



LAS ANIMAS COUNTY, COLORADO

**FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025**

LAS ANIMAS COUNTY, COLORADO

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Las Animas County, Colorado
Trinidad, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Las Animas 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 basic financial statements of the County, as listed in the table of contents.

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

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 risk 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 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 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 the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund statements, the budgetary comparison schedules, local highway finance report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, listed in the table of contents 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules, local highway finance report, and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

DMC Auditing and Consulting, LLC

July 24, 2026
Bailey, Colorado

LAS ANIMAS COUNTY, COLORADO

Management's Discussion and Analysis

Management of Las Animas County offers readers of the county's annual financial report this discussion and analysis of financial activities for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented herein in conjunction with the county's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's total combined net position for government and business-type activities was \$63,638,485 on December 31, 2025.
- During the year, \$32,906,299 was generated by taxes, grants, and other forms of revenue in all governmental funds, which left a 13% decrease compared to 2024.
- As of December 31, 2025, the County's governmental funds reported combined ending fund balances of \$27,021,997, a decrease of 1.3% compared to the prior year. Of the ending fund balance, \$710,000 is reserved for emergencies, and \$3,480,422 is reserved for Public Safety.
- As of December 31, 2025, total general fund expenditures were \$16,534,262; alternatively, 59% of the unreserved/unassigned fund balance for the general fund.
- In the general fund, the actual revenues of \$12,264,525 were 0.8% higher than what was budgeted, while actual expenditures of \$9,763,102 were lower than budgeted. This resulted in a total excess of revenues over expenses of \$2,501,423.
- County Revenues in other governmental funds decreased by 1% compared to the previous year, 2024. Expenditures increased by 7% compared to spending in 2024.

Overview of the Financial Statements

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

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a comprehensive overview of the county's finances, presented in a manner similar to that of a private-sector business.

The statement of net position presents information on all of the county's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a valuable indicator of the county's financial viability.

The statement of activities presents information showing how the county'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. Thus, revenues and expenses reported in this statement for specific items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Each government-wide financial statement distinguishes the county's functions that are principally supported by taxes and intergovernmental revenues (government activities) from services intended to recover all or a significant

portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government, public safety, health & environment, auxiliary services, intergovernmental activities, roads & bridges, and social services.

Fund financial statements – A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Las Animas County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the county's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources and balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, comparing the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements is helpful. 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 eight governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Road & Bridge Fund, Public Welfare Fund (human services), and other governmental funds, including Capital Expenditures, and Conservation Trust.

The county adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. Expenditures were within the budgeted amounts in all funds.

Proprietary funds: The County maintains one proprietary fund, specifically the Airport Enterprise Fund. Enterprise funds are those in which customers are charged a fee and are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide, in greater detail, the same type of information as government-wide financial statements.

Fiduciary funds: The County is the trustee, or *fiduciary*, for certain funds. Some examples of fiduciary funds are School Districts, Cities & Towns, Health Department & District Attorneys, and other Special Districts. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the county's programs.

Notes to the Financial Statements – The notes provide additional information essential to a complete understanding of the data presented in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position may serve over time as a valuable indicator of a government's financial position. In the case of Las Animas County, assets exceeded liabilities by \$63,638,485 as of December 31, 2025.

Of the county's total net position, 58% is reflected in capital assets investments (e.g., land, buildings, roads, bridges, equipment), less any related debt used to acquire assets that remain outstanding. The county utilizes these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it is worth noting that the resources needed to repay this debt must be provided from other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

LAS ANIMAS COUNTY'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
Net Position	2025	2024	2025	2024	2025	2024
Capital Assets, not depreciated	\$524,058	\$451,433	\$193,904	\$193,904	\$717,962	\$645,337
Capital Assets, being deprec (net)	\$29,203,379	\$28,825,507	\$7,277,910	\$7,502,753	\$36,481,289	\$36,328,260
Total Capital Assets	\$29,727,437	\$29,276,940	\$7,471,814	\$7,696,657	\$37,199,251	\$36,973,597
Current & Other Assets	\$33,367,073	\$32,860,792	\$475,828	\$221,854	\$33,842,901	\$33,082,646
Total Assets	\$63,094,510	\$62,137,732	\$7,947,642	\$7,918,511	\$71,042,152	\$70,056,243
Long-term Liabilities Outstanding	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities	\$3,946,249	\$3,993,153	\$1,862	\$1,580	\$3,948,111	\$3,994,733
Total Liabilities	\$3,946,249	\$3,993,153	\$1,862	\$1,580	\$3,948,111	\$3,994,733
Deferred Inflows of Resources	\$3,455,556	\$2,707,077	\$0	\$0	\$3,455,556	\$2,707,077
Net Position:						
Net Investment in						
Capital Assets	\$27,833,993	\$27,175,761	\$7,471,814	\$7,696,657	\$35,305,807	\$34,872,418
Restricted	\$9,977,155	\$10,588,493	\$0	\$0	\$9,977,155	\$10,588,493
Unrestricted (Deficit)	\$17,881,557	\$17,673,248	\$473,966	\$220,274	\$18,355,523	\$17,893,522
Total Net Position	\$55,692,705	\$55,437,502	\$7,945,780	\$7,916,931	\$63,638,485	\$63,354,433

The increase in net position from 2024 to 2025 is primarily due to capital assets less depreciation expenses. After depreciation, infrastructure accounted for \$13,653,490 of the total net position. A portion of the county's net position represents resources that are subject to an external restriction on how they may be used. The remaining unrestricted net position, \$17,881,557, has increased 1% from the 2025 level.

Additionally, the remaining funds may be used to fulfill the government's ongoing obligations to citizens and creditors. As of December 31, 2025, the county can report positive balances in all three categories of total net position, both for the government as a whole and its separate governmental and business-type activities.

Changes in Net Position – The County's total revenues are \$33,253,666. Of this total, 36% is general revenue, i.e., taxes, intergovernmental revenue, interest income, etc.; 59% is from state programs and grants; 5% relates to charges for services.

The total cost of all programs and services was \$32,969,614. The two most considerable portions are 45% for social services and 25% for the various capital projects throughout the county, including roads, bridges, and

building construction. The resulting change in net position was an increase of 0.45%. This increase includes both governmental activities programs and the Airport Proprietary Fund for 2025.

Analysis of the County's Operations – The table below summarizes Las Animas County's operations for 2025. In governmental activities, the net position increased by \$255,203. In business-type activities, the net position increased by \$28,849.

LAS ANIMAS COUNTY'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
Changes in Net Position	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	\$1,574,063	\$1,289,523	\$79,517	\$240,503	\$1,653,580	\$1,530,026
Operating Grants & Contributions	\$19,423,605	\$21,837,503	\$0	\$0	\$19,423,605	\$21,837,503
Capital Grants & Contributions	\$237,680	\$2,252,208	\$95,751	\$1,098,096	\$333,431	\$3,350,304
General Revenues						
Property Taxes	\$4,461,144	\$5,183,731	\$0	\$0	\$4,461,144	\$5,183,731
Specific Ownership Taxes	\$611,325	\$683,919	\$0	\$0	\$611,325	\$683,919
Sales Taxes	\$5,769,622	\$5,883,179	\$0	\$0	\$5,769,622	\$5,883,179
Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental	\$0	\$0	\$0	\$0	\$0	\$0
Legal Settlement Jail Renov	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Proceeds	\$0	\$0	\$0	\$0	\$0	\$0
Interest Revenue	\$699,591	\$649,943	\$0	\$0	\$699,591	\$649,943
Other Revenues	\$129,269	\$77,186	\$0	\$18,051	\$129,269	\$95,237
Gain(Loss) Disposition Assets	\$172,099	\$0	\$0	\$0	\$172,099	\$0
Transfers In / (Out)	(\$380,000)	(\$86,332)	\$380,000	\$86,332	\$0	\$0
Total Revenues	\$32,698,398	\$37,770,860	\$555,268	\$1,442,982	\$33,253,666	\$39,213,842
Expenses						
General Government	\$3,293,108	\$5,022,168	\$0	\$0	\$3,293,108	\$5,022,168
Public Safety	\$4,075,464	\$3,624,261	\$0	\$0	\$4,075,464	\$3,624,261
Health & Environment	\$320,472	\$320,472	\$0	\$0	\$320,472	\$320,472
Auxiliary Services	\$369,081	\$370,751	\$0	\$0	\$369,081	\$370,751
Intergovernmental	\$1,493,250	\$1,496,701	\$0	\$0	\$1,493,250	\$1,496,701
Parks and Recreation	\$5,208	\$9,830	\$0	\$0	\$5,208	\$9,830
Road, Bridges & Capital Outlay	\$8,168,569	\$6,550,635	\$0	\$0	\$8,168,569	\$6,550,635
Social Services	\$14,697,690	\$13,804,614	\$0	\$0	\$14,697,690	\$13,804,614
Debt Services	\$20,353	\$1,557	\$0	\$0	\$20,353	\$1,557
Airport	\$0	\$0	\$526,419	\$750,258	\$526,419	\$750,258
Total Expenses	\$32,443,195	\$31,200,989	\$526,419	\$750,258	\$32,969,614	\$31,951,247
10						
Increase / (Decrease) in Net Position	\$255,203	\$6,569,871	\$28,849	\$692,724	\$284,052	\$7,262,595
Net Position -- January 1	\$55,437,502	\$48,867,631	\$7,916,931	\$7,224,207	\$63,354,433	\$56,091,838
Prior Year Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
	\$55,437,502	\$48,867,631	\$7,916,931	\$7,224,207	\$63,354,433	\$56,091,838
Net Position -- December 31	\$55,692,705	\$55,437,502	\$7,945,780	\$7,916,931	\$63,638,485	\$63,354,433

CAPITAL ASSETS

CAPITAL ASSETS AT YEAR-END

Net of Accumulated Depreciation

	Governmental Activities		Business-Type Activities		Total	
Capital Assets Net of Accum Dprec	2025	2024	2025	2024	2025	2024
Land	\$451,433	\$451,433	\$117,304	\$117,304	\$568,737	\$568,737
Water Rights	\$0	\$0	\$76,600	\$76,600	\$76,600	\$76,600
Construction in Progress	\$72,625	\$0	\$0	\$0	\$72,625	\$0
Infrastructure	\$13,653,490	\$13,670,744	\$0	\$0	\$13,653,490	\$13,670,744
Structure & Improvements	\$12,339,210	\$12,145,805	\$7,134,953	\$7,327,510	\$19,474,163	\$19,473,315
Right-to-Use-asset	\$14,882	\$28,698	\$0	\$0	\$14,882	\$28,698
Equipment	\$3,195,797	\$2,980,260	\$142,957	\$175,243	\$3,338,754	\$3,155,503
Total Capital Assets (net)	\$29,727,437	\$29,276,940	\$7,471,814	\$7,696,657	\$37,199,251	\$36,973,597

During the fiscal year 2025, Las Animas County added \$4,324,892 in capital assets; After depreciation, the total value of all assets is \$37,199,251. The county depreciates capital assets, except land and water rights, using the straight-line depreciation method and a predetermined useful life of the asset.

LONG-TERM DEBT

LONG-TERM DEBT AT YEAR-END

	Governmental Activities		Business-Type Activities		Total	
Long Term Debt	2025	2024	2025	2024	2025	2024
Sales Tax revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0
Lease Payables	\$15,996	\$30,309	\$0	\$0	\$15,996	\$30,309
Contract Agreement	\$0	\$0	\$0	\$0	\$0	\$0
Capital Lease Obligations	\$204,018	\$296,736	\$0	\$0	\$204,018	\$296,736
Compensated Absences	\$836,715	\$887,067	\$0	\$0	\$836,715	\$887,067
Total Long-Term Debt	\$1,056,729	\$1,214,112	\$0	\$0	\$1,056,729	\$1,214,112

Total long-term debt obligations of the county decreased by \$157,383 from 2024 to 2025. The amount owed to employees for compensated absences decreased by \$50,352 compared to 2024. The decrease in compensated absences is primarily due to staff with higher balances separating from the County. In 2024, the County implemented GASB 101. That new standard revised the criteria for recognizing liabilities related to leave benefits. Compensated absences include accrued annual leave and sick leave for general fund employees, the road & bridge fund, and the Department of Social (Human) Services fund upon their separation from employment with the county.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The assessed valuation of taxable properties used for the 2026 budget preparation increased by \$48,794,498, or 12%. The 2026 property taxes were certified in December 2025.

A Ballot Question (1B) approved by voters of Las Animas County in November 2005, which allowed the county to freeze the mill levy at that year's level of 9.357 mills for a five-year period, expired at the end of 2010. Beginning with the 2011 budget year, Las Animas County was again required to adhere to any revenue restrictions pertaining to the assessment of property taxes. Voters approved the November 2017 Ballot question (1C) of Las Animas County, which allowed the county to retain and spend all revenues in 2020 and each year after without raising the tax rate above the current level of 9.357 mills. General fund spending in 2026 is projected to decrease by 20% compared to the amount spent in 2025. 2026 general fund revenue is expected to decline by 7% compared to the actual revenue realized in 2025. Revenues and expenditures in the general fund and road and bridge fund may fluctuate accordingly with the county's receipt of any capital improvement grants and awards.

REQUESTS FOR INFORMATION

This financial report is designed to give our citizens, taxpayers, customers, investors, and creditors a general overview of the county's finances. If you have questions about this report or need additional financial information, please get in touch with the County Finance Director at 200 E. First Street, Trinidad, Colorado 81082, or by calling (719) 845-2564.

BASIC FINANCIAL STATEMENTS

LAS ANIMAS COUNTY, COLORADO

STATEMENT OF NET POSITION

December 31, 2025

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 26,151,172	\$ 408,980	\$ 26,560,152
Accounts Receivable	1,898,731	66,848	1,965,579
Taxes Receivable	4,194,365	-	4,194,365
Grants Receivable	456,153	-	456,153
Lease Receivable	99,321	-	99,321
Accrued Interest Receivable	56,751	-	56,751
Inventory	510,580	-	510,580
Capital Assets, <i>Not Being Depreciated</i>	524,058	193,904	717,962
Capital Assets, <i>Being Depreciated, Net</i>	29,203,379	7,277,910	36,481,289
TOTAL ASSETS	63,094,510	7,947,642	71,042,152
LIABILITIES			
Accounts Payable	751,465	1,862	753,327
Accrued Payroll	183,330	-	183,330
Due to Other Governments	50,000	-	50,000
Unearned Revenues	1,904,725	-	1,904,725
Noncurrent Liabilities			
Due Within One Year	588,695	-	588,695
Due in More Than One Year	468,034	-	468,034
TOTAL LIABILITIES	3,946,249	1,862	3,948,111
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,360,924	-	3,360,924
Leases	94,632	-	94,632
TOTAL DEFERRED INFLOWS OF RESOURCES	3,455,556	-	3,455,556
NET POSITION			
Net Investment in Capital Assets	29,507,423	7,471,814	36,979,237
Restricted for:			
Emergencies	710,000	-	710,000
Roads and Bridges	2,199,046	-	2,199,046
Public Safety	3,480,422	-	3,480,422
Parks and Recreation	626,009	-	626,009
Social Services	1,003,871	-	1,003,871
Capital Projects	1,957,807	-	1,957,807
Unrestricted	16,208,127	473,966	16,682,093
TOTAL NET POSITION	\$ 55,692,705	\$ 7,945,780	\$ 63,638,485

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	\$ 3,293,108	\$ 1,019,106	\$ 51,601	\$ 172,988	\$ (2,049,413)	\$ -	\$ (2,049,413)
Public Safety	4,075,464	381,017	832,748	-	(2,861,699)	-	(2,861,699)
Health Services	320,472	-	5,062	-	(315,410)	-	(315,410)
Auxiliary Services	369,081	-	-	-	(369,081)	-	(369,081)
Intergovernmental	1,493,250	-	-	-	(1,493,250)	-	(1,493,250)
Parks and Recreation	5,208	-	15,951	64,692	75,435	-	75,435
Roads and Bridges	8,168,569	173,940	4,909,240	-	(3,085,389)	-	(3,085,389)
Social Services	14,697,690	-	13,609,003	-	(1,088,687)	-	(1,088,687)
Interest on Long-Term Debt	20,353	-	-	-	(20,353)	-	(20,353)
Total Governmental Activities	32,443,195	1,574,063	19,423,605	237,680	(11,207,847)	-	(11,207,847)
Business-Type Activities							
Airport	526,419	79,517	-	95,751	-	(351,151)	16,234
TOTAL PRIMARY GOVERNMENT	\$ 32,969,614	\$ 1,653,580	\$ 19,423,605	\$ 333,431	(11,207,847)	(351,151)	(11,191,613)
GENERAL REVENUES							
Property Taxes					4,461,144	-	4,461,144
Specific Ownership Taxes					611,325	-	611,325
Sales Taxes					5,769,622	-	5,769,622
Interest Income					699,591	-	699,591
Other Revenues					129,269	-	129,269
Gain (Loss) on Disposal of Capital Assets					172,099	-	172,099
Transfers					(380,000)	380,000	-
TOTAL GENERAL REVENUES					11,463,050	380,000	11,843,050
CHANGE IN NET POSITION					255,203	28,849	284,052
NET POSITION, Beginning					55,437,502	7,916,931	63,354,433
NET POSITION, Ending					\$ 55,692,705	\$ 7,945,780	\$ 63,638,485

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

LAS ANIMAS COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	<u>GENERAL</u>	<u>ROAD AND BRIDGE</u>	<u>PUBLIC WELFARE</u>
ASSETS			
Cash and Investments	\$ 19,746,158	\$ 1,077,538	\$ 2,428,968
Accounts Receivable	293,253	1,311,594	-
Taxes Receivable	3,554,987	-	-
Grants Receivable	-	-	456,153
Lease Receivable	99,321	-	-
Accrued Interest Receivable	56,751	-	-
Inventory	-	510,580	-
	<u>23,750,470</u>	<u>2,899,712</u>	<u>2,885,121</u>
TOTAL ASSETS			
	<u>23,750,470</u>	<u>2,899,712</u>	<u>2,885,121</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	242,413	91,709	193,374
Accrued Payroll	80,658	98,377	4,295
Developer Deposit	50,000	-	-
Unearned Revenues	221,144	-	1,683,581
	<u>594,215</u>	<u>190,086</u>	<u>1,881,250</u>
TOTAL LIABILITIES			
	<u>594,215</u>	<u>190,086</u>	<u>1,881,250</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,721,546	-	-
Leases	94,632	-	-
	<u>2,816,178</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES			
	<u>2,816,178</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable Inventory	-	510,580	-
Restricted for:			
Emergencies	710,000	-	-
Roads and Bridges	-	2,199,046	-
Public Safety	3,095,815	-	-
Parks and Recreation	-	-	-
Social Services	-	-	1,003,871
Capital Projects	-	-	-
Committed to Unanticipated Obligations	1,780,885	-	-
Unassigned	14,753,377	-	-
	<u>20,340,077</u>	<u>2,709,626</u>	<u>1,003,871</u>
TOTAL FUND BALANCES			
	<u>20,340,077</u>	<u>2,709,626</u>	<u>1,003,871</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 23,750,470</u>	<u>\$ 2,899,712</u>	<u>\$ 2,885,121</u>

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

CAPITAL EXPENDITURE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
\$ 1,887,892	\$ 1,010,616	\$ 26,151,172
293,884	-	1,898,731
639,378		4,194,365
-	-	456,153
-	-	99,321
-	-	56,751
-	-	510,580
<u>2,821,154</u>	<u>1,010,616</u>	<u>33,367,073</u>
223,969	-	751,465
-	-	183,330
-	-	50,000
-	-	1,904,725
<u>223,969</u>	<u>-</u>	<u>2,889,520</u>
639,378	-	3,360,924
-	-	94,632
<u>639,378</u>	<u>-</u>	<u>3,455,556</u>
-	-	510,580
-	-	710,000
-	-	2,199,046
-	384,607	3,480,422
-	626,009	626,009
-	-	1,003,871
1,957,807		1,957,807
-	-	1,780,885
-	-	14,753,377
<u>1,957,807</u>	<u>1,010,616</u>	<u>27,021,997</u>
<u>\$ 2,821,154</u>	<u>\$ 1,010,616</u>	<u>\$ 33,367,073</u>

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

LAS ANIMAS COUNTY, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$ 27,021,997
Capital assets and lease right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	29,727,437
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Leases Payable	(220,014)
Accrued Compensated Absences	<u>(836,715)</u>
Total Net Position of Governmental Activities	<u>\$ 55,692,705</u>

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	<u>GENERAL</u>	<u>ROAD AND BRIDGE</u>	<u>PUBLIC WELFARE</u>
REVENUES			
Taxes	\$ 8,696,987	\$ -	\$ 658,323
Licenses and Permits	9,450	-	-
Intergovernmental	1,611,341	4,933,401	13,609,003
Charges for Services	1,082,842	-	-
Investment Income	687,327	-	-
Miscellaneous	176,578	173,940	-
	<u>12,264,525</u>	<u>5,107,341</u>	<u>14,267,326</u>
TOTAL REVENUES			
EXPENDITURES			
General Government	3,828,496	-	-
Public Safety	3,709,873	-	-
Health Services	320,472	-	-
Auxiliary Services	283,627	-	-
Intergovernmental	1,493,250	-	-
Parks and Recreation	-	-	-
Roads, Bridges, and Capital Outlay	-	7,063,231	-
Social Services	-	-	14,695,721
Debt Service			
Principal	107,031	-	-
Interest	20,353	-	-
	<u>9,763,102</u>	<u>7,063,231</u>	<u>14,695,721</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,501,423</u>	<u>(1,955,890)</u>	<u>(428,395)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	-	172,099	-
Transfers In	-	1,100,000	-
Transfers Out	(1,480,000)	-	-
	<u>(1,480,000)</u>	<u>1,272,099</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)			
CHANGE IN FUND BALANCES	1,021,423	(683,791)	(428,395)
FUND BALANCES, Beginning	<u>19,318,654</u>	<u>3,393,417</u>	<u>1,432,266</u>
FUND BALANCES, Ending	<u>\$ 20,340,077</u>	<u>\$ 2,709,626</u>	<u>\$ 1,003,871</u>

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

CAPITAL EXPENDITURE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
\$ 548,629	\$ -	\$ 9,903,939
-	-	9,450
609,701	64,457	20,827,903
-	-	1,082,842
-	-	687,327
30,000	14,320	394,838
<u>1,188,330</u>	<u>78,777</u>	<u>32,906,299</u>
13,960	-	3,842,456
-	63,751	3,773,624
-	-	320,472
-	-	283,627
-	-	1,493,250
-	5,208	5,208
1,421,218	24,884	8,509,333
-	-	14,695,721
-	-	107,031
-	-	20,353
<u>1,435,178</u>	<u>93,843</u>	<u>33,051,075</u>
<u>(246,848)</u>	<u>(15,066)</u>	<u>(144,776)</u>
-	-	172,099
-	50,000	1,150,000
-	(50,000)	(1,530,000)
<u>-</u>	<u>-</u>	<u>(207,901)</u>
(246,848)	(15,066)	(352,677)
<u>2,204,655</u>	<u>1,025,682</u>	<u>27,374,674</u>
<u>\$ 1,957,807</u>	<u>\$ 1,010,616</u>	<u>\$ 27,021,997</u>

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

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

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$	(352,677)
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Governmental funds report capital outlays and leases as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:

Depreciation Expense		(3,822,097)
Amortization Expense		(16,710)
Capital Outlay		4,289,304

Long-term debt and lease proceeds provide current financial resources to governmental funds, but increases in long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt / lease proceeds and related items.

Principal on Leases Payable and Financed Purchases		107,031
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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. This includes the changes in the following:

Accrued Compensated Absences		50,352
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Change in Net Position of Governmental Activities	\$	255,203
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LAS ANIMAS COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2025

	BUSINESS-TYPE ACTIVITIES <u>AIRPORT FUND</u>
ASSETS	
Cash and Cash Equivalents	\$ 408,980
Accounts Receivable	66,848
Capital Assets, <i>Not Being Depreciated</i>	193,904
Capital Assets, <i>Being Depreciated, Net</i>	<u>7,277,910</u>
 TOTAL ASSETS	 <u>7,947,642</u>
 LIABILITIES	
Accounts Payable	<u>1,862</u>
 NET POSITION	
Net Investment in Capital Assets	7,471,814
Unrestricted	<u>473,966</u>
 TOTAL NET POSITION	 \$ <u><u>7,945,780</u></u>

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2025

	<u>BUSINESS-TYPE ACTIVITIES AIRPORT FUND</u>
OPERATING REVENUES	
Charges for Services	\$ <u>79,517</u>
OPERATING EXPENSES	
Operating Supplies	193,363
Depreciation	<u>333,056</u>
TOTAL OPERATING EXPENSES	<u>526,419</u>
NET OPERATING INCOME (LOSS)	<u>(446,902)</u>
NONOPERATING REVENUES (EXPENSES)	
Grants	<u>95,751</u>
NET INCOME (LOSS) BEFORE TRANSFERS	(351,151)
Transfers In	<u>380,000</u>
CHANGE IN NET POSITION	28,849
NET POSITION, Beginning	<u>7,916,931</u>
NET POSITION, Ending	\$ <u><u>7,945,780</u></u>

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2025

	BUSINESS-TYPE ACTIVITIES <u>AIRPORT FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 14,150
Cash Payments to Vendors and Suppliers	<u>(193,081)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(178,931)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Grants Received	112,461
Net Transfers from (to) Other Funds	<u>380,000</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>492,461</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	<u>(108,213)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	205,317
CASH AND CASH EQUIVALENTS, Beginning	<u>203,663</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 408,980</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS)	
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Net Operating Income (Loss)	\$ (446,902)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	333,056
Changes in Assets and Liabilities:	
Accounts Receivable	(65,367)
Accounts Payable	<u>282</u>
Total Adjustments	<u>267,971</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (178,931)</u></u>

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2025

	CUSTODIAL FUNDS			TOTAL
	COUNTY TREASURER	COUNTY CLERK AND RECORDER	PUBLIC TRUSTEE	FIDUCIARY FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 4,017,469	\$ 296,345	\$ 35,866	\$ 4,349,680
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments	4,017,469	296,345	-	4,313,814
Unrestricted	-	-	35,866	35,866
TOTAL NET POSITION	\$ 4,017,469	\$ 296,345	\$ 35,866	\$ 4,349,680

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2025

	CUSTODIAL FUNDS			TOTAL
	COUNTY TREASURER	COUNTY CLERK AND RECORDER	PUBLIC TRUSTEE	FIDUCIARY FUNDS
ADDITIONS				
Taxes and Fees Collected for Other Governments	\$ 19,420,410	\$ 4,003,711	\$ -	\$ 23,424,121
Fines and Fees Collected for Other Governments	-	-	282,465	282,465
TOTAL ADDITIONS	19,420,410	4,003,711	282,465	23,706,586
DEDUCTIONS				
Taxes and Fees Disbursed to Other Governments	19,256,495	4,002,356	-	23,258,851
Fines and Fees Disbursed to Other Governments	-	-	268,821	268,821
TOTAL DEDUCTIONS	19,256,495	4,002,356	268,821	23,527,672
CHANGE IN NET POSITION	163,915	1,355	13,644	178,914
NET POSITION, Beginning	3,853,554	294,990	22,222	4,170,766
NET POSITION, Ending	\$ 4,017,469	\$ 296,345	\$ 35,866	\$ 4,349,680

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: Summary of Significant Accounting Policies

Las Animas County (the County) was created by an act of legislature in 1866 and is governed by applicable Colorado Statutes. The County is managed by three Commissioners and provides the following services: public safety, highways and roads, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, tax and license assessments and collections, and general administrative services.

The accounting policies of the County conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the County's significant policies.

Reporting Entity

The financial reporting entity consists of the County, organizations for which the County is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the County. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the County. Legally separate organizations for which the County is financially accountable are considered part of the reporting entity. Financial accountability exists if the County appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the County.

The Public Trustee is a State statutorily mandated position, appointed by the Board of County Commissioners, but whose financial transactions are independent of the County. However, all expenditures and associated funding transactions relating to the operations of the County Office of the Public Trustee are included in the General Fund, except those required to be accounted for in a Custodial Fund.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the County and its component unit. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the 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 the governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds, proprietary funds, and fiduciary funds identified by management are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 County, except those required to be accounted for in another fund.

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Road and Bridge Fund* is used to account for the operations of the County Road Department. Financing is provided by transfers, state contributions and other miscellaneous revenues.

The *Public Welfare Fund* is used to account for the operations of the County Welfare Department. Financing is provided by state grants and property taxes.

The *Capital Expenditures Fund* is used to account for capital additions. Financing is provided by federal and state grants and property taxes.

The County reports the following major proprietary fund:

The *Airport Fund* is used to account for the operations of the Perry Stokes Airport, which is owned by the County. Financing is provided by user fees.

Additionally, the County reports the following fund type:

The *Fiduciary Funds* account for Custodial Fund assets held by the County in a custodial capacity or as an agent on behalf of others. *Fiduciary Funds* are accounted for using the accrual basis of accounting. The County's Custodial Funds include the Treasurer's Office, the Clerk and Recorder's Office and the Public Trustee.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers or other funds for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position

Cash and Cash Equivalents – Cash and investments of each of the County’s funds are pooled and invested by the County into liquid investment with maturities of three months or less. Investments are reported at fair value. For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

Receivables – Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year for collection in the subsequent year are recorded as receivables and deferred inflows of resources at year end. Taxes are due in the subsequent year on April 30, or in two installments on February 28 and June 15. Taxes are collected by the County Treasurer and remitted to the County on a monthly basis. Grant reimbursements not received before year-end for which eligibility has been met and expenditures have been incurred are reported as grants receivable.

Leases Receivable – The County is a lessor for noncancellable periods in excess of twelve months, including exercised extensions. Leases receivable are measured at the present value of lease payments expected to be received during the lease term based on the County’s implicit interest rate unless the interest rate is provided in the agreement. Leases are recognized at the present value of cash flows as a lease receivable and a deferred inflow of resources. Payments on the lease reduce lease receivable and recognize interest as revenue. Deferred inflows of resources are amortized over the life of the lease term on a straight-line basis.

Inventories – Inventories are stated at cost on a lower average cost or market. The costs of inventories are recorded as expenditures or expenses when consumed rather than when purchased.

Capital Assets – Capital assets include property, equipment, and infrastructure. These are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. They are also reported in the proprietary funds in the fund financial statements.

Capital assets are defined as assets with an initial, individual cost of \$5,000 or more 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 the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Infrastructure	5 – 50 years
Structures and Improvements	10 – 75 years
Equipment	3 - 25 years

Deferred Inflows of Resources – This separate financial statement element represents an acquisition of net assets by the County that is applicable to a future reporting period. Deferred inflows of resources in the governmental fund financial statements include the amortizable portion of leases receivable not available as current financial resources and property taxes earned but not available as current financial resources.

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations, including financed purchases, are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, 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 are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (Continued)

Leases – The County determines if an arrangement is a lease at inception. For leasing arrangements where the County is the lessee, leases are reported as right-to-use assets and noncurrent liabilities in the statement of net position.

Lease assets represent the County's control of the right-to-use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date on the initial measurement of the lease liabilities, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Leased assets are defined by the County as assets with an initial, individual cost of more than \$5,000.

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

For individual lease contracts where information about the discount rate implicit in the lease is not included, the County has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

Compensated Absences – Personnel accrue unused paid time off (PTO) based on the number of hours worked in a year up to a maximum of 280 hours (35 days). Unused accumulated leave benefits are paid upon separation/termination at their current pay rate. Sick leave is accumulated at a rate of one day per month up to a maximum of 120 days. Upon separation, employees receive 50% payment for any unused sick leave earned before June 1, 2001, less any sick leave taken from that date until the employee's date of separation. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned. Governmental funds recognize a liability only when payment is due.

Net Position/Fund Balances – In the government-wide financial statements, net position is restricted when constraints placed on the use of resources are externally imposed. Governmental fund balances are classified as restricted when constraints are placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Committed fund balances include resources which are subject to limitations the County imposes on itself by action of County Council through ordinances. Committed fund balances also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Commitments may be established, modified, or rescinded only through ordinances approved by the Board of County Commissioners. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed.

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.

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

Property taxes normally attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the County on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

NOTE 2: Cash and Cash Equivalents

At December 31, 2025, the County had the following cash and cash equivalents:

Cash on Hand	\$ 1,000
Cash (including Custodial Funds)	22,382,965
Certificates of Deposit	<u>8,525,867</u>
Total	<u><u>\$ 30,909,832</u></u>

Cash and cash equivalents are reported in the financial statements as follows:

Primary Government	\$ 26,560,152
Fiduciary Funds	<u>4,349,680</u>
Total	<u><u>\$ 30,909,832</u></u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2025, the County had bank deposits of \$32,174,387 collateralized with securities held by the financial institution's agent but not in the County's name.

Certificates of Deposit

At December 31, 2025, the County's non-negotiable certificates of deposit held in the County's name were stated at fair value with a maturity of less than one year.

NOTE 3: Lease Receivables

The County entered into two lease receivable agreements for the use of space. The County entered into a lease receivable with the State of Colorado for office space for the Department of Motor Vehicles. The lease commenced on July 1, 2020, and expired on June 30, 2025. During the year ended December 31, 2024, the County extended the lease through June 30, 2028. Required monthly lease payment was \$527 through June 30, 2025, and increasing to \$591 on July 1, 2025, through June 30, 2028. The County used an implicit interest rate of 3% per annum. In 2025, the County received \$6,705, including \$6,354 and \$351 in principal and interest, respectively. At December 31, 2025, the lease deferred inflows of resources were \$16,820.

On July 24, 2009, the County entered into a lease with San Isabel Cellular for the use of cell tower space for a term of 5 years that is automatically extended for four additional five-year terms. Payments for the first year of the lease were \$9,000 per year with a 10% increase for each additional five-year term. The County used an implicit interest rate of 3% per annum. In 2025, the County received \$10,989, including \$8,182 and \$2,607 in principal and interest, respectively. At December 31, 2025, the lease deferred inflows of resources were \$77,812.

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 3: Lease Receivables (Continued)

Future minimum rental payments to be received under the leases are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 15,247	\$ 2,833	\$ 18,080
2027	15,741	2,339	18,080
2028	12,680	1,854	14,534
2029	9,449	1,540	10,989
2030	9,736	1,253	10,989
2031-2035	36,468	1,994	38,462
Total	<u>\$ 99,321</u>	<u>\$ 11,813</u>	<u>\$ 111,134</u>

NOTE 4: Capital Assets

Capital asset activity for the year ended December 31, 2025, is summarized below:

	<u>Balance</u>			<u>Balance</u>
	<u>12/31/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2025</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 451,433	\$ -	\$ -	\$ 451,433
Construction in Progress	-	72,625	-	72,625
Capital Assets, Not Being Depreciated:	<u>451,433</u>	<u>72,625</u>	<u>-</u>	<u>524,058</u>
Capital Assets, Being Depreciated:				
Infrastructure	101,967,339	2,011,443	-	103,978,782
Structures and Improvements	25,442,978	1,327,970	-	26,770,948
Equipment	16,258,163	877,266	1,438,841	15,696,588
Right-to-Use Asset	69,075	-	-	69,075
Total Capital Assets, Being Depreciated	<u>143,737,555</u>	<u>4,216,679</u>	<u>1,438,841</u>	<u>146,515,393</u>
Less Accumulated Depreciation:				
Infrastructure	(88,296,595)	(2,028,697)	-	(90,325,292)
Structures and Improvements	(13,297,173)	(1,134,565)	-	(14,431,738)
Equipment	(13,277,903)	(661,729)	(1,438,841)	(12,500,791)
Right-to-Use Asset	(40,377)	(13,816)	-	(54,193)
Total Accumulated Depreciation	<u>(114,912,048)</u>	<u>(3,838,807)</u>	<u>(1,438,841)</u>	<u>(117,312,014)</u>
Total Capital Assets, Being Depreciated, Net	<u>28,825,507</u>	<u>377,872</u>	<u>-</u>	<u>29,203,379</u>
Capital Assets, Governmental Activities, Net	<u>\$ 29,276,940</u>	<u>\$ 450,497</u>	<u>\$ -</u>	<u>\$ 29,727,437</u>

Depreciation / amortization expense was charged to programs of the County, as follows:

General Government	\$ 996,797
Public Safety	376,203
Auxiliary Services	85,454
Roads and Bridges	2,378,384
Social Services	1,969
Total	<u>\$ 3,838,807</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 4: Capital Assets (Continued)

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 117,304	\$ -	\$ -	\$ 117,304
Water Rights	76,600	-	-	76,600
Total Capital Assets, Not Being Depreciated	193,904	-	-	193,904
Capital Assets, Being Depreciated:				
Structures and Improvements	12,262,733	108,213	-	12,370,946
Equipment	749,025	-	-	749,025
Total Capital Assets, Being Depreciated	13,011,758	108,213	-	13,119,971
Less Accumulated Depreciation:				
Structures and Improvements	(4,935,223)	(300,770)	-	(5,235,993)
Equipment	(573,782)	(32,286)	-	(606,068)
Total Accumulated Depreciation	(5,509,005)	(333,056)	-	(5,842,061)
Total Capital Assets, Being Depreciated, Net	7,502,753	(224,843)	-	7,277,910
Capital Assets, Business-Type Activities, Net	<u>\$ 7,696,657</u>	<u>\$ (224,843)</u>	<u>\$ -</u>	<u>\$ 7,471,814</u>

NOTE 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended December 31, 2025.

	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Governmental Activities					
Financed Purchase	\$ 296,736	\$ -	\$ 92,718	\$ 204,018	\$ 98,780
Leases	30,309	-	14,313	15,996	11,839
Compensated Absences	887,067	-	50,352	836,715	478,076
Total Long-Term Debt	<u>\$ 1,214,112</u>	<u>\$ -</u>	<u>\$ 157,383</u>	<u>\$ 1,056,729</u>	<u>\$ 588,695</u>

Financed Purchase

In 2024, the County entered into a financed purchase agreement for the purchase of five police vehicles. Payments are required in the amount of \$112,119 annually through 2027. Interest accrues at 6.538% per annum. The vehicles were capitalized by the County and depreciated using the straight-line method over the estimated useful life of asset. In 2025, the County paid \$112,119 in lease payments which consisted of \$92,718 and \$19,401 in principal and interest, respectively.

Financed purchase payments to maturity are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 98,780	\$ 13,339	\$ 112,119
2027	105,238	6,880	112,118
Total	<u>\$ 204,018</u>	<u>\$ 20,219</u>	<u>\$ 224,237</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 5: Long-Term Debt (Continued)

Leases Payable

The County has entered into multiple lease agreements for the right-to-use office technology, such as copiers and postage equipment. The timing of payments and County implicit interest rates varies depending on each agreement. Lease starting dates vary from January 1, 2022 (GASBS No. 87, *Leases*, implementation period) to October 2022 for a term of five years with no options to extend. Monthly lease payments vary from \$41 to \$205. In 2025, the County paid \$15,265, including \$14,313 and \$952 in principal and interest, respectively. At December 31, 2025, the total lease right-to-use assets cost was \$69,075 with an accumulated amortization of \$54,193, which included an amortization expense of \$13,816 in 2025.

Lease payments to maturity are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 11,839	\$ 400	\$ 12,239
2027	4,157	50	4,207
Total	<u>\$ 15,996</u>	<u>\$ 450</u>	<u>\$ 16,446</u>

NOTE 6: Interfund Balances and Transfers

Transfers between funds during the year ended December 31, 2025, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Road and Bridge Fund	General Fund	\$ 1,100,000
Jail Improvement	Jail Facility	50,000
Airport Fund	Capital Expenditure Fund	380,000
Total		<u>\$ 1,530,000</u>

The General Fund contributed \$1,100,000 to the Road and Bridge Fund for road infrastructure projects, maintenance, and repair. The Jail Facility Fund contributed \$50,000 to the Jail Improvement Fund for capital improvements. The General Fund transferred \$380,000 to the Airport Fund to subsidize various capital projects.

NOTE 7: Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. In 2025, the County has not incurred significant claims.

County Worker's Compensation Pool

In 1986, the County joined together with other Counties in the State of Colorado to form the County Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 7: Risk Management (Continued)

Colorado Counties Casualty and Property Pool

In 1986, the County was unable to obtain property and liability insurance at a cost it considered to be economically justifiable. Therefore, the County joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP) for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

County Health Pool

Since 1999, the County has been a member of the County Health Pool (CHP) which is administered by County Technical Services, Inc. The CHP provides medical, dental, vision and life insurance benefits to more than 5,300 employees for 73 local government agencies. CHP is the only county-owned health plan provider in Colorado with benefits, contribution rates, and coverage determined by representatives from member counties. The CHP board meets every other month to discuss the industry, plan changes, coverages, and renewal, as well as vote on appeals. In 2025, the County contribution for CHP coverage for each employee was \$775 per month which paid for the employee's medical and life insurance as well as dental and vision coverage for the entire family.

All three of the above plans are administered by County Technical Services, Inc.

NOTE 8: Employee Retirement Plans

Defined Contribution Plan

The County provides pension benefits for substantially all full-time employees through a defined contribution plan of the Colorado Retirement Association. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The County requires employees to complete one year of service prior to participation in the Colorado Retirement Association Plan.

Employees are required to contribute 3% of their salary to the plan with an equal amount contributed by the County. Vesting occurs at the rate of 20% per year. County contributions for, and earnings forfeited by, employees who leave employment before fully vesting are returned to the County. Forfeitures were \$18,294 during 2025 and pension expense was \$249,070. The County had no outstanding liability for this plan at year end. The County commissioners authorize the benefit terms and have the authority to amend these terms.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In 2001, the County adopted an amendment to its Deferred Compensation Plan with Colorado Retirement Association. The adoption of the amendment was due to recent changes in the Internal Revenue Code. Specifically, the amendment states that all amounts deferred under this plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights shall, until made available to the participant or beneficiary, be held in the Colorado Retirement Association Deferred Compensation Plan Trust for the exclusive benefit of participants and their beneficiaries. Colorado Retirement Association is trustee of the trust. In 2025, eligible voluntary employee contributions were \$89,138.

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 9: Intergovernmental Agreements

The County has entered into the following intergovernmental agreements:

Huerfano/Las Animas Counties Health Department

The Health Department operates a two-county district health department. The counties appoint a seven-member board and the board hires the health officer. The governing board approves the operating budget and presents it to the Boards of County Commissioners for their approval. The Boards of County Commissioners then approve the amount of contributions each county will make to the Health Department for the ensuing year based on that County's share of the total population served. In 2025, 68% of the residents served by the Health Department lived in the County and the total expenditure to the County was \$320,472.

Office of the District Attorney - Third Judicial District

The elected District Attorney of the Third Judicial District serves two counties, Las Animas County and Huerfano County, which provides prosecution and other legal services to the counties in the district. In 2025, the County contributed \$1,172,035 to the Third Judicial District.

Las Animas County E-911

Las Animas County E-911's sole purpose is to provide emergency telephone service to county residents. Initial grants received for the purchase of required equipment are in the name of the County. The County also appoints a portion of the governing Board of Directors. In 2025, the total expenditure for the County was \$157,228.

NOTE 10: Commitments and Contingencies

Claims and Judgments

The County participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. At December 31, 2025, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the County.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The County is subject to the Amendment.

On November 1, 2005, the registered voters approved a ballot resolution authorizing the County to accept, retain, and spend, for use as the Board of County Commissioners deem appropriate, the full proceeds and revenues received from any and all grants awarded to the County, from any source, in the year 2006 and each year thereafter without affecting property tax revenues collected by the County.

On November 7, 2017, the registered voters approved a ballot resolution authorizing the County to receive, retain, and spend in the year 2020 and each subsequent year, all revenues, including investment income, it receives from its mill levy, without raising the tax rate above the current level of 9.357 mills, as a voter-approved revenue change without limitation or condition under article X, section 20 of the Colorado Constitution (TABOR) or any other law.

The Amendment requires the County to establish a reserve for emergencies, representing 3% of qualifying expenditures with the exception Street Improvement Fund, explained in the following paragraph. At December 31, 2025, the County's emergency reserve was reported as restricted fund balance in the General Fund in the amount of \$710,000.

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 10: Commitments and Contingencies (Continued)

Litigation

The County from time to time is involved in various legal matters. In the opinion of the County's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the County.

REQUIRED SUPPLEMENTARY INFORMATION

LAS ANIMAS COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2025

	BUDGET			VARIANCE
	ORIGINAL	FINAL	ACTUAL	Positive (Negative)
REVENUES				
Taxes	\$ 8,120,431	\$ 8,500,431	\$ 8,696,987	\$ 196,556
Licenses and Permits	7,500	7,500	9,450	1,950
Intergovernmental	1,560,353	1,560,353	1,611,341	50,988
Charges for Services	966,000	966,000	1,082,842	116,842
Investment Income	350,000	350,000	687,327	337,327
Miscellaneous	980,500	980,500	176,578	(803,922)
TOTAL REVENUES	11,984,784	12,364,784	12,264,525	(100,259)
EXPENDITURES				
General Government	5,966,830	5,966,830	3,828,496	2,138,334
Public Safety	5,123,721	5,123,721	3,709,873	1,413,848
Health Services	320,472	320,472	320,472	-
Auxiliary Services	249,319	249,319	283,627	(34,308)
Intergovernmental	257,000	257,000	1,493,250	(1,236,250)
Debt Service				
Principal	-	-	107,031	(107,031)
Interest	-	-	20,353	(20,353)
Contingency	500,000	500,000	-	500,000
Reserves	13,453,453	13,453,453	-	13,453,453
TOTAL EXPENDITURES	25,870,795	25,870,795	9,763,102	16,107,693
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,886,011)	(13,506,011)	2,501,423	16,007,434
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,000,000)	(1,380,000)	(1,480,000)	(100,000)
CHANGE IN FUND BALANCE	(14,886,011)	(14,886,011)	1,021,423	15,907,434
FUND BALANCE, Beginning	14,886,011	14,886,011	19,318,654	4,432,643
FUND BALANCE, Ending	\$ -	\$ -	\$ 20,340,077	\$ 20,340,077

LAS ANIMAS COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Intergovernmental	\$ 5,758,877	\$ 4,933,401	\$ (825,476)
Miscellaneous	63,000	173,940	110,940
	<u>5,821,877</u>	<u>5,107,341</u>	<u>(714,536)</u>
TOTAL REVENUES			
EXPENDITURES			
Roads, Bridges, and Capital Outlay			
Personnel Services	2,708,998	2,114,403	594,595
Operating Supplies	4,856,800	4,267,550	589,250
Capital Outlay	500,000	681,278	(181,278)
Reserves	1,929,211	-	1,929,211
	<u>9,995,009</u>	<u>7,063,231</u>	<u>2,931,778</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,173,132)</u>	<u>(1,955,890)</u>	<u>2,217,242</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	-	172,099	(172,099)
Transfers In	1,100,000	1,100,000	-
	<u>1,100,000</u>	<u>1,272,099</u>	<u>(172,099)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
CHANGE IN FUND BALANCE	(3,073,132)	(683,791)	2,045,143
FUND BALANCE, Beginning	<u>3,073,132</u>	<u>3,393,417</u>	<u>320,285</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 2,709,626</u>	<u>\$ 2,709,626</u>

LAS ANIMAS COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
PUBLIC WELFARE FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 693,637	\$ 658,323	\$ (35,314)
Intergovernmental	15,563,922	13,609,003	(1,954,919)
	<u>16,257,559</u>	<u>14,267,326</u>	<u>(1,990,233)</u>
TOTAL REVENUES			
EXPENDITURES			
Social Services	16,300,459	14,695,721	1,604,738
	<u>(42,900)</u>	<u>(428,395)</u>	<u>(385,495)</u>
CHANGE IN FUND BALANCE			
FUND BALANCE, Beginning	1,096,579	1,432,266	335,687
FUND BALANCE, Ending	\$ <u>1,053,679</u>	\$ <u>1,003,871</u>	\$ <u>(49,808)</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The County adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Prior to September 1, the Finance Manager submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
- The County Commissioners approve all budget transfers or revisions.
- Budgets are legally adopted for all funds of the County except the Fiduciary Funds. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for certain interfund transactions that are reported as revenues and expenditures on the budgetary basis but not the GAAP basis of accounting. Budgetary comparisons presented for the Proprietary Funds are presented on a non-GAAP budgetary basis. Debt principal is recognized as an expenditure for budgetary purposes. Capital outlay is budgeted as an expenditure, and depreciation and amortization are not budgeted.
- All budget appropriations lapse at fiscal year-end.

Compliance

In 2025, the County's Capital Expenditure Fund expenditures exceeded available resources and reported a negative fund balance in the amount of \$800,000. This may be a violation of state statutes.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND
BUDGETARY COMPARISON SCHEDULES**

LAS ANIMAS COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	<u>JAIL FACILITY</u>	<u>CONSERVATION TRUST</u>	<u>LEAF AND DUI</u>
ASSETS			
Cash and Investments	\$ <u>17,327</u>	\$ <u>626,009</u>	\$ <u>10,053</u>
FUND BALANCES			
Restricted for:			
Public Safety	17,327	-	10,053
Parks and Recreation	<u>-</u>	<u>626,009</u>	<u>-</u>
TOTAL FUND BALANCES	\$ <u>17,327</u>	\$ <u>626,009</u>	\$ <u>10,053</u>

<u>JAIL IMPROVEMENT</u>	<u>TOTAL</u>
\$ <u>357,227</u>	\$ <u>1,010,616</u>
357,227	384,607
<u>-</u>	<u>626,009</u>
\$ <u>357,227</u>	\$ <u>1,010,616</u>

LAS ANIMAS COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	<u>JAIL FACILITY</u>	<u>CONSERVATION TRUST</u>	<u>LEAF AND DUI</u>
REVENUES			
Intergovernmental	\$ -	\$ 64,457	\$ -
Miscellaneous	-	12,499	1,821
	<u>-</u>	<u>76,956</u>	<u>1,821</u>
TOTAL REVENUES	<u>-</u>	<u>76,956</u>	<u>1,821</u>
EXPENDITURES			
Public Safety	-	-	-
Parks and Recreation	-	5,208	-
Capital Outlay	-	2,384	-
	<u>-</u>	<u>7,592</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>7,592</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>69,364</u>	<u>1,821</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(50,000)	-	-
	<u>(50,000)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(50,000)</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCES	(50,000)	69,364	1,821
FUND BALANCES, Beginning	<u>67,327</u>	<u>556,645</u>	<u>8,232</u>
FUND BALANCES, Ending	<u>\$ 17,327</u>	<u>\$ 626,009</u>	<u>\$ 10,053</u>

<u>JAIL IMPROVEMENT</u>	<u>TOTAL</u>
\$ -	\$ 64,457
-	14,320
-	78,777
63,751	63,751
-	5,208
22,500	24,884
86,251	93,843
(86,251)	(15,066)
50,000	50,000
-	(50,000)
50,000	-
(36,251)	(15,066)
393,478	1,025,682
\$ <u>357,227</u>	\$ <u>1,010,616</u>

LAS ANIMAS COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL EXPENDITURES FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 596,197	\$ 548,629	\$ (47,568)
Intergovernmental	1,435,320	609,701	(825,619)
Miscellaneous	-	30,000	30,000
	<u>2,031,517</u>	<u>1,188,330</u>	<u>(843,187)</u>
TOTAL REVENUES			
EXPENDITURES			
General Government	20,000	13,960	6,040
Capital Outlay	3,285,954	1,421,218	1,864,736
Reserves	1,193,336	-	1,193,336
	<u>4,499,290</u>	<u>1,435,178</u>	<u>3,064,112</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,467,773)</u>	<u>(246,848)</u>	<u>2,220,925</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(126,379)</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	(2,594,152)	(246,848)	2,220,925
FUND BALANCE, Beginning	<u>1,794,152</u>	<u>2,204,655</u>	<u>-</u>
FUND BALANCE, Ending	\$ <u><u>(800,000)</u></u>	\$ <u><u>1,957,807</u></u>	\$ <u><u>2,757,807</u></u>

LAS ANIMAS COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
JAIL FACILITY
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
EXPENDITURES			
Reserves	\$ 17,327	\$ -	\$ 17,327
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,327)	-	17,327
OTHER FINANCING SOURCES (USES)			
Transfers Out	(50,000)	(50,000)	-
CHANGE IN FUND BALANCE	(67,327)	(50,000)	17,327
FUND BALANCE, Beginning	572,082	67,327	(504,755)
FUND BALANCE, Ending	\$ 504,755	\$ 17,327	\$ (487,428)

LAS ANIMAS COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Intergovernmental	\$ 60,000	\$ 64,457	\$ 4,457
Miscellaneous	4,000	12,499	8,499
	<u>64,000</u>	<u>76,956</u>	<u>12,956</u>
TOTAL REVENUES	<u>64,000</u>	<u>76,956</u>	<u>12,956</u>
EXPENDITURES			
Parks and Recreation			
Other	379,000	5,208	373,792
Capital Outlay	60,000	2,384	57,616
Reserves	133,082	-	133,082
	<u>572,082</u>	<u>7,592</u>	<u>564,490</u>
TOTAL EXPENDITURES	<u>572,082</u>	<u>7,592</u>	<u>564,490</u>
CHANGE IN FUND BALANCE	(508,082)	69,364	577,446
FUND BALANCE, Beginning	<u>508,082</u>	<u>556,645</u>	<u>48,563</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 626,009</u>	<u>\$ 626,009</u>

LAS ANIMAS COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
LEAF AND DUI FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
DUI Fees	\$ 1,200	\$ 1,821	\$ 621
EXPENDITURES			
Public Safety	5,200	-	5,200
Reserves	3,778	-	3,778
TOTAL EXPENDITURES	8,978	-	8,978
CHANGE IN FUND BALANCE	(7,778)	1,821	9,599
FUND BALANCE, Beginning	7,778	8,232	454
FUND BALANCE, Ending	\$ -	\$ 10,053	\$ 10,053

LAS ANIMAS COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
JAIL IMPROVEMENT FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
EXPENDITURES			
Public Safety			
Maintenance and Repairs	\$ 50,000	\$ 63,751	\$ (13,751)
Capital Outlay	100,000	22,500	77,500
Reserves	264,306	-	264,306
	<u>414,306</u>	<u>86,251</u>	<u>328,055</u>
TOTAL EXPENDITURES	<u>414,306</u>	<u>86,251</u>	<u>328,055</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(414,306)</u>	<u>(86,251)</u>	<u>328,055</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	50,000	50,000	-
	<u>50,000</u>	<u>50,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	(364,306)	(36,251)	328,055
FUND BALANCE, Beginning	364,306	393,478	29,172
	<u>364,306</u>	<u>393,478</u>	<u>29,172</u>
FUND BALANCE, Ending	\$ <u><u>-</u></u>	\$ <u><u>357,227</u></u>	\$ <u><u>357,227</u></u>

LAS ANIMAS COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
AIRPORT FUND
Year Ended December 31, 2025

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
OPERATING REVENUES				
Miscellaneous	\$ 20,000	\$ 71,500	\$ 79,717	\$ 8,217
Charges for Services	6,500	-	(200)	(200)
TOTAL OPERATING REVENUES	26,500	71,500	79,517	8,017
OPERATING EXPENSES				
Personnel Services	-	-	-	-
Operating Supplies	395,100	424,300	193,363	230,937
Capital Outlay	494,445	570,245	108,213	462,032
TOTAL OPERATING EXPENSES	889,545	994,545	301,576	692,969
NET OPERATING INCOME (LOSS)	(863,045)	(923,045)	(222,059)	700,986
NONOPERATING REVENUES (EXPENSES)				
Grants	416,666	416,666	95,751	(320,915)
Reserves	(6,630,379)	(6,950,379)	-	6,950,379
TOTAL NONOPERATING REVENUES (EXPENSES)	(6,213,713)	(6,533,713)	95,751	6,629,464
NET INCOME (LOSS) BEFORE TRANSFER:	(7,076,758)	(7,456,758)	(126,308)	7,330,450
TRANSFERS				
Transfers In	126,379	506,379	380,000	(126,379)
CHANGE IN NET POSITION, BUDGETARY BASIS	\$ (6,950,379)	\$ (6,950,379)	\$ 253,692	\$ 7,204,071
RECONCILIATION TO GAAP BASIS:				
Capital Outlay			108,213	
Depreciation			(333,056)	
CHANGE IN NET POSITION, GAAP BASIS			28,849	

COMPLIANCE SECTION

SINGLE AUDIT

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

Board of County Commissioners
Las Animas County, Colorado
Trinidad, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Las Animas 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 basic financial statements of the County and have issued our report thereon dated July 24, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of the County's internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of County Commissioners
Las Animas County, Colorado

Purpose of this Report

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

DMC Auditing and Consulting, LLC

July 24, 2026
Bailey, Colorado

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Board of County Commissioners
Las Animas County, Colorado
Trinidad, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

Board of County Commissioners
Las Animas County, Colorado

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

DMC Auditing and Consulting, LLC

July 24, 2026
Bailey, Colorado

LAS ANIMAS COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-through to Subrecipients	Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Colorado Department of Human Services				
Direct				
Community Wildfire Defense Gran	10.720	N/A	\$ -	\$ 46,745
<u>SNAP Cluster</u>				
Supplemental Nutrition Assitance Program	10.551	N/A	-	1,391
State Administrative Matching Grants for the Supplemental Nutrition Assistance	10.561	N/A	-	306,745
<i>Total SNAP Cluster</i>				<u>308,136</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>354,881</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct				
Community Development Block Grants	14.228	N/A	-	<u>83,695</u>
U.S. DEPARTMENT OF INTERIOR				
Direct				
Distribution of Receipts to State and Local Governments	15.227	N/A		<u>2,082</u>
U.S. DEPARTMENT OF JUSTICE				
Direct				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	<u>14,167</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Direct				
Airport Improvement Program	20.106	N/A	-	90,416
Passed through the Colorado Department of Transportation				
State and Community Highway Safety	20.600	N/A		<u>1,150</u>
TOTAL U.S DEPARTMENT OF TRANSPORTATION				<u>91,566</u>
U.S. ELECTION ASSISTANCE COMMISSION				
Passed Through Colorado Department of State				
Election Security Grant	90.404	CO1801001-01	-	<u>11,433</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Colorado Department of Human Services				
Guardianship Assistance	93.090	N/A	-	17,312
Injury Prevention and Control Research and State and Community Based Programs	93.136	N/A	-	1,363
<u>Child Care Disaster Relief Cluster</u>				
Child Care and Development Block Grant	93.575	N/A	-	189,513
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	-	<u>34,179</u>
<i>Subtotal Child Care Disaster Relief Cluster</i>				<u>223,692</u>
Title IV-E Kinship Navigator Program	93.471	N/A	-	81,627
Title IV-E Prevention Program	93.472	N/A	-	35,331
Temporary Assistance for Needy Families (TANF)	93.558	N/A	-	582,303
Child Support Enforcement	93.563	N/A	-	307,560
Low-Income Energy Assistance	93.568	N/A	-	24,611
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	-	13,332
Foster Care Title IV-E	93.658	N/A	-	176,045
Adoption Assistance	93.659	N/A	-	271,549
Social Services Block Grant	93.667	N/A	-	51,418
<u>Medicaid Cluster</u>				
Medical Assistance Program	93.778	N/A	-	368,129
Passed Through Colorado Department of Healthcare Policy and Finance				
Medical Assistance Program	93.778	N/A	131,803	<u>131,803</u>
<i>Subtotal Medicaid Cluster</i>				<u>499,932</u>
TOTAL U.S. DEPARTMENT OF HUMAN SERVICES				<u>2,286,075</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through the Colorado Department of Public Safety				
Homeland Security Grant Program	97.042	N/A		32,464
Passed through the Colorado Division of Homeland and Emergency Management				
Homeland Security Grant Program	97.067	N/A	-	<u>3,699</u>
TOTAL U.S. DEPARTMENT OF HUMAN SERVICES				<u>36,163</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>131,803</u>	\$ <u>2,880,062</u>

LAS ANIMAS COUNTY, COLORADO
SCHEDULE FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements. The County does not charge a de minimis indirect cost rate. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the County.

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. Non-cash expenditures are included in the schedule.

NOTE 2: Summary of Significant Accounting Policies

Governmental fund types account for the majority of the County's federal grant activity. Expenditures reported in the schedule of expenditures of federal awards are recognized on a modified basis of accounting. Subrecipient expenditures are recorded on a cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Non-cash expenditures are included in the footnotes to this schedule.

NOTE 3: Indirect Cost Rate

The County has not elected to use the 15% de minimis cost rate.

NOTE 4: Value of Non-Cash Awards

Supplemental Nutrition Assistance Program (SNAP) electronic benefit transfers of \$6,704,321 are reported in the Social Services Fund and not reported in the Schedule of Expenditures of Federal Awards. SNAP benefits are provided exclusively by the electronic benefits method (EBT) and processed and determined by the State of Colorado. Therefore, SNAP benefits are not considered the County's federal award and not reported on the County's Schedule of Expenditures of Federal Awards.

NOTE 5: Single Entry Point Program

The County passed-through the Single Entry Point federal awards to Huerfano County, Colorado in the amount of \$11,743. The County used the accrual basis of accounting to recognize the pass-through.

LAS ANIMAS COUNTY, COLORADO
SCHEDULE FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Noncompliance material to the financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

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

☐ Yes ☒ No

Identification of major federal programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Cluster/Program</u>
93.778	Medical Assistance Program (Medicaid)
20.106	Airport Improvement Program
93.558	Temporary Assistance for Needy Families (TANF)

Dollar threshold used to distinguish Between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

SECTION II: FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No current year findings or questioned costs were reported.

STATE COMPLIANCE

LOCAL HIGHWAY FINANCE REPORT			STATE: COLORADO	
THIS INFORMATION FROM THE RECORDS OF:		PREPARED BY:		REPORT YEAR ENDING DATE(mm/yyyy):
LAS ANIMAS COUNTY		KRISTEE COBERLY kristee.coberly@lasanimascounty.org		12/2025
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Total (1 - (2 through 4))				
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL				
ITEM	AMOUNT	ITEM	AMOUNT	
A.3. Other Local Imposts:		A.4. Miscellaneous Local Receipts:		
a. Property Taxes and Assessments	18.00	a. Interest on investments		
b. Non-property Taxes and Assessments Imposts	133,954.00	b. Other Misc. Local Receipts	346,021.00	
c. Total (a + b)	\$ 133,972.00	c. Total (a + b)	\$ 346,021.00	
ITEM	AMOUNT	ITEM	AMOUNT	
C. Receipts from State Government		D. Receipts from Federal Government		
1. Highway-user Taxes (from Item I.C.5.)	3,797,365.00	1. FHWA (from Item I.D.5.)		
2. State General Funds		2. Other Federal Agencies:	2,082.00	
3. Other State funds:				
a. State Bond Proceeds				
b. Non-State Bond Proceeds	1,000,000.00			
c. Total (a + b)	\$ 1,000,000.00			
4. Total (1 + 2 + 3c)	\$ 4,797,365.00			
III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL				
ITEM	AMOUNT			
A.1. Capital outlay:				
a. Right-Of-Way Costs				
b. Engineering Costs				
c. Construction Costs	3,048,064.00			
d. Total Capital Outlay (a+ b + c)	\$ 3,048,064.00			
Form FHWA-536 (Rev. 02-2025) Page2				

LOCAL HIGHWAY FINANCE REPORT			STATE:	
			COLORADO	
			REPORT YEAR ENDING DATE(mm/yyyy):	
			12/2025	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Amount used for highway purposes				
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES		
ITEM	AMOUNT	ITEM	AMOUNT	
A. Receipts from Local Sources:		A. Local highway expenditures:		
1. Local Highway-user Taxes		1. Capital Outlay (from page 1, Item III.A1.d)	\$	3,048,064.00
a. Motor Fuel (from Item I.A.1)		2. Maintenance:		2,615,402.05
b. Motor Vehicle (from Item I.B.1)		3. Road and Street Services:		
c. Total (a + b)		a. Snow and Ice Removal		653,850.51
2. General Fund Appropriations	1,100,000.00	b. Other & Traffic Control Operations		
3. Other Local Imposts (from page 1, Item II.A3.c)	\$ 133,972.00	c. Total (a + b)	\$	653,850.51
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	\$ 346,021.00	4. General Administration & Miscellaneous		745,914.44
5. Transfers from Toll Facilities		5. Highway Law Enforcement and Safety		
6. Proceeds of Sale of Bonds and Notes:		6. Total (1 through 5)	\$	7,063,231.00
a. Bonds - Original Issues		B. Debt Service on Local Obligations:		
b. Bonds - Refunding Issues		1. Bonds:		
c. Notes		a. Interest		
d. Total (a + b + c)	\$ -	b. Redemption		
7. Total (1 through 6)	\$ 1,579,993.00	c. Total (a + b)	\$	-
B. Private Contributions		2. Notes:		
C. Receipts from State government (from page 1, Item II.C.4)	\$ 4,797,365.00	a. Interest		
D. Receipts from Federal government (from page 1, Item II.D.3)	\$ 2,082.00	b. Redemption		
E. Total receipts (A.7 + B + C + D)	\$ 6,379,440.00	c. Total (a + b)	\$	-
		3. Total (1c + 2c)	\$	-
		C. Payments to State for Highways		
		D. Payments to Toll Facilities		
		E. Total Expenditures (A6 + B3 + C + D)	\$	7,063,231.00
IV. LOCAL HIGHWAY DEBT STATUS				
(Show all entries at par)				
ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)		\$ -	\$ -	\$ -
1. Bonds (Refunding Portion)		\$ -		
B. Notes (Total)		\$ -	\$ -	\$ -