Garfield County Federal Mineral Lease District

Financial Statements
December 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Garfield County Federal Mineral Lease District
Glenwood Springs, CO

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Garfield County Federal Mineral Lease District (the "District"), as of and for the year ended December 31, 2025, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Garfield County Federal Mineral Lease District, as of December 31, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Garfield County Federal Mineral Lease District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS REPORT
To the Board of Directors
Garfield County Federal Mineral Lease District
Glenwood Springs, CO

Required Supplementary Information (continued)

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Garfield County Federal Mineral Lease District's basic financial statements. The Schedule of Historical Net Position in Section F is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Historical Net Position is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Section F is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
February 12, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS



Garfield County Federal Mineral Lease District

Management's Discussion and Analysis
December 31, 2025

As management of the Garfield County Federal Mineral Lease District (the "District"), we offer readers of the District's financial statements this narrative summary of the financial activities of the District for the fiscal year ended December 31, 2025.

Financial Highlights

- *The District's net position decreased by ($2,609,123) in the year ended December 31, 2025. The change relates to the difference between federal mineral lease payments received from the state Department of Local Affairs (DOLA) compared to grants awarded by the District.*
- *DOLA's 2025 annual distribution to the District (federal mineral lease payments) was $1,967,420, a notable change from the $2,426,101 received in 2024.*
- *Program grants and employee expenses accounted for 99% of the District's expenses.*
- *The District Board joined the Centennial State Liquid Investment Pool, passing Resolution 25-02 on March 12, 2025*

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's general purpose financial statements. The District's general purpose financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. These components are discussed below.

Financial Statements

The financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Balance Sheet / Statement of Net Position presents information on all the District's assets and liabilities (both short-term and long-term), with the difference between the two reported as fund balance or net position. The Balance Sheet column presents the financial position focusing on short-term available resources and is reported on a modified accrual basis of accounting. The Statement of Net Position column presents the financial position focusing on long-term economic resources and is reported on a full accrual basis. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities shows how the government's fund balance and net position changed during the most recent fiscal year. Again, the Statement of Revenues, Expenditures, and Changes in Fund Balance column focuses on short-term available resources and is reported on a modified accrual basis. The Statement of Activities column focuses on long-term economic resources and is reported on a full accrual basis.

The District's financial statements can be found on pages C1 through C2 of this report.

Notes to the Financial Statements

The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The notes to the financial statements can be found on in section D of this report.

Financial Analysis of the District

Garfield County Federal Mineral Lease District's Net Position

	2025	2024
Assets:		
Current and other assets	$ 12,906,325	$ 15,023,343
Capital assets	52,273	67,347
Total Assets	$ 12,958,598	$ 15,090,690
Liabilities:		
Current liabilities	$ 8,615,238	$ 8,124,161
Non-current liabilities	51,247	65,293
Total Liabilities	$ 8,666,485	$ 8,189,454
Net Position:		
Net investment in capital assets	$ 1,026	$ 2,053
Restricted	-	-
Unrestricted	4,291,087	6,899,183
Total Net Position	$ 4,292,113	$ 6,901,236

At the end of the 2025 fiscal year, the District is able to report positive net position balances. The net position held by the District reflects federal mineral lease payments that were distributed to the State of Colorado, Department of Local Affairs (DOLA), who in turn, distributed payments to the counties, municipalities, and federal mineral lease districts within the State impacted by federal mineral leasing activity.

Garfield County Federal Mineral Lease District's Net Position

	2025	2024
Revenues:		
Federal mineral lease payments	$ 1,967,420	$ 2,426,101
Other revenues	860,150	817,936
Total Revenues	$ 2,827,570	$ 3,244,037
Expenses:		
Project expenses	$ 5,315,500	$ 5,617,500
Other expenses	121,193	109,869
Total Expenses	$ 5,436,693	$ 5,727,369
Change in Net Position	(2,609,123)	(2,483,332)
Net Position - January 1	6,901,236	9,384,568
Net Position - December 31	$ 4,292,113	$ 6,901,236

Other revenues consisted primarily of investment income and forfeited or retained grants that were recorded as a payable and ultimately not earned by the recipient. This could be due to not meeting the grant requirements or project expenditures being less than originally anticipated.

Budget Variances
The District had the following significant budget variance:

	Variance from Budget	Reason
Expenditures:		
Administration:		
Contract services	4,822	Outside contract sevices not needed.

Capital Assets and Debt Administration
The District had minimal office assets and no debt, other than a lease agreement, during the year or at year end.

Request for Information
This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Garfield County Federal Mineral Lease District, P.O. Box 2477, Glenwood Springs, Colorado 81602.

FINANCIAL STATEMENTS



Garfield County Federal Mineral Lease District
Balance Sheet/
Statement of Net Position
December 31, 2025

	General Fund	Adjustments	Statement of Net Position
Assets:			
Cash and cash equivalents	12,906,325	-	12,906,325
Accounts receivable	-	-	-
Prepaid expense	-	-	-
Furniture and equipment, net of accumulated depreciation of $11,562	-	1,026	1,026
Leased office space, net of accumulated amortization of $32,749	51,247	-	51,247
Total Assets	12,957,572	1,026	12,958,598
Liabilities:			
Accounts payable	915	-	915
Payroll liabilities	1,323	-	1,323
Grants payable	8,613,000	-	8,613,000
Leases payable	51,247	-	51,247
Total Liabilities	8,666,485	-	8,666,485
Fund Balance/Net Position:			
Fund Balance:			
Non-spendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	4,291,087	(4,291,087)	-
Total Fund Balance	4,291,087	(4,291,087)	-
Total Liabilities and Fund Balance	12,957,572		
Net Position:			
Net investment in capital assets		1,026	1,026
Restricted		-	-
Unrestricted		4,291,087	4,291,087
Total Net Position		4,292,113	4,292,113

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

Garfield County Federal Mineral Lease District
Statement of Revenues, Expenditures and Changes in Fund Balance/
Statement of Activities
For the Year Ended December 31, 2025

	General Fund	Adjustments	Statement of Activities
Revenues:			
Federal mineral lease payments	1,967,420	-	1,967,420
Forfeited or retained grants	319,461	-	319,461
Interest income	540,557	-	540,557
Other income	133	-	133
Lease proceeds	-	-	-
Total Revenues	2,827,571	-	2,827,571
Expenditures/Expenses:			
Administrative expenses	74,109	(2,441)	71,668
Employee expenses	46,057	-	46,057
Capital outlay	-	-	-
Project expenses	5,315,500	-	5,315,500
Lease payments	-	3,469	3,469
Total Expenditures/Expenses	5,435,666	1,028	5,436,694
Change in Net Position	(2,608,095)	(1,028)	(2,609,123)
Fund Balance/Net Position:			
Beginning	6,899,182		6,901,236
Ending	4,291,087		4,292,113

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

NOTES TO THE FINANCIAL STATEMENTS



I. Summary of Significant Accounting Policies

The Garfield County Federal Mineral Lease District ("the District") is an independent public body politic and corporate formed pursuant to the Colorado Federal Mineral Lease District Act, C.R.S., § 30-20-1301 *et seq*., (2025). The District's mission is to alleviate social, economic, and public finance impacts resulting from the development of natural resources on federal lands within Garfield County. The District does this by ensuring that the financial resources it receives from federal mineral leasing activities are distributed to communities impacted by the development of natural resources.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The District is governed by a three-member Board of Directors (the "District Board"), appointed by the Garfield County Board of Commissioners. One County Commissioner serves on the District Board, but County Commissioners may never constitute a majority on the District Board. The two other Directors are from areas within the County impacted by mineral lease activities. Directors serve staggered, three-year terms, starting and ending on January 15. Directors may only be removed following notice and an opportunity to be heard and then only for official misconduct, incompetence, neglect of duty, or other good cause shown. The District Board shall distribute all of the funding received from the Colorado Department of Local Affairs ("DOLA"), except such funds as expended or reserved for administrative expenses as permitted by C.R.S § 30-20-1307 (1)(b). The state legislature has also authorized the District to reserve funding for use in subsequent years under C.R.S § 30-20-1307 (1)(c). The District distributes its funding to political subdivisions of the State of Colorado that are socially or economically impacted, either directly or indirectly, by the development, processing, or energy conversion of fuels and minerals leased under the Federal "Mineral Lands Leasing Act" of February 1920, as amended. This District makes its distributions through two grant cycles annually.

The reporting entity consists of (a) the primary government (i.e., the District), and (b) organizations for which the District is financially accountable or the organization's primary purpose is to benefit the District. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity. The District is not financially accountable for any entity based on the above criteria nor is the District a component unit of any other entity.

B. Government-wide and Fund Financial Statements

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

I. Summary of Significant Accounting Policies (continued)

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

1. Government-wide Financial Statements

In the Statement of Net Position, the District's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported as unrestricted net position.

The focus of the Statement of Net Position and the Statement of Activities is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

2. Fund Financial Statements

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

The District reports only a General Fund. The General Fund is the District's operating fund and accounts for all financial resources of the District.

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash and Cash Equivalents

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

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

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

2. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Fund Balance

The District classifies governmental fund balances as follows:

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

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

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

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

3. Fund Balance (continued)

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

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

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

4. Grants Payable

The District provides grants to local governments to help alleviate the impact of mineral leasing activity. The District records these grants as payable upon approval of the grant. All grants are paid out on a reimbursement basis after substantiation of expenditures, with final payment coming only after completion of the project.

II. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds and the fiduciary fund are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). Each year, the District Board passes at least one budget amendment compliant with statutory notice requirements.

B. Investment Policy

With the adoption of Resolution No. 13-02 on April 10, 2013, the District adopted an investment policy concerning the investment of funds received but not yet distributed. Since 2017, the District's investment policy has been subject to the provisions of C.R.S. § 30-20-1307(6). The District amended its investment policy on April 14, 2021, in Resolution No. 2021-03. As required by statute, the District reviews this policy and sets performance benchmarks at its annual meeting each February. In 2025, all investments were held in ColoTrust and CSLIP (see below). The District's policy addresses risks as noted:

Credit Risk. The District's investment policy limits investments to certificates of deposit and Local Government Investment Pools authorized under § 24-75-701 C.R.S. and § 30-10-708(4) C.R.S. In 2025, all investments were held in ColoTrust and CSLIP (see below).

II. Stewardship, Compliance and Accountability (continued)

B. Investment Policy (continued)

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2025, the District's investments in ColoTrust and CSLIP represented 23% and 22% of the District's portfolio.

Interest Rate Risk. The District has limited its interest rate risk by limiting the type and maturity of investments held within its portfolio.

C. Investments

Through passage of Resolution No. 14-02 on March 17, 2014, the District was the first federal mineral leasing district in the state to establish a separate account for its investment funds. In 2017, the state legislature specified a federal mineral lease district's authority to invest, allowing a district to invest up to fifty percent of the funds it receives annually, today reflected in C.R.S. § 30-20-1307(1)(a) (2025).

III. Detailed Notes on All Funds

A. Deposits and Investments

At year-end, all deposits were held by Alpine Bank in checking funds and invested in ColoTrust as detailed below. The District's cash, cash equivalents and investments are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the District's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA.

The Colorado Public Deposit Protection Act ("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. The 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 equal to the aggregate uninsured deposits.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. The District had the following cash, cash equivalents and investments with the following maturities:

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

	Rating	Carrying Amounts	Maturities: Less than one year	Maturities: One to five years
Cash and cash equivalents:				
Checking	PDPA	371,302	Available on demand	
Money Market	PDPA	6,770,359	Available on demand	
Investment pools	AAAm	5,764,664	Available on demand	
		$ 12,906,325		

The Investment Pools represents investments in the Colorado Government Liquid Asset Trust ("COLOTRUST") and the Centennial State Liquid Investment Pool ("CSLIP") are 2a7-like pools. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. The District's investment in ColoTrust and CSLIP was measured at its net asset value.

B. Investment Performance

The District invests in ColoTrust Plus and Edge products. As required by C.R.S. § 30-20-1307(6) (c) (2025), the District's starting balance with ColoTrust on January 1, 2025 was $5,421,203. The District's ending balance with ColoTrust on December 31, 2025 was $2,968,773 . Its 2025 investment income was $183,835. Investment fees are calculated daily, and the District's ColoTrust balances are always reflected net of fees and a realized loss of $5,255. The District in 2025 also earned $296,837 in interest in its Money Market Account at Alpine Bank, which had a starting balance of $9,110,752 on January 01, 2025, and an ending balance of $6,770,359 on December 31, 2025.The District's 2025 investment income is $540,557, reflecting a 4.38% rate of return on ColoTrust Funds and an approximate 3.74% rate of return on Money Market funds.

The District also opened an investment account with CSLIP in May, 2025. The District's ending balance with CSLIP on December 31, 2025 was $2,795,891 . Its 2025 investment income was $62,233, reflecting a 4.45% rate of return.

Since its existence, the District has never had a negative rate of return and has always achieved its performance benchmarks.

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

The District had the following capital and leased assets:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, being depreciated:				
Furniture and equipment	$ 12,587	$ -	$ -	$ 12,587
Leased assets	83,996	-	-	83,996
Total capital assets being depreciated	96,583	-	-	96,583
Less accumulated depreciation for:				
Furniture and equipment	(10,534)	(1,027)	-	(11,561)
Less accumulated amortization for:				
Leased assets	(18,703)	(14,046)	-	(32,749)
Total accumulated depreciation and amortization	(29,237)	(15,073)	-	(44,310)
Total capital assets, net	$ 67,346	$ (15,073)	$ -	$ 52,273

V. Other Notes

A. Lease Agreement

On January 22, 2013, the District entered into a lease agreement with Alpine Professional Building Partnership for office space. The lease was renewed for an additional five year term beginning February 1, 2024 through January 31, 2029, at a monthly rate of $1,421. The rent payments are required to increase annually according to the Consumer Price Index provided by the U.S. Department of Labor, Bureau of Labor Statistics. In no event shall the CPI increase be less than 2% (two percent) nor more than 5% (five percent) in any given year.

Annual leased asset payment requirements are as follows:

	Lease Obligation		
Year	Principal	Interest	Payments
2026	16,020	1,538	17,558
2027	16,589	969	17,558
2028	17,180	378	17,558
2029	1,458	4	1,462
Total	$ 51,247	$ 2,889	$ 54,136

B. Risk Management – Special District Association

The District carried Property and Liability insurance through the Colorado Special Districts Property and Liability Insurance Pool.

IV. Detailed Notes on All Funds (continued)

C. I.R.C. 457 Plan

On July 16, 2019, the District elected to participate in the Colorado County Officers and Employees Retirement Association ("CCOERA"). CCOERA is now known as the Colorado Retirement Association ("CRA"). The plan is established and administered pursuant to I.R.C. Section 457(b). The plan offers both traditional and Roth options available to employees. Participation in the plan is voluntary. The District does not match employee contributions.

REQUIRED SUPPLEMENTARY INFORMATION



Garfield County Federal Mineral Lease District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2025

	2025				
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	2024 Actual
Revenues:					
Federal mineral lease payments	2,000,000	1,967,420	1,967,420	-	2,426,101
Forfeited or retained grants	50,000	319,461	319,461	-	105,018
Interest income	610,500	549,158	540,557	(8,601)	709,918
Other income	-	133	133	-	3,000
Lease proceeds	-	-	-	-	85,232
Total Revenues	2,660,500	2,836,172	2,827,571	(8,601)	3,329,269
Expenditures:					
Administration:					
Bank fees	-	-	-	-	-
Contract services	27,000	28,370	23,547	4,823	23,638
Facilities and equipment	5,000	21,500	20,832	668	20,330
Operations	18,600	25,700	25,467	233	15,529
Other expenses	3,500	3,250	3,172	78	3,190
Travel and meetings	700	1,091	1,091	-	158
Employee expenses	50,175	46,866	46,057	809	45,995
Capital outlay	-	-	-	-	88,315
Project expenses	6,015,000	5,315,500	5,315,500	-	5,617,500
Total Expenditures	6,119,975	5,442,277	5,435,666	6,611	5,814,655
(Deficiency) of Revenues Over Expenditures	(3,459,475)	(2,606,105)	(2,608,095)	(1,990)	(2,485,386)
Fund Balance - Beginning	6,892,869	6,899,182	6,899,182	-	9,384,568
Fund Balance - Ending	3,433,394	4,293,077	4,291,087	(1,990)	6,899,182

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

SUPPLEMENTARY INFORMATION



Garfield County Federal Mineral Lease District
Schedule of Historical Net Position
As of the Year Ended December 31, 2025

Net Position as of Year Ended:	Ending Balance at Year End	5 year Moving Average
December 31, 2016	$ 4,107,895	$ -
December 31, 2017	3,769,977	-
December 31, 2018	3,523,496	-
December 31, 2019	2,726,075	-
December 31, 2020	1,540,392	3,133,567
December 31, 2021	3,721,578	3,056,304
December 31, 2022	5,214,015	3,345,111
December 31, 2023	9,384,568	4,517,326
December 31, 2024	6,901,236	5,352,358
December 31, 2025	4,292,113	5,902,702
Net Position Ten-Year Average:	4,518,135	
Net Position Ten-Year Median:	3,938,936	

Net Position presents the District's financial position focusing on long-term resources and is reported on a full accrual basis. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.