs, other significant observable inputs. Local government investment pools are held at net asset value and are not required to be leveled.

Restricted Cash And Investments

The County considers cash related to contingencies to be restricted by the State of Colorado statutes. The County has unexpended lease proceeds which are held in escrow by the lessor-banks and are to be used to either purchase capital assets or for debt service. As of December 31, 2025, unexpended lease proceeds totaled $157,547. Restricted cash and investments as of December 31, 2025, totaled $157,547.

4. Capital Assets

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

	Balance At December 31, 2024	Increases	Decreases	Balance At December 31, 2025
Primary Government				
Capital assets, not being depreciated:				
Water rights	$ 4,100,445	$ —	$ —	$ 4,100,445
Land	2,442,291	—	—	2,442,291
Construction in progress	295,514	4,713,894	(3,339,184)	1,670,224
Capital Assets Not Depreciated	6,838,250	4,713,894	(3,339,184)	8,212,960
Depreciable capital assets:				
Buildings	16,417,854	349,269	—	16,767,123
Equipment	16,623,153	3,474,038	(1,160,606)	18,936,585
Infrastructure	231,945,375	4,221,497	—	236,166,872
Depreciable Capital Assets	264,986,382	8,044,804	(1,160,606)	271,870,580
Accumulated depreciation:				
Buildings	(7,999,511)	(468,321)	—	(8,467,832)
Equipment	(12,028,003)	(1,712,731)	624,889	(13,115,845)
Infrastructure	(149,417,649)	(6,685,204)	—	(156,102,853)
Total Accumulated Depreciation	(169,445,163)	(8,866,256)	624,889	(177,686,530)
Total Capital Assets, Being Depreciated, Net	95,541,219	(821,452)	(535,717)	94,184,050
Capital Assets, Net	102,379,469	3,892,442	(3,874,901)	102,397,010
RTU assets:				
RTU assets, being amortized:				
Buildings	14,057,795	—	—	14,057,795
Equipment	8,995,342	3,895,772	(1,039,456)	11,851,658
Information technology subscriptions	1,533,918	653,881	(90,868)	2,096,931
Accumulated amortization:				
Buildings	(390,494)	(360,456)	—	(750,950)
Equipment	(2,411,742)	(1,726,919)	491,704	(3,646,957)
Information technology subscriptions	(242,707)	(762,702)	63,882	(941,527)
RTU Assets, Net	21,542,112	1,699,576	(574,738)	22,666,950
Total Capital And RTU Assets, Net	$ 123,921,581	$ 5,592,018	$ (4,449,639)	$ 125,063,960

Components of capital assets reported on the statement of net position are as follows:

Capital assets, not being depreciated	$ 8,212,960
Capital assets, being depreciated, net	94,184,050
RTU assets, being amortized, net	22,666,950
	$ 125,063,960

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

General government	$	126,159
Public safety		407,276
Public health and welfare		81,324
Public works		8,031,531
Culture and recreation		140,146
Pooled vehicles		79,820
	$	8,866,256

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

General government	$	887,364
Public safety- Sheriff		412,672
Public safety- Building		16,234
Public works		1,473,418
Pooled Vehicles		60,389
	$	2,850,077

5. Long-Term Obligations

The following is an analysis of the changes in the County's long-term obligations for the year ended December 31, 2025. The activity of the County's long-term obligations is as follows:

	Balance At December 31, 2024	Additions	Reductions	Balance At December 31, 2025	Due Within One Year
Governmental Activities:					
Debt from direct borrowings and placements					
Limited tax general obligation bond	$ 1,308,855	$ —	$ 77,734	$ 1,231,121	$ 80,998
Jail lease revenue refunding bonds 2020	2,810,678	—	410,248	2,400,430	418,079
RTU lease liabilities	15,177,112	3,102,405	2,074,971	16,204,546	2,132,730
SBITA liabilities	807,312	653,881	461,336	999,857	392,910
	$ 20,103,957	$ 3,756,286	$ 3,024,289	$ 20,835,954	$ 3,024,717

Sun Country Public Improvement District General Obligation Bonds dated April 20, 2018 were issued in the principal amount of $1,800,000. Interest only payments are due on June 1. Principal and interest are due each December 1. Annual payments of principal and interest, at an annual interest rate of 4.200%, total $132,705. The bonds mature on December 1, 2037. Property and Specific Ownership taxes are pledged as revenues to repay the bonds. The property tax revenues are capped at the lower of 16.85 mills or property tax revenues of $189,252. The bonds contain a prepayment premium of 4% of the principal amount prepaid on or before November 30, 2025 reduced by 1% per year. However, no prepayment may reduce the aggregate outstanding principal to less than $100,000. The bond issue was sold to one investor, a financial institution. The principal amount outstanding as of December 31, 2025 was $1,231,121.

The County issued Lease Revenue Refunding Bonds Series 2020 in the amount of $4,387,943 on October 22, 2020 to refund the Lease Revenue Refunding Bonds Series 2016. The issue is a single purpose issue with a private placement and resulted in a net present value benefit of $93,792. Principal and interest payments, including an annual rate of 1.90%, total $230,855 and are due on March 1 and September 1 each year with a maturity date of March 1, 2031. The issue is secured by the real property of the Justice Center. In the event that the County is unable to make a payment, all outstanding amounts of principal and interest are due immediately. The lender also has the right to foreclose on the debt. The principal amount outstanding as of December 31, 2025 was $2,400,430.

The following is a schedule of the debt service requirements to maturity as of December 31, 2025:

	Governmental Activities		
Year Ending December 31,	**Principal**	**Interest**	**Total**
2026	$ 499,077	$ 95,339	$ 594,416
2027	510,460	83,956	594,416
2028	522,139	104,458	626,597
2029	534,122	60,294	594,416
2030 - 2034	1,198,877	157,216	1,356,093
2035 - 2039	366,876	31,239	398,115
	$ 3,631,551	$ 532,502	$ 4,164,053

Leases Liabilities

The County is the lessee for certain leases of equipment. The County recognizes a lease liability and an intangible RTU lease asset in the government-wide statements.

On September 14, 2021, in order to generate moneys to finance the costs of constructing a new maintenance facility for the County's Road and Bridge Department, the County (the Lessor) entered into a Site Lease with Sterling National Bank (the Lender) whereby the County is to convey a leasehold interest in the land and title to the site and improvements for a lump-sum payment of $12,000,000. Contemporaneously with the execution and delivery of the Site Lease, the County subleased the Leased Property back from the Lender pursuant to a Lease Purchase Agreement dated the same date between the Lender, as sublessor, and the County, as sublessee.

The legal obligation of the County to pay Base Rentals and Additional Rentals shall be from year-to-year only; shall constitute currently budgeted expenditures of the County; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the County within the meaning of any constitutional or statutory limitation or requirement concerning the creation of indebtedness, nor a mandatory payment obligation of the County in any ensuing fiscal year beyond any fiscal year during which this Lease shall be in effect. In the event of default, the Lessor may take title and possession of the real property.

Lease-related amortization expense of $2,087,375 was recorded for the year-ended December 31, 2025. The County will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. RTU assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Key estimates and judgments related to leases include how the County determines; the discount rate used to discount payments to present value, the lease term, and lease payments. For certain leases the interest rate was known. If the interest rate charged by the lessor was not provided, the County used the rate it pays on financing leases. The lease term includes the noncancellable period of the lease.

Following is a summary of terms relating to the lease agreements:

Equipment/Real Property	Date Issued	Original Balance	Interest Rate	Outstanding Lease Liability
2 Ford 350's Facilities- 077-0020352-011	2/10/2021	$ 130,610	2.32%	$ 6,894
Snow Plow - 077-0020352-012	5/3/2021	276,510	2.49%	29,221
Public Works Building	9/14/2021	12,000,000	2.65%	10,568,990
4 Tahoes SO - 077-0020352-013	9/20/2021	215,107	2.49%	33,992
Coroner and other Facilities Vehicles 014	3/15/2022	285,000	3.15%	79,411
Snow Plows 015	3/15/2022	290,000	3.15%	91,806
Graders and Loaders 016	3/15/2022	1,021,620	3.15%	323,417
6 Tahoes 017	11/10/2022	362,423	5.47%	156,873
2023 Tahoe & 2023 RAM - Schedule 010	9/18/2023	124,000	5.43%	78,345
2 2023 Chevy Silverados Schedule 009	9/18/2023	136,000	5.43%	85,927
Admin Tahoes	11/13/2023	312,844	5.61%	230,000
4 CAT Graders with Snow Wing Schedule 011	12/19/2023	988,356	5.97%	627,747
5 Tahoes Schedule 018	4/15/2024	377,635	5.89%	257,818
Pitney Bowes 0041498673	7/30/2024	16,594	5.62%	11,775
Xerox Copier Lease 072808000	1/1/2024	181,226	5.62%	115,866
Xerox Copier Lease 072808000 Amendment	8/24/2024	4,561	5.62%	3,243
4 CAT 150 AWD, 2 WR-90-3 Rollers Schedule 019	9/27/2024	1,021,593	5.34%	791,009
Vehicles	3/27/2025	255,171	5.59%	221,261
4 Tahoe PPVs	5/23/2025	298,328	5.94%	223,289
5 Tahoe PPVs	5/23/2025	238,662	5.94%	193,999
Office Lease	6/1/2025	141,972	2.80%	115,772
Police Upfitting Equipment	6/19/2025	215,331	5.72%	196,444
2 2026 Chevy Tahoes	7/25/2025	108,640	5.72%	99,111
5 John Deere 772GPs	7/25/2025	1,333,819	5.63%	1,216,581
Admin Vehicles	7/25/2025	155,491	5.72%	141,853
Tasers	12/1/2025	354,991	2.82%	303,902
Totals				$ 16,204,546

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2025 were as follows:

Year Ending December 31,	**Governmental Activities**
2026	$ 2,665,933
2027	2,283,392
2028	1,980,137
2029	1,524,295
2030	1,088,376
2031 - 2035	3,297,447
2036 - 2040	3,297,447
2041 - 2045	3,297,447
Thereafter	659,489
Total Minimum Lease Payments	20,093,963
Less amounts representing interest	(3,889,417)
Present Value Of Minimum Lease Payments	$ 16,204,546

Subscriptions

The County has various long-term contracts providing a right to use vendor software. The remaining terms of the agreements range from one to five years. Lease-related amortization expense of $762,702 was recorded for the year ended December 31, 2025. Principal and interest paid during the year ended December 31, 2025 was $461,336 and $23,599, respectively. Principal and interest expected to maturity of these lease receivables are as follows:

	Governmental Activities		
Years Ending December 31,	**Principal**	**Interest**	**Total**
2026	$ 392,910	$ 27,267	$ 420,177
2027	227,424	17,238	244,662
2028	191,690	10,771	202,461
2029	92,610	5,301	97,911
2030	95,223	2,687	97,910
	$ 999,857	$ 63,264	$ 1,063,121

Compensated Absences

The County offers employees paid time off which accrues throughout the year. Balances that remain and are eligible for carryover are valued based on the employee’s current pay rated and a liability is recorded. The compensated absence liability related to governmental activities for the year ended December 31, 2025 is summarized as follows:

	Balance At December 31, 2024	Net Change	Balance At December 31, 2025	Due Within One Year
Compensated absences	$ 987,238	$ 134,980	$ 1,122,218	$ 894,251

Payment Of Obligations

The long-term obligations of the County have been and will continue to be liquidated by various County funds. The fund which pays an employee is used to liquidate compensated absences of the governmental activities. These funds include the General, Road and Bridge, Sales and Use Tax, Health, Human Services Funds and Law Enforcement Assistance. In addition, the General, Road and Bridge, Sales and Use Tax, and Law Enforcement Assistance funds service the leases. The Special Assessment Debt, the General Obligation Debt and the 2020 Jail Refunding Issue are serviced by the specific funds that were established with the sole purpose of liquidating the debt obligations.

6. Net Position

As also described in Note 2, net position in the Government-wide Statement of Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments.

The County has net position consisting of three components: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of capital leases and bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the County had a net investment in capital assets is calculated as follows:

		Governmental Activities
Net investment in capital assets:		
Capital assets, net		
Those not depreciated	$ 8,212,960	
Those depreciated	94,184,050	
Right to use assets, net		
Buildings	13,306,845	
Equipment	8,204,701	
Information technology subscriptions	1,155,404	
		$ 125,063,960
Total debt	(20,835,954)	
Other liabilities related to capital assets	(258,476)	
Less unexpended lease proceeds	157,547	
Net debt amount		(20,936,883)
Net Investment In Capital Assets		$ 104,127,077

Restricted assets include restrictions for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

7. Pension Plan

The County has adopted a multiple employer defined contribution pension plan administered by Colorado Retirement Association (CRA) which covers substantially all employees meeting the minimum eligibility requirements of 30 or more hours of work per week and begins immediately. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees must match the employer contributions which are 5%.

Employees vest 100% in personal contributions and 25% for each year of employment in employer contributions. Unvested employer contributions forfeited at termination revert to the County. The County applied participant forfeitures of $58,578 to reduce the County share of contributions. As of December 31, 2025, the County had $17,210 in unapplied forfeitures.

Both the County and the employees contributed 5% of eligible gross wages to the Plan during 2025. Information regarding the pension plan contributions for 2025, 2024, and 2023 are as follows:

	2025	**2024**	**2023**
Total payroll	$ 19,722,388	$ 14,999,467	$ 12,631,249
Base salary - eligible	16,696,156	14,985,794	12,193,821
County contribution	834,808	749,290	609,691
Employee contribution	843,655	742,852	609,691

8. Deferred Compensation Plan

The County has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is also administered by CRA. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years in accordance with Internal Revenue Service guidelines.

9. Commitments And Contingencies

Litigation

The County has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The County is monitoring the progress of these matters and has referred various matters to the County's insurance carrier for consultation and representation. The County anticipates insurance will participate in defense, settlement and claims costs subject to the terms and conditions of the insuring agreements.

As of December 31, 2025, the County does not believe the resolution of these matters will have a material adverse effect on the financial condition of the government.

Grants

The government participates in various federal grant programs, the principal of which are subject to grantor audits and program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will not have a material effect on the County's financial statements.

Employment

The County has contracts with certain exempt employees. These contracts provide that upon termination, these employees will receive severance payments of one month as the result of being terminated for cause or six months severance if not terminated for cause. During the fiscal year ended December 31, 2025, the County paid certain amounts to an individual under these contracts.

10. Transfers/Interfund Receivables And Payables

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

	Transfers In		
Transfers Out	**Road And Bridge Fund**	**Nonmajor Governmental Funds**	**Total**
General Fund	$ —	$ 522,213	$ 522,213
Sales and Use Tax	350,000	—	350,000
	$ 350,000	$ 522,213	$ 872,213

The transfer from the General Fund to the Nonmajor Governmental Funds is for the per capita payments mandated by statute and for debt service payments. The transfer from the Sales and Use Tax Fund to the Road and Bridge Fund is for labor and equipment costs of eligible projects.

Interfund receivables/payables are as follows as of December 31, 2025:

	Interfund Receivables	Interfund Payables
General	$ 119,419	$ 130,238
Road and Bridge	11,733	206,135
Human Services	117,209	—
Sales and Use Tax	192,168	—
Nonmajor Governmental Funds	15,234	119,390
	$ 455,763	$ 455,763

During the course of operations, transactions occur between County funds for goods and services provided and services rendered and for the reimbursement of expenditures. Related interfund receivables and payables are classified as due from other funds and due to other funds on the balance sheet and will be settled within one year.

The County has made the following long-term advance between funds:

		Advance Receivable		Advance Payable
Sales and Use Tax	$	109,811	$	—
Nonmajor Governmental Funds		—		109,811
	$	109,811	$	109,811

The Sales and Use Tax Fund advanced money to the Sun Country Meadows fund in order to prepay the debt of that fund, which will result in interest savings on that debt.

11. Risk Management

The County is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of, assets; errors or omissions; injuries to employees, or acts of God. The County is one of several counties which are members of the Colorado Counties Casualty and Property Pool and the County Workers' Compensation Pool (the Pools). The Pools are organizations created by intergovernmental agreement. The Colorado Counties Casualty and Property Pool provides general liability, automobile liability, property and automobile physical damage to its members. The County Workers' Compensation Pool provides workers' compensation coverage to its members. The County pays annual contributions to the Pools for its property, casualty and workers' compensation insurance. The County has a $1,500 deductible per claim for its property insurance.

The intergovernmental agreements which formed the Pools provides that the Pools will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pools will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. Each pool is managed by an independent risk manager/claims administrator who reports to the Pool Board of Directors.

Each member's contribution to the respective pool is determined on factors including, but not limited to, the Pool's claim experience, premium costs, cost of administration and other operating expenses, the number of participants, the adequacy of both operating and reserve funds and other factors effecting the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

The Pools provide the following types of coverage:

	Self-Insured Retentions (Per Occurrence)	Excess Insurance Limits (Per Occurrence)
Liability	$250,000	$10,000,000
Property	$150,000	$100,000,000
Workers' compensation	$500,000	To statutory limit

Settled claims have not exceeded coverage provided by the Pools in any of the past three fiscal years. Historically, the County has shared in the cost of certain settlements.

12. Tax, Spending And Debt Limitations

In 1992, the Colorado voters approved the "Taxpayers Bill of Rights (TABOR). TABOR requires voter approval of any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue or spending by more than inflation plus a local growth factor. On May 3, 1994, a majority of the County's electors authorized the County to retain all revenues from any source without limitation including those of TABOR.

The County's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation. Accordingly, the possibility exists that the District's interpretation of certain TABOR provisions may subsequently be determined to be incorrect. This could result in a potential refund of revenue unless voters approve retention of such revenue. The ultimate outcome of these matters cannot presently be determined and no provision for any liability for a refund of revenue has been made in the financial statement.

On November 5, 1996, a majority of the County's electors authorized the County to retain or expend all revenue derived from building and other development related fees, exactions and permits; and revenues, cost reimbursements and grants from other governments during 1996 and each subsequent year. The County is authorized to spend all such revenues on road improvements, growth management, public safety and such other costs as may be directly related to growth unless otherwise provided by law, agreement, or grant, without regard to any limitation contained in Article X, Section 20 of the Colorado constitution and without limiting in any year the amount of other revenues that may be collected and spent by the County under Article X, Section 20 of the Colorado constitution or any other law; provided, however, that no property tax mill levy shall be increased at any time, nor shall any new tax be imposed, without consent of the voters approving any such increase or new tax.

The State Constitution also requires local governments to establish emergency reserves equal to at least 3% of fiscal year spending as defined in the amendment. These emergency reserves cannot be used to compensate for economic conditions, revenue shortfalls or salary and benefit increases. As of December 31, 2025, the amount required as an emergency reserve in compliance with the amendment is $750,029 and is shown as a restriction of equity in each respective fund and in the Statement of Net Position.

13. Impact Fees Abatement

In exchange for certain infrastructure improvements, the County has entered into an agreement with the developer of the Independence Metropolitan Districts to remit all of the Elbert County Growth Impact Fees, all Traffic Analysis Zone Fees and all use tax generated by the County in connection with the development. The abatement will be used first to reimburse the developer for the costs of constructing certain road improvements. Any remaining funds will be released to the Independence Overlay Metropolitan District. At December 31, 2025, the County had funds on deposit, with a title company, totaling $29,635 and an additional $5,927 for fees collected but not yet placed in the escrow bank account. In addition, upon the receipt of paid invoices evidencing Independence's incurrence of actual construction costs, the County has authorized the release of $4,209,666 from the escrow account since the inception of the agreement. The escrow bank account is under the County's control.

Required Supplementary Information

ELBERT COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND (NON-GAAP BUDGET BASIS)
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	$ 12,351,701	$ 12,351,701	$ 12,083,135	$ (268,566)
Licenses and permits	3,434,400	3,434,400	6,136,274	2,701,874
Intergovernmental	507,699	507,699	876,769	369,070
Charges for service	2,675,276	2,675,276	2,933,643	258,367
Net investment income	871,500	871,500	1,482,066	610,566
Miscellaneous	456,725	456,725	373,940	(82,785)
Total Revenues	20,297,301	20,297,301	23,885,827	3,588,526
Expenditures				
General government	9,275,509	9,670,509	9,812,300	(141,791)
Public safety-Sherriff	8,701,750	8,876,750	8,822,637	54,113
Public safety - Community Development Services	1,350,496	1,350,496	1,223,760	126,736
Public safety-Building	1,479,342	1,479,342	980,651	498,691
Culture and recreation	300,291	300,291	338,575	(38,284)
Auxiliary services	293,344	308,344	304,226	4,118
Pool vehicles	95,645	180,645	269,354	(88,709)
Debt service:				
Principal and interest	251,219	351,219	286,213	65,006
Capital outlay	225,000	455,000	428,748	26,252
Total Expenditures	21,972,596	22,972,596	22,464,464	506,132
Excess Of Revenues Over (Under) Expenditures	(1,675,295)	(2,675,295)	1,419,363	4,094,658
Other Financing Sources (Uses)				
Sale of capital assets	—	—	51,745	51,745
Insurance recoveries	2,500	2,500	302,331	299,831
Transfers in	120,000	120,000	—	(120,000)
Transfers (out)	(522,205)	(522,205)	(522,213)	(8)
Total Other Financing Sources (Uses)	(399,705)	(399,705)	(168,137)	231,568
Net Change In Fund Balances - Non-GAAP	$ (2,075,000)	$ (3,075,000)	1,251,226	$ 4,326,226
Perspective Differences				
RTU lease transactions:				
Proceeds from RTU leases and subscriptions			1,514,655	
Capital outlay related to RTU leases and subscriptions			(1,500,144)	
Net Change In Fund Balances - GAAP Basis			1,265,737	
Fund Balance - Beginning Of Year			19,215,053	
Fund Balance - End Of Year			$ 20,480,790	

ELBERT COUNTY, COLORADO

SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND
(NON-GAAP BUDGET BASIS)
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes:				
Property taxes	$ 10,186,701	$ 10,186,701	$ 9,800,982	$ (385,719)
Specific ownership taxes	2,100,000	2,100,000	2,259,795	159,795
Cigarette taxes	15,000	15,000	17,322	2,322
Other taxes	50,000	50,000	5,036	(44,964)
Total Taxes	12,351,701	12,351,701	12,083,135	(268,566)
Licenses and permits:				
Building and zoning fees	3,432,400	3,432,400	6,134,496	2,702,096
Liquor and other licenses	2,000	2,000	1,778	(222)
Total Licenses And Permits	3,434,400	3,434,400	6,136,274	2,701,874
Intergovernmental revenues:				
Intergovernmental revenues	507,699	507,699	876,769	369,070
Charges for services:				
Sheriff	142,475	142,475	192,325	49,850
Clerk	1,010,600	1,010,600	1,156,946	146,346
Treasurer	1,338,200	1,338,200	1,354,556	16,356
Office of the Public Trustee fees	30,000	30,000	73,934	43,934
Fair receipts	106,000	106,000	87,052	(18,948)
Other	48,000	48,000	68,830	20,830
Total Charges For Services	2,675,275	2,675,275	2,933,643	258,368
Interest income	871,500	871,500	1,482,066	610,566
Miscellaneous revenues:				
Other	456,725	456,725	373,940	(82,785)
Other financing sources:				
Sale of capital assets	—	—	51,745	51,745
Lease proceeds	—	—	1,514,655	1,514,655
Insurance recoveries	2,500	2,500	302,331	299,831
Transfers in	120,000	120,000	—	(120,000)
Total Other Financing Sources	122,500	122,500	1,868,731	1,746,231
Total Revenues	$ 20,419,800	$ 20,419,800	$ 25,754,558	$ 5,334,758

ELBERT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND (NON-GAAP BUDGET BASIS)
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures				
General government:				
Office of commissioners	$ 423,281	$ 493,281	$ 549,877	$ (56,596)
County attorney	489,776	589,776	711,699	(121,923)
Clerk and recorder	967,952	1,117,952	1,225,392	(107,440)
Clerk and recorder - Elections	324,784	324,784	223,641	101,143
County treasurer	289,087	289,087	301,505	(12,418)
County assessor	901,903	901,903	835,099	66,804
Maintenance of grounds and buildings	864,862	864,862	816,033	48,829
Central data processing	1,680,135	1,705,135	1,587,173	117,962
Human resources	411,077	411,077	407,962	3,115
Other administration	1,217,429	1,242,429	1,528,901	(286,472)
Budget/payroll	583,755	608,755	599,664	9,091
Economic development	171,468	171,468	81,786	89,682
District attorney	950,000	950,000	943,568	6,432
Total General Government	9,275,509	9,670,509	9,812,300	(141,791)
Public safety - Sheriff:				
County sheriff	5,051,307	5,086,307	5,042,011	44,296
County jail	2,818,008	2,933,008	2,899,405	33,603
County coroner	277,008	277,008	266,699	10,309
Judicial center	186,840	186,840	191,436	(4,596)
Emergency communications and operations	368,587	393,587	423,086	(29,499)
Total Public Safety - Sheriff	8,701,750	8,876,750	8,822,637	54,113
Public safety - Community Development Services	1,350,496	1,350,496	1,223,760	126,736
Public safety - Building	1,479,342	1,479,342	980,651	498,691
Culture and recreation	300,291	300,291	338,575	(38,284)
Auxiliary services	293,344	308,344	304,226	4,118
Pool vehicles	95,645	180,645	269,354	(88,709)
Debt service:				
Principal and interest	251,219	351,219	286,213	65,006
Capital outlay	225,000	455,000	428,748	26,252
Other financing uses:				
Transfers out	522,205	522,205	522,213	(8)
Total Expenditures	$ 22,494,801	$ 23,494,801	$ 22,988,677	$ 506,124

ELBERT COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ROAD AND BRIDGE SPECIAL REVENUE FUND (NON-GAAP BUDGET BASIS)

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	$ 6,619,216	$ 6,619,216	$ 6,277,273	$ (341,943)
Intergovernmental	5,011,784	5,011,784	4,628,246	(383,538)
Charges for services	505,000	505,000	870,040	365,040
Net investment income	6,000	6,000	9,236	3,236
Other Income	19,000	19,000	57,386	38,386
Total Revenues	12,161,000	12,161,000	11,842,181	(318,819)
Expenditures				
General government	208,325	208,325	188,590	19,735
Public works	11,160,768	11,910,768	9,676,532	2,234,236
Debt service	1,166,423	1,166,423	1,221,698	(55,275)
Capital outlay	1,375,000	1,375,000	1,862,791	(487,791)
Total Expenditures	13,910,516	14,660,516	12,949,611	1,710,905
Deficiency Of Revenues Under Expenditures	(1,749,516)	(2,499,516)	(1,107,430)	1,392,086
Other Financing Sources (Uses)				
Sale of general capital assets	20,000	20,000	900,790	880,790
Proceeds from insurance reimbursements	70,000	70,000	491,258	421,258
Transfers in	350,000	350,000	350,000	—
Total Other Financing Sources (Uses)	440,000	440,000	1,742,048	1,302,048
Net Change In Fund Balance - Non-GAAP	(1,309,516)	$ (2,059,516)	634,618	$ 2,694,134
Perspective Differences				
RTU lease transactions:				
Proceeds from RTU leases			1,333,819	
Capital outlay related to RTU leasing activities			(1,332,705)	
Net Change In Fund Balance-GAAP Basis			635,732	
Fund Balance - Beginning Of Year			1,601,227	
Fund Balance - End Of Year			$ 2,236,959	

ELBERT COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - HUMAN SERVICES SPECIAL REVENUE FUND (NON-GAAP BUDGET BASIS)

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	$ 1,011,123	$ 1,011,123	$ 991,176	$ (19,947)
Intergovernmental	4,814,560	5,859,560	5,782,631	(76,929)
Other	1,188	1,188	27,796	26,608
Net investment income	—	—	1,358	1,358
Total Revenues	5,826,871	6,871,871	6,802,961	(68,910)
Expenditures				
Public health and welfare	5,331,985	6,376,985	6,434,127	(57,142)
Capital outlay	60,000	60,000	—	60,000
Total Expenditures	5,391,985	6,436,985	6,434,127	2,858
Excess (Deficiency) Of Revenues Under Expenditures	434,886	434,886	368,834	(66,052)
Other Financing Sources (Uses)				
Proceeds from insurance reimbursements	—	—	72,560	72,560
Net Change In Fund Balances	$ 434,886	$ 434,886	441,394	$ 6,508
Fund Balance - Beginning Of Year			1,899,926	
Fund Balance - End Of Year			$ 2,341,320	

ELBERT COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SALES AND USE TAX SPECIAL REVENUE FUND (NON-GAAP BUDGET BASIS)
Year Ended December 31, 2025

	Original And Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Sales tax	$ 6,500,000	$ 4,474,095	$ (2,025,905)
Use tax	2,020,000	2,129,569	109,569
Intergovernmental	—	96,786	96,786
Other	20,000	—	(20,000)
Total Revenues	8,540,000	6,700,450	(1,839,550)
Expenditures			
General government	155,649	193,719	(38,070)
Public works	850,000	16,279	833,721
Debt service:			
Principal and interest	659,490	659,489	1
Capital outlay	9,817,832	6,688,753	3,129,079
Total Expenditures	11,482,971	7,558,240	3,924,731
Excess Deficiency Of Revenues Under Expenditures	(2,942,971)	(857,790)	2,085,181
Other Financing Sources (Uses)			
Transfers out	(350,000)	(350,000)	—
Sales of capital assets	—	165,000	165,000
Total Other Financing Sources (Uses)	(350,000)	(185,000)	165,000
Net Change In Fund Balance - Non-GAAP	$ (3,292,971)	(1,042,790)	$ 2,250,181
Fund Balance - Beginning Of Year		9,970,315	
Fund Balance - End Of Year		$ 8,927,525	

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

In accordance with the State Budget Law, the County Commissioners hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level, which includes other financing uses, and lapses at year end. The County Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. For the year ended December 31, 2025, the Board of County Commissioners approved two supplemental appropriations. The budget includes each fund on its generally accepted accounting principles (GAAP) basis of accounting unless otherwise indicated.

Supplementary Information

COMBINING BALANCE SHEET - NONMAJOR GOVENMENTAL FUNDS
December 31, 2025

	Special Revenue Funds	Debt Service Funds	Capital Improvement Fund	Total Nonmajor Governmental Funds
Assets				
Cash and investments with Treasurer	$ 6,828,263	$ 519,878	$ 154,111	$ 7,502,252
Cash and investments - restricted	142,794	—	—	142,794
Accounts receivable	69,017	2,034	—	71,051
Due from other funds	15,234	—	—	15,234
Property taxes receivable	705,517	189,253	—	894,770
Total Assets	$ 7,760,825	$ 711,165	$ 154,111	$ 8,626,101
Liabilities, Deferred Inflows Of Resources, And Fund Balances				
Liabilities				
Accounts payable	$ 106,572	$ —	$ —	$ 106,572
Unearned revenues	53,980	—	—	53,980
Due to other governments	35,562	—	—	35,562
Due to other funds	118,185	—	1,205	119,390
Advances from other funds	—	109,811	—	109,811
Total Liabilities	314,299	109,811	1,205	425,315
Deferred Inflows Of Resources				
Property taxes	705,517	189,253	—	894,770
Fund Balances				
Restricted:				
Emergency reserves	40,919	—	—	40,919
Capital asset purchases	142,794	—	—	142,794
Conservation trust	699,029	—	—	699,029
Assigned:				
Public safety	222,123	—	—	222,123
Public health and welfare	352,274	—	—	352,274
Capital projects	4,901,723	—	152,906	5,054,629
Debt service	—	412,101	—	412,101
Retirement	382,147	—	—	382,147
Total Fund Balances	6,741,009	412,101	152,906	7,306,016
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	$ 7,760,825	$ 711,165	$ 154,111	$ 8,626,101

ELBERT COUNTY, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	Special Revenue Funds	Debt Service Funds	Capital Improvement Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	$ 745,274	$ 213,795	$ —	$ 959,069
Intergovernmental	484,833	—	—	484,833
Charges for services	2,413,889	—	—	2,413,889
Net investment income	218,222	184	—	218,406
Miscellaneous	67,926	—	—	67,926
Total Revenues	3,930,144	213,979	—	4,144,123
Expenditures				
General government	1,430,408	5,683	—	1,436,091
Public safety	396,052	—	—	396,052
Public health and welfare	628,445	—	—	628,445
Culture and recreation	35,275	—	—	35,275
Debt service:				
Principal and interest	382,232	594,416	—	976,648
Capital outlay	1,038,517	—	89,658	1,128,175
Total Expenditures	3,910,929	600,099	89,658	4,600,686
Excess (Deficiency) Of Revenues Over (Under) Expenditures	19,215	(386,120)	(89,658)	(456,563)
Other Financing Sources (Uses)				
Proceeds and issuance of leases and subscriptions	907,812	—	—	907,812
Insurance recoveries	416,107	—	—	416,107
Sale of assets	17,500	—	—	17,500
Transfers in	60,493	461,720	—	522,213
Total Other Financing Sources (Uses)	1,401,912	461,720	—	1,863,632
Net Change In Fund Balances	1,421,127	75,600	(89,658)	1,407,069
Fund Balances - Beginning Of Year	5,319,882	336,501	242,564	5,898,947
Fund Balances - End Of Year	$ 6,741,009	$ 412,101	$ 152,906	$ 7,306,016

ELBERT COUNTY, COLORADO

COMBINING BALANCE SHEET - NONMAJOR GOVENMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2025

	Law Enforcement Assistance	Growth And Development	Public Health And Administration	Retirement	Conservation Trust	Total
Assets						
Cash and investments with Treasurer	$ 403,486	$ 4,921,526	$ 379,736	$ 424,056	$ 699,459	$ 6,828,263
Cash and investments - Restricted	142,794	—	—	—	—	142,794
Accounts receivable	9,312	15,693	36,796	7,216	—	69,017
Due from other funds	—	66	14,084	1,084	—	15,234
Property taxes receivable	—	—	—	705,517	—	705,517
Total Assets	$ 555,592	$ 4,937,285	$ 430,616	$ 1,137,873	$ 699,459	$ 7,760,825
Liabilities, Deferred Inflows Of Resources, And Fund Balances						
Liabilities						
Accounts payable	$ 64,237	$ —	$ 15,785	$ 26,120	$ 430	$ 106,572
Unearned revenues	—	—	53,980	—	—	53,980
Due to other governments	—	35,562	—	—	—	35,562
Due to other funds	118,185	—	—	—	—	118,185
Total Liabilities	182,422	35,562	69,765	26,120	430	314,299
Deferred Inflows Of Resources						
Unavailable revenue	—	—	—	705,517	—	705,517
Fund Balances						
Restricted:						
Emergency reserves	8,253	—	8,577	24,089	—	40,919
Capital asset purchases	142,794	—	—	—	—	142,794
Conservation trust	—	—	—	—	699,029	699,029
Assigned:						
Public safety	222,123	—	—	—	—	222,123
Public health	—	—	352,274	—	—	352,274
Capital projects	—	4,901,723	—	—	—	4,901,723
Retirement	—	—	—	382,147	—	382,147
Total Fund Balances	373,170	4,901,723	360,851	406,236	699,029	6,741,009
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	$ 555,592	$ 4,937,285	$ 430,616	$ 1,137,873	$ 699,459	$ 7,760,825

ELBERT COUNTY, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2025

	Law Enforcement Assistance	Growth And Development	Public Health And Administration	Retirement	Conservation Trust	Total
Revenues						
Taxes	$ —	$ —	$ —	$ 745,274	$ —	$ 745,274
Intergovernmental	—	—	266,467	—	218,366	484,833
Charges for services	273,971	1,864,232	275,686	—	—	2,413,889
Net investment income (loss)	1,115	189,302	—	(18)	27,823	218,222
Miscellaneous income	6	—	10,210	57,710	—	67,926
Total Revenues	275,092	2,053,534	552,363	802,966	246,189	3,930,144
Expenditures						
General government	—	636,595	—	793,813	—	1,430,408
Public safety	396,052	—	—	—	—	396,052
Public health and welfare	—	—	628,445	—	—	628,445
Culture and recreation	—	—	—	—	35,275	35,275
Debt service:						
Principal and interest	382,232	—	—	—	—	382,232
Capital outlay	802,950	116,148	—	—	119,419	1,038,517
Total Expenditures	1,581,234	752,743	628,445	793,813	154,694	3,910,929
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(1,306,142)	1,300,791	(76,082)	9,153	91,495	19,215
Other Financing Sources (Uses)						
Proceeds and issuance of leases and subscriptions	907,812	—	—	—	—	907,812
Insurance recoveries	386,221	—	29,886	—	—	416,107
Sale of assets	17,500	—	—	—	—	17,500
Transfers in	—	—	60,493	—	—	60,493
Total Other Financing Sources (Uses)	1,311,533	—	90,379	—	—	1,401,912
Net Change In Fund Balances	5,391	1,300,791	14,297	9,153	91,495	1,421,127
Fund Balances - Beginning Of Year	367,779	3,600,932	346,554	397,083	607,534	5,319,882
Fund Balances - End Of Year	$ 373,170	$ 4,901,723	$ 360,851	$ 406,236	$ 699,029	$ 6,741,009

ELBERT COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LAW ENFORCEMENT ASSISTANCE FUND (NON-GAAP BUDGET BASIS)
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for services	$ 310,000	$ 310,000	$ 273,971	$ (36,029)
Interest income	—	—	1,115	1,115
Other income	—	—	6	6
Total Revenues	310,000	310,000	275,092	(34,908)
Expenditures				
Public safety	338,455	393,455	396,052	(2,597)
Debt service:				
Principal and interest	387,973	387,973	382,232	5,741
Total Expenditures	726,428	781,428	778,284	3,144
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(416,428)	(471,428)	(503,192)	(31,764)
Other Financing Sources				
Insurance recoveries	—	55,000	386,221	331,221
Sale of general capital assets	100,000	100,000	17,500	(82,500)
Total Other Financing Sources	100,000	155,000	403,721	248,721
Net Change In Fund Balances - Non-GAAP	$ (316,428)	$ (316,428)	(99,471)	$ 216,957
Perspective Differences				
RTU lease transactions:				
Proceeds from RTU leases			907,812	
Capital outlay related to RTU leasing activities			(802,950)	
			104,862	
Net Change In Fund Balance - GAAP Basis			5,391	
Fund Balance - Beginning Of Year			367,779	
Fund Balance - End Of Year			$ 373,170	

ELBERT COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GROWTH AND DEVELOPMENT FUND
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for services	$ 925,000	$ 925,000	$ 1,864,232	$ 939,232
Interest income	55,000	55,000	189,302	134,302
Total Revenues	980,000	980,000	2,053,534	1,073,534
Expenditures				
General government	163,000	863,000	636,595	226,405
Capital outlay	70,000	70,000	116,148	(46,148)
Total Expenditures	233,000	933,000	752,743	180,257
Excess Of Revenues Over Expenditures	747,000	47,000	1,300,791	1,253,791
Net Change In Fund Balances	$ 747,000	$ 47,000	1,300,791	$ 1,253,791
Fund Balances - Beginning Of Year			3,600,932	
Fund Balances - End Of Year			$ 4,901,723	

ELBERT COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PUBLIC HEALTH AND ADMINISTRATION FUND
Year Ended December 31, 2025

	Original And Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 392,877	$ 266,467	$ (126,410)
Charges for services	211,950	275,686	63,736
Other income	22,000	10,210	(11,790)
Total Revenues	626,827	552,363	(74,464)
Expenditures			
Public health and welfare	655,919	628,445	27,474
Deficiency Of Revenues Under Expenditures	(29,092)	(76,082)	(46,990)
Other Financing Sources (Uses)			
Proceeds from insurance reimbursements	—	29,886	29,886
Transfers in	60,493	60,493	—
Total Other Financing Sources (Uses)	60,493	90,379	29,886
Net Change In Fund Balances	$ 31,401	14,297	$ (17,104)
Fund Balances - Beginning Of Year		346,554	
Fund Balances - End Of Year		$ 360,851	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BALANCE AND ACTUAL - RETIREMENT FUND
Year Ended December 31, 2025

	Original And Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Taxes	$ 735,778	$ 745,274	$ 9,496
Net investment income (loss)	—	(18)	(18)
Other income	50,400	57,710	7,310
Total Revenues	786,178	802,966	16,788
Expenditures			
General government	804,000	793,813	10,187
Net Change In Fund Balances	$ (17,822)	9,153	$ 26,975
Fund Balances - Beginning Of Year		397,083	
Fund Balances - End Of Year		$ 406,236	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CONSERVATION TRUST FUND

Year Ended December 31, 2025

	Original And Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Intergovernmental	$ 210,000	$ 218,366	$ 8,366
Interest income	20,000	27,823	7,823
Total Revenues	230,000	246,189	16,189
Expenditures			
Culture and recreation	33,591	35,275	(1,684)
Capital outlay	264,697	119,419	145,278
Total Expenditures	298,288	154,694	143,594
Net Change In Fund Balances	$ (68,288)	91,495	$ 159,783
Fund Balances - Beginning Of Year		607,534	
Fund Balances - End Of Year		$ 699,029	

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
December 31, 2025

	Bond Redemption	Sun Country Meadows	Total
Assets			
Cash and investments with Treasurer	$ 4,412	$ 515,466	$ 519,878
Accounts receivable	—	2,034	2,034
Property tax receivable	—	189,253	189,253
Total Assets	$ 4,412	$ 706,753	$ 711,165
Liabilities, Deferred Inflows Of Resources And Fund Balances			
Liabilities			
Advances from other funds	$ —	$ 109,811	$ 109,811
Deferred Inflows Of Resources			
Unavailable revenue-property taxes and assessments	—	189,253	189,253
Fund Balances			
Assigned for debt service	4,412	407,689	412,101
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	$ 4,412	$ 706,753	$ 711,165

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2025

	Bond Redemption	Sun Country Meadows	Total
Revenues			
Taxes	$ —	$ 213,795	$ 213,795
Net investment income	—	184	184
Total Revenues	—	213,979	213,979
Expenditures			
General government	—	5,683	5,683
Debt service:			
Principal and interest	461,710	132,706	594,416
Total Expenditures	461,710	138,389	600,099
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(461,710)	75,590	(386,120)
Other Financing Sources (Uses)			
Transfers in	461,720	—	461,720
Net Change In Fund Balances	10	75,590	75,600
Fund Balances - Beginning Of Year	4,402	332,099	336,501
Fund Balances - End Of Year	$ 4,412	$ 407,689	$ 412,101

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BOND REDEMPTION DEBT SERVICE FUND
Year Ended December 31, 2025

	Original And Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures			
Debt service:			
Principal and interest	$ 461,712	$ 461,710	$ 2
Deficiency Of Revenues Under Expenditures	(461,712)	(461,710)	2
Other Financing Sources			
Transfers in	461,712	461,720	8
Net Change In Fund Balances	$ —	10	$ 10
Fund Balances - Beginning Of Year		4,402	
Fund Balances - End Of Year		$ 4,412	

ELBERT COUNTY, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SUN COUNTRY MEADOWS DEBT SERVICE FUND
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	$ 189,241	$ 189,241	$ 213,795	$ 24,554
Net investment income	—	—	184	184
Total Revenues	189,241	189,241	213,979	24,738
Expenditures				
General government	—	6,000	5,683	317
Debt service:				
Principal and interest	132,706	132,706	132,706	—
Total Expenditures	132,706	138,706	138,389	317
Net Change In Fund Balances	$ 56,535	$ 50,535	75,590	$ 25,055
Fund Balances - Beginning Of Year			332,099	
Fund Balances - End Of Year			$ 407,689	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND
Year Ended December 31, 2025

	Original And Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures			
Capital outlay	$ 100,000	$ 89,658	$ 10,342
	—	—	—
Net Change In Fund Balances	$ (100,000)	(89,658)	$ 10,342
Fund Balance - Beginning Of Year		242,564	
Fund Balance - End Of Year		$ 152,906	

Other Schedule

The public report burden for this information collection is estimated to average 380 hours annually. Form Approved OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/25
This Information From The Records Of: STATE OF COLORADO	Prepared By: CORYNNE ZODROW

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. Remainder 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.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	$ -
3. Other local imposts (from page 2)	$ 14,343,538
4. Miscellaneous local receipts (from page 2)	$ 3,904,373
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)	$ 18,247,911
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 3,581,700
D. Receipts from Federal Government (from page 2)	$ 1,143,273
E. Total receipts (A.7 + B + C + D)	$ 22,972,884

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ 5,657,008
2. Maintenance:	$ 12,307,420
3. Road and street services:	
a. Traffic control operations	$ 463,073
b. Snow and ice removal	$ 766,895
c. Other	$ 1,664,158
d. Total (a. through c.)	$ 2,894,126
4. General administration & miscellaneous	$ 1,637,371
5. Highway law enforcement and safety	
6. Total (1 through 5)	$ 22,495,925
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	$ 54,972
b. Redemption	$ 77,734
c. Total (a. + b.)	$ 132,706
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ 132,706
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 22,628,631

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	$ 1,308,855		$ 77,734	$ 1,231,121
1. Bonds (Refunding Portion)				
B. Notes (Total)				$ -

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
$ 13,426,557	$ 22,972,884	$ 22,628,631	$ 13,770,810	$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/25

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	$ 6,466,678	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	$ 6,603,665	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	$ 1,248,636	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	$ 1,065,790
4. Licenses		f. Charges for Services	$ 870,040
5. Specific Ownership &/or Other	$ 24,559	g. Other Misc. Receipts	$ 634,724
6. Total (1. through 5.)	$ 7,876,860	h. Other	$ 1,333,819
c. Total (a. + b.)	$ 14,343,538	i. Total (a. through h.)	$ 3,904,373
(Carry forward to page 1)		***(Carry forward to page 1)***	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	$ 3,315,268	1. FHWA	$ 507,739
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	$ 631,708
b. Project Match (FEMA Category C State Portion)	$ 101,983	c. HUD	
c. Motor Vehicle Registrations	$ 164,449	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other (FEMA Category C State Portion)		f. Other Federal	$ 3,826
f. Total (a. through e.)	$ 266,432	g. Total (a. through f.)	$ 635,534
4. Total (1. + 2. + 3.f)	$ 3,581,700	3. Total (1. + 2.g)	$ 1,143,273.00
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			$ -
b. Engineering Costs			$ -
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements			$ -
(3). System Preservation		$ 5,657,008	$ 5,657,008
(4). System Enhancement And Operation			$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 5,657,008	$ 5,657,008
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 5,657,008	$ 5,657,008
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536