CITY OF LAS ANIMAS, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2025

CITY OF LAS ANIMAS, COLORADO

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Las Animas, Colorado

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 City of Las Animas, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Las Animas, Colorado'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Las Animas, Colorado's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Las Animas, Colorado's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Las Animas, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, budget schedules, and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budget schedules, and local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



HANCOCK FROESE & COMPANY LLC

Rocky Ford, Colorado
May 5, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Las Animas's (the "City") Annual Financial Report provides readers with a narrative overview and analysis of the City's financial performance during the fiscal year that ended on December 31, 2025. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report, the City of Las Animas's basic financial statements and notes to the financial statements to enhance their understanding of the activities and financial health of the City of Las Animas.

FINANCIAL HIGHLIGHTS

The City's total net position increased from $19,888,911 to $22,464,126 over the course of the City's operations in 2025.

During the year, the City's governmental revenues generated in taxes and other revenues for governmental programs (after other financing sources) were $2,141,758 more than the $2,096,430 of expenditures and transfers out for general government and governmental services.

The City's business-type funds had an increase in total net position of $433,457 over the year, up from $15,101,803 in 2024 to $15,535,260 in 2025.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the City's *Basic Financial Statements*. The Basic Financial Statements contain three components: (1), government-wide financial statements; (2), fund financial statements (including component unit statements, if applicable); and (3), notes to the financial statements. In addition, this report contains other *Required Supplementary Information*, and a *Supplementary Information* section that presents *combining and individual statements* for non-major governmental funds (along with actual and budget comparison schedules).

The basic financial statements include two kinds of statements that present different views of the City: *government-wide financial statements* and *fund financial statements.*

The first two statements are government-wide financial statements that provide both *long-term* and *short-term* information about the City's *overall* financial status.

The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in more detail than the government-wide statements.

Governmental Fund statements tell how *general government* services like public safety, highways and streets, welfare, cultural and recreation, and economic development were financed in the short-term as well as what remains for future spending.

Proprietary Fund statements offer *short-term* and *long-term* financial information about the activities the City government operates in, similar to a private business.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explain and support the information in the financial statements. In addition to these required components, a section is included with combining statements that provide further detail about the City's non-major governmental funds, each of which are added together and presented in single columns in each of the basic financial statements.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position, the difference between the City's assets and liabilities, is one way to measure the City's financial health or current position.

Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the City, consideration should be given to additional non-financial factors such as changes in the City's property tax base and the condition of the City's streets, sewer mains, water treatment and distribution systems and electric distribution systems.

The government-wide financial statements of the City are divided into two categories.

1. *Governmental Activities*. Most of the City's basic services are included in governmental activities such as public safety, streets, recreation, and general administration. Property and sales taxes and state and federal grants finance most of these activities.

2. *Business-type Activities*. The City charges fees to customers to help cover the costs of certain services it provides. The City's water, sewer, sanitation, and electric enterprise funds are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City Council establishes other funds to control and manage resources for particular purposes, that are legally restricted to that expenditure, or show that certain taxes and grants are used appropriately (i e Special Revenue Funds).

The City has two kinds of funds:

1. *Governmental Funds*. Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide funds statement that explains the relationship (or differences) between the two types of statements.

2. *Proprietary Funds*. Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

The City's Enterprise Funds are classified as business-type activities on the government-wide statements, but more detailed information is provided in the Proprietary Fund Statements, such as its cash flows.

Financial Analysis of the City as a Whole

Net Position: As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2025, total City's net position was $22,464,126 governmental activity net position was $6,928,866 and business-type activities net position was $15,535,260. The table below provides a comparative summary of the City's Governmental and Business-type net position for 2025 and 2024:

The 2025 MD&A presentation includes comparative changes in net position for the past two years below:

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
Assets	2025	2024	2025	2024	2025	2024
Current and other	$ 4,188,175	$ 3,801,876	$ 7,688,149	$ 7,279,486	$ 11,876,324	$ 11,081,362
Capital Assets	$ 3,650,516	$ 1,691,354	$ 11,946,823	$ 12,015,877	$ 15,597,339	$ 13,707,231
Total Assets	$ 7,838,691	$ 5,493,230	$ 19,634,972	$ 19,295,363	$ 27,473,663	$ 24,788,593
Deferred Outflows of Resources	$ 177,305	$ 249,831	$ 387,494	$ 584,941	$ 564,799	$ 834,772
Total Assets and Deferred Outflows	$ 8,015,996	$ 5,743,061	$ 20,022,466	$ 19,880,304	$ 28,038,462	$ 25,623,365
Liabilities						
Current Liab.	$ 107,906	$ 11,249	$ 373,109	$ 522,855	$ 481,015	$ 534,104
Long-term and other Liab.	$ 527,797	$ 639,203	$ 3,734,584	$ 3,932,405	$ 4,262,381	$ 4,571,608
Total Liabilities	$ 635,703	$ 650,452	$ 4,107,693	$ 4,455,260	$ 4,743,396	$ 5,105,712
Deferred Inflows of Resources	$ 451,427	$ 305,501	$ 379,513	$ 323,241	$ 830,940	$ 628,742
Net Position						
Net Investment in Capital Assets	$ 3,650,516	$ 1,691,354	$ 9,606,086	$ 9,502,566	$ 13,256,602	$ 11,193,920
Restricted	$ 2,275,756	$ 1,539,615	$ 494,180	$ 460,683	$ 2,769,936	$ 2,000,298
Unrestricted	$ 1,002,594	$ 1,556,139	$ 5,434,994	$ 5,138,554	$ 6,437,588	$ 6,694,693
Total Net Position	$ 6,928,866	$ 4,787,108	$ 15,535,260	$ 15,101,803	$ 22,464,126	$ 19,888,911
Total Liabilities, Deferred Inflows & Net Position	$ 8,015,996	$ 5,743,061	$ 20,022,466	$ 19,880,304	$ 28,038,462	$ 25,623,365

A significant portion (59%) of the net position represents the *net investment in capital asset*. This includes land, buildings, systems, machinery and equipment, and infrastructure assets, offset with associated long-term and short-term debt liabilities. Capital assets are restricted for the purpose of providing services to the citizens of Las Animas; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Other *restricted net position* represents resources that are subject to external restrictions on how they may be used. Included in this category are unspent proceeds for customer deposits, operations and maintenance, asset retirements, capital improvements, parks and recreation, economic development, and TABOR emergency funds. This portion makes up 12% of the total.

The remaining 29% of net position represent the *unrestricted* portion available for the City's ongoing obligations to its citizens.

At the end of 2025, the City of Las Animas had positive balances in all three categories of net position.

Changes in Revenues and Expenditures

The table below presents the City's 2025 revenues and expenditures for Governmental and Business-type activities as they are reported in the Statement of Activities compared to 2024. The revenues and expenditures include the Governmental Funds (General Fund and Special Revenue Funds) and the Enterprise Funds (Light & Power Fund, Water Fund, Sewer Fund and Sanitation Fund).

The 2025 MD&A presentation includes changes in revenues and expenditures for the past two years below:

Changes in Revenues and Expenditures

	Governmental Activities		Business-Type Activities		Total	
REVENUES	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Governmental Revenues:						
Charges for Services	$ 157,736	$ 159,821			$ 157,736	$ 159,821
Operating Grants & Contributions	$ 133,058	$ 130,511			$ 133,058	$ 130,511
Capital Grants & Contributions	$1,750,573	$ 25,000			$1,750,573	$ 25,000
Property Taxes	$ 188,349	$ 366,068			$ 188,349	$ 366,068
Other taxes, Licenses & Fines	$1,933,350	$ 1,872,579			$1,933,350	$ 1,872,579
Intergovernmental Not Restricted	$ 7,566	$ 11,283			$ 7,566	$ 11,283
Interest & Other	$ 186,172	$ 91,694			$ 186,172	$ 91,694
Pension Revenue (Expense)	$ 25,184	$ -			$ 25,184	$ -
Total Government Revenues	$4,381,988	$ 2,656,956			$4,381,988	$ 2,656,956
Business-type Revenues						
Charges for Services			$ 7,005,091	$7,113,658	$ 7,005,091	$ 7,113,658
Grants & Contributions			$ 194,485	$ 159,602	$ 194,485	$ 159,602
Interest & Other			$ 134,801	$ 150,387	$ 134,801	$ 150,387
Pension Revenue (Expense)			$ 41,589	$ 128,666	$ 41,589	$ 128,666
Total Business-type Revenues			$ 7,375,966	$ 7,552,313	$ 7,375,966	$ 7,552,313
TOTAL REVENUES	$4,381,988	$ 2,656,956	$ 7,375,966	$7,552,313	$11,757,954	$10,209,269
EXPENDITURES						
Government Expenditures						
General Government	$ 891,353	$ 570,232			$ 891,353	$ 570,232
Public Safety	$ 488,365	$ 474,223			$ 488,365	$ 474,223
Public Works	$ 453,495	$ 521,185			$ 453,495	$ 521,185
Culture & Recreation	$ 129,545	$ 263,216			$ 129,545	$ 263,216
Community Services	$ 133,672	$ 128,167			$ 133,672	$ 128,167
Total Government Expenditures	$ 2,096,430	$ 1,957,023			$ 2,096,430	$ 1,957,023
Business-type Expenditures						
Personal Services, Materials, Supplies			$ 6,415,588	$6,309,290	$ 6,415,588	$ 6,309,290
Depreciation Expense			$ 670,721	$ 602,579	$ 670,721	$ 602,579
Total Business-type Expenditures			$ 7,086,309	$6,911,869	$ 7,086,309	$ 6,911,869
TOTAL EXPENDITURES	$ 2,096,430	$ 1,957,023	$ 7,066,821	$6,911,869	$9,163,251	$ 8,868,892
EXCESS (DEFICIENCY) BEFORE TRANSFERS	$ 2,285,558	$ 699,933	$ 289,657	$ 640,444	$ 2,575,215	$ 1,340,377
Transfers In (Out)	$ (143,800)	$ (161,085)	$ 143,800	$ 161,085	$ -	$ -
CHANGE IN NET POSITION	$ 2,141,758	$ 538,848	$ 433,457	$ 801,529	$ 2,575,215	$ 1,340,377
NET POSITION – BEGINNING	$ 4,787,108	$ 4,248,260	$15,101,803	$14,300,274	$19,888,911	$18,548,534
NET POSITION – ENDING	$ 6,928,866	$ 4,787,108	$15,535,260	$15,101,803	$22,464,126	$19,888,911

Governmental Activities: Governmental activities accounted for $2,141,758 of revenues over expenses for 2025. Total revenues, including operating and capital grants from governmental activities including the general fund and other governmental funds amounted to $4,381,988.

Total expenses for governmental activities in 2025 including transfers from the general fund and other governmental funds amounted to $2,240,230.

Business-type Activities: The business activities had revenues in excess of expenditures totaling $433,457 in 2025.

The Light and Power Fund had revenues in excess of expenses of $308,025 due to an increase in rates for charges for services.

The Water Fund had expenses in excess of revenues of $91,490. This was due to an increase in operating expenses and a decrease in nonoperating revenues in fiscal year 2025.

The Sewer Fund had revenues in excess of expenses of $109,988. This was due to an increase in operating revenues compared to the prior year.

The Sanitation Fund had revenues in excess of expenses of $106,934. This was due to an increase in operating revenues compared to the prior year.

Financial Analysis of the City's Funds

Governmental Funds Overview: The City of Las Animas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As described earlier, the City's governmental funds provide information on short-term inflows and outflows, as well as what remains for future spending. Such information is useful in assessing the City's financial requirements. For example, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The following information is supplemental to the information presented in the previous section.

At the end of 2025, the City of Las Animas reported a fund balance for total governmental funds of $3,642,210 compared to $3,514,952 in 2024. Of the total fund balance, unassigned fund balance was $954,674, the portion of fund balance which serves as a measure of current available financial resources. The fund balance is further divided into restricted, committed and assigned. The committed portion reflects the City's reserves for employee health insurance. The assigned portion reflects the amount assigned for parks and recreation and revolving loan (sidewalk improvements). The unassigned portion is not set aside by management for any other purpose and is therefore an available financial resource, when available.

The restricted fund balance represents resources not available for spending or those on which legal restrictions have been placed. The City's restricted fund balance includes the following: restricted for emergencies- Tabor $48,000; restricted for parks and recreation $460,096; restricted for capital improvements $1,496,904; and restricted for economic development $270,756.

General Fund: The General Fund of the City accounts for all transactions not accounted for in other funds. As the City's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property and sales taxes and charges for services. The General Fund completed the year with a fund balance of $1,414,454. This was a decrease of $604,783 from the previous year's fund balance of 2,019,237. The General Fund had total budgeted revenues of $1,347,285 and actual revenues of $1,517,929 and total budgeted expenditures of $1,416,098 and actual expenditures of $1,572,712.

Proprietary Funds Overview: The proprietary funds are used to account for activities similar to those found in the private sector where determination of net income is necessary or useful to sound financial administration. The City has one type of proprietary fund, consisting of Enterprise Funds. The City's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail.

Enterprise Funds: The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through users' charges on a continuing basis. The City of Las Animas has four enterprise funds: the Light & Power Fund with unrestricted net position of $3,820,400 in 2025 up from $3,725,660 in 2024, the Water Fund with unrestricted net position of $646,061 in 2025 up from $615,589 in 2024, the Sewer Fund with unrestricted net position of $665,654 in 2025 up from $640,699 in 2024 and the Sanitation Fund with unrestricted net position of $302,879 in 2025 up from $156,606 in 2024.

Capital Asset and Debt Administration

Capital Assets: At the end of 2025, the City had acquired $15,597,339 (net of accumulated depreciation) in a broad range of capital assets for its governmental and business-type activities, including land, buildings, park facilities, roads, bridges, heavy machinery, vehicle and equipment, and infrastructure.

1. All infrastructure assets acquired to date are included in capital assets in accordance with GASB 34 requirements.

2. The total increase in net capital assets for 2025 was $1,890,108 or 14%.

3. Additional information on the City's net position can be found in Notes 1 and 4 of the Notes to Financial Statements.

Debt Administration: At December 31, 2025, the City of Las Animas had the following outstanding long-term debt:

1. $247,889 in compensated absences payable;

2. $303,800 in estimated closure and post closure care costs for the landfill.

3. $413,953 in water revenue bonds:

4. $1,926,784 in loans payable to Colorado Water Resources and Power Development Authority with all but one note (0.50%) having a 0% interest rate for system upgrades in the Water and Sewer Funds.

5. $1,353,955 in net pension liability for the PERA, OPEB, and Old Hire Police Pension Fund.

Economic Factors and Next Year's Budgets and Rates

The City's elected officials considered many factors when setting the fiscal year 2026 budget, tax rates, and fees that will be charged for business-type activities. Factors that have a potential to significantly impact the City's 2026 budget include the ongoing rising cost of health insurance, the fluctuation in fuel and energy costs, increase in Colorado's minimum wage and pay increases for employees.

Assessed valuation used for the 2026 budget preparation is $8,522,510. The City's mill levy will remain at 39 mills for the 2026 budget.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Budget Officer at 532 Carson Ave, Las Animas, Colorado 81054, or by calling (719) 456-0422.

BASIC FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2025

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	$ 3,179,502	$ 6,507,832	$ 9,687,334
RECEIVABLES - NET:			
ACCOUNTS / OTHER	267,025	562,405	829,430
GRANTS	372,165	36,604	408,769
PROPERTY TAXES	332,400	-	332,400
DUE FROM (TO) OTHER FUNDS	-	-	-
PREPAIDS	37,083	2,089	39,172
INVENTORIES	-	579,219	579,219
CAPITAL ASSETS (NET)	3,650,516	11,946,823	15,597,339
TOTAL ASSETS	7,838,691	19,634,972	27,473,663
DEFERRED OUTFLOWS OF RESOURCES			
PENSIONS PERA	116,282	352,823	469,105
OTHER POST EMPLOYMENT BENEFITS	11,183	34,671	45,854
OLD HIRE POLICE	49,840	-	49,840
	177,305	387,494	564,799
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 8,015,996	$ 20,022,466	$ 28,038,462
LIABILITIES			
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	$ 107,906	$ 320,297	$ 428,203
CUSTOMERS DEPOSITS	-	52,812	52,812
NON CURRENT LIABILITIES:			
COMPENSATED ABSENCES PAYABLE	4,329	243,560	247,889
DUE WITHIN ONE YEAR	-	167,246	167,246
DUE IN MORE THAN ONE YEAR	16,000	2,173,491	2,189,491
LANDFILL CLOSURE AND POST CLOSURE COST	-	303,800	303,800
NET PENSION LIABILITY (ASSET)	269,862	796,787	1,066,649
NET OPEB LIABILITY	16,277	49,700	65,977
NET LIABILITY OLD HIRE POLICE	221,329	-	221,329
TOTAL LIABILITIES	635,703	4,107,693	4,743,396
DEFERRED INFLOWS OF RESOURCES			
PENSIONS PERA	57,288	184,937	242,225
OTHER POST EMPLOYMENT BENEFITS	58,782	194,576	253,358
OLD HIRE POLICE	2,957	-	2,957
DEFERRED REVENUES - PROPERTY TAXES	332,400	-	332,400
TOTAL DEFERRED INFLOWS OF RESOURCES	451,427	379,513	830,940
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	3,650,516	9,606,086	13,256,602
RESTRICTED FOR:			
CUSTOMER DEPOSITS	-	52,812	52,812
OPERATIONS AND MAINTENANCE	-	395,000	395,000
ASSET RETIREMENT	-	46,368	46,368
CAPITAL IMPROVEMENTS	1,496,904	-	1,496,904
PARKS AND RECREATION	460,096	-	460,096
ECONOMIC DEVELOPMENT	270,756	-	270,756
EMERGENCIES - TABOR	48,000	-	48,000
UNRESTRICTED	1,002,594	5,434,994	6,437,588
TOTAL NET POSITION	6,928,866	15,535,260	22,464,126
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 8,015,996	$ 20,022,466	$ 28,038,462

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: TOTAL
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	$ 891,353	$ 109,418	$ 104,732	$ 189,304	$ (487,899)	$ -	$ (487,899)
PUBLIC SAFETY	488,365	12,443	-	-	(475,922)	-	(475,922)
PUBLIC WORKS	453,495	14,130	-	-	(439,365)	-	(439,365)
CULTURE AND RECREATION	129,545	21,745	28,326	1,561,269	1,481,795	-	1,481,795
COMMUNITY SERVICES	133,672	-	-	-	(133,672)	-	(133,672)
TOTAL GOVERNMENTAL ACTIVITIES	2,096,430	157,736	133,058	1,750,573	(55,063)	-	(55,063)
BUSINESS-TYPE ACTIVITIES:							
WATER	1,300,351	1,031,629	-	5,102	-	(263,620)	(263,620)
SEWER	808,348	683,155	-	189,383	-	64,190	64,190
SANITATION	900,902	987,325	-	-	-	86,423	86,423
POWER AND LIGHT	4,076,708	4,302,982	-	-	-	226,274	226,274
TOTAL BUSINESS-TYPE ACTIVITIES	7,086,309	7,005,091	-	194,485	-	113,267	113,267
TOTAL PRIMARY GOVERNMENT	$ 9,182,739	$ 7,162,827	$ 133,058	$ 1,945,058	(55,063)	113,267	58,204
GENERAL REVENUES							
LOCAL PROPERTY TAXES					188,349	-	188,349
SPECIFIC OWNERSHIP TAXES					35,114	-	35,114
SALES AND USE TAXES					1,754,430	-	1,754,430
FRANCHISE TAXES					143,806	-	143,806
INTERGOVERNMENTAL NOT SPECIFICALLY RESTRICTED					7,566	-	7,566
EXCESS HEALTH INSURANCE CONTRIBUTIONS					4,082	-	4,082
PENSION REVENUE (EXPENSE)					25,184	41,589	66,773
INTEREST REVENUE AND OTHER REVENUE					182,090	134,801	316,891
TRANSFERS IN (OUT)					(143,800)	143,800	-
TOTAL GENERAL REVENUES AND TRANSFERS					2,196,821	320,190	2,517,011
CHANGE IN NET POSITION					2,141,758	433,457	2,575,215
NET POSITION JANUARY 1					4,787,108	15,101,803	19,888,911
NET POSITION DECEMBER 31					$ 6,928,866	$ 15,535,260	$ 22,464,126

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2025

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
CASH AND CASH EQUIVALENTS	$ 1,323,246	$ 1,856,256	$ 3,179,502
RECEIVABLES (NET):			
ACCOUNTS	69,881	91,485	161,366
PROPERTY TAXES	332,400	-	332,400
GRANTS	-	372,165	372,165
DEPOSITS	37,083	-	37,083
TOTAL ASSETS	$ 1,762,610	$ 2,319,906	$ 4,082,516
LIABILITIES			
ACCOUNTS PAYABLE	$ 1,403	$ 92,150	$ 93,553
ACCRUED EXPENSES	14,353	-	14,353
TOTAL LIABILITIES	15,756	92,150	107,906
DEFERRED INFLOWS OF RESOURCES			
DEFERRED REVENUES -			
PROPERTY TAXES	332,400	-	332,400
FUND BALANCE			
RESTRICTED FOR			
EMERGENCIES - TABOR	48,000	-	48,000
PARKS AND RECREATION	-	460,096	460,096
CAPITAL IMPROVEMENT	-	1,496,904	1,496,904
ECONOMIC DEVELOPMENT	-	270,756	270,756
COMMITTED			
EMPLOYEE HEALTH INSURANCE	208,945	-	208,945
ASSIGNED			
REVOLVING LOAN	202,835	-	202,835
UNASSIGNED	954,674	-	954,674
TOTAL FUND BALANCE	1,414,454	2,227,756	3,642,210
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 1,762,610	$ 2,319,906	$ 4,082,516

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
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 - GOVERNMENTAL FUNDS		$ 3,642,210
REVOLVING LOAN RECEIVABLES WHICH DO NOT PROVIDE CURRENT FINANCIAL RESOURCES ARE NOT REPORTED ON THE GOVERNMENTAL FUND FINANCIAL STATEMENTS BUT RECOGNIZED ON THE GOVERNMENT-WIDE FINANCIAL STATEMENTS, NET OF APPLICABLE ALLOWANCE FOR UNCOLLECTIBLES.		105,659
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN FUNDS.		
THE COST OF CAPITAL ASSETS IS	$ 7,281,109	
ACCUMULATED DEPRECIATION IS	(3,630,593)	
		3,650,516
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.		
COMPENSATED ABSENCES	(4,329)	
RECLAMATION PAYABLE	(16,000)	
		(20,329)
NET PENSION / OPEB LIABILITIES, DEFERRED OUTFLOWS, AND DEFERRED INFLOWS RELATED TO PENSIONS / OPEB ARE NOT CURRENT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED AS ASSETS OR LIABILITIES IN THE GOVERNMENTAL FUNDS.		(449,190)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 6,928,866

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2025

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
TAXES	$ 787,280	$ 1,192,093	$ 1,979,373
FRANCHISE FEES	143,806	-	143,806
LICENSES AND PERMITS	12,443	-	12,443
INTERGOVERNMENTAL	110,819	28,326	139,145
CHARGES FOR SERVICES	119,553	21,745	141,298
INTEREST	10,433	25,455	35,888
GRANTS	189,304	1,561,269	1,750,573
FINES	3,995	-	3,995
EXCESS HEALTH INSURANCE CONTRIBUTIONS	4,082	-	4,082
MARIJUANA REVENUES	23,900	-	23,900
OTHER	112,314	9,987	122,301
TOTAL REVENUES	1,517,929	2,838,875	4,356,804
EXPENDITURES			
GENERAL GOVERNMENT	882,500	-	882,500
PUBLIC SAFETY	488,365	-	488,365
PUBLIC WORKS	190,487	253,721	444,208
CULTURE AND RECREATION	-	2,125,641	2,125,641
COMMUNITY SERVICES	-	133,672	133,672
REVOLVING LOAN	11,360	-	11,360
TOTAL EXPENDITURES	1,572,712	2,513,034	4,085,746
REVENUES OVER (UNDER) EXPENDITURES	(54,783)	325,841	271,058
OTHER FINANCING SOURCES (USES)			
TRANSFERS IN (OUT)	(550,000)	406,200	(143,800)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(604,783)	732,041	127,258
FUND BALANCE JANUARY 1	2,019,237	1,495,715	3,514,952
FUND BALANCE DECEMBER 31	$ 1,414,454	$ 2,227,756	$ 3,642,210

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE 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 BALANCE		$ 127,258
REVOLVING LOAN REVENUES THAT DO NOT PROVIDE CURRENT FINANCIAL RESOURCES ARE NOT REPORTED ON THE GOVERNMENTAL FUND FINANCIAL STATEMENTS BUT RECOGNIZED ON THE GOVERNMENT-WIDE FINANCIAL STATEMENTS.		31,184
GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER, IN THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR ESTIMATED USEFUL LIVES AND REPORTED AS DEPRECIATION EXPENSE. THIS IS THE AMOUNT BY WHICH CAPITAL OUTLAY EXCEEDED DEPRECIATION IN THE CURRENT PERIOD.		
CAPITAL OUTLAY	$ 2,141,009	
DEPRECIATION EXPENSE AND GAIN ON DISPOSITION OF ASSET	(181,847)	
		1,959,162
COMPENSATED ABSENCES ARE REPORTED AS AN EXPENSE IN THE STATEMENT OF ACTIVITIES. HOWEVER, GOVERNMENTAL FUNDS DO NOT REPORT COMPENSATED ABSENCES AS AN EXPENDITURE UNTIL THEY ARE PAID.		(1,029)
PAYMENT FOR PENSION BENEFITS ARE RECORDED AS AN EXPENDITURE IN THE GOVERNMENTAL FUNDS BUT ARE RECORDED AS EXPENSES ON AN ACCRUAL BASIS IN THE ENTITY-WIDE STATEMENTS BASED ON THE CHANGES IN THE NET PENSION ASSET/LIABILITY.		
PENSION REVENUE	46,606	
PENSION EXPENSE	(21,423)	
		25,183
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 2,141,758

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2025

	LIGHT AND POWER	WATER	SEWER	SANITATION	TOTAL
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	$ 3,952,701	$ 1,024,274	$ 871,970	$ 658,887	$ 6,507,832
ACCOUNTS RECEIVABLE (NET)	358,519	75,410	61,410	66,267	561,606
GRANTS RECEIVABLE	-	-	36,604	-	36,604
NOTES RECEIVABLE	-	-	799	-	799
PREPAIDS	2,089	-	-	-	2,089
INVENTORIES	357,556	195,317	26,346	-	579,219
TOTAL CURRENT ASSETS	4,670,865	1,295,001	997,129	725,154	7,688,149
PROPERTY PLANT AND EQUIPMENT					
LAND AND WATER RIGHTS	17,055	130,911	2,150	20,705	170,821
CONSTRUCTION IN PROGRESS	-	-	234,979	9,181	244,160
PRELIMINARY SURVEY	-	181,901	-	-	181,901
SYSTEMS, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - AT COST	6,093,578	10,873,267	10,029,581	1,502,928	28,499,354
ACCUMULATED DEPRECIATION	(5,238,070)	(7,052,656)	(3,572,713)	(1,285,974)	(17,149,413)
NET PROPERTY PLANT AND EQUIPMENT	872,563	4,133,423	6,693,997	246,840	11,946,823
TOTAL ASSETS	5,543,428	5,428,424	7,691,126	971,994	19,634,972
DEFERRED OUTFLOW OF RESOURCES					
PENSION	185,347	81,638	46,013	39,825	352,823
OTHER POST EMPLOYMENT BENEFITS	18,443	7,907	4,391	3,930	34,671
TOTAL DEFERRED OUTFLOW OF RESOURCES	203,790	89,545	50,404	43,755	387,494
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 5,747,218	$ 5,517,969	$ 7,741,530	$ 1,015,749	$ 20,022,466

CITY OF LAS ANIMAS, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2025

	LIGHT AND POWER	WATER	SEWER	SANITATION	TOTAL
CURRENT LIABILITIES					
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	$ 223,177	$ 20,063	$ 62,608	$ 14,449	$ 320,297
DUE TO OTHER FUNDS	-	25,093	(25,093)	-	-
METER DEPOSITS PAYABLE	24,270	19,629	5,349	3,564	52,812
DEBT PAYABLE - CURRENT	-	77,067	90,179	-	167,246
TOTAL CURRENT LIABILITIES	247,447	141,852	133,043	18,013	540,355
TERM LIABILITIES					
COMPENSATED ABSENCES PAYABLE	90,371	108,265	42,785	2,139	243,560
DEBT PAYABLE - NONCURRENT	-	688,754	1,484,737	-	2,173,491
NET PENSION LIABILITY (ASSET)	411,722	187,791	107,849	89,425	796,787
NET OPEB LIABILITY	26,204	11,452	6,427	5,617	49,700
LANDFILL POSTCLOSURE PAYABLE	-	-	-	303,800	303,800
TOTAL TERM LIABILITIES	528,297	996,262	1,641,798	400,981	3,567,338
TOTAL LIABILITIES	775,744	1,138,114	1,774,841	418,994	4,107,693
DEFERRED INFLOW OF RESOURCES					
PENSION	100,612	41,063	22,129	21,133	184,937
OTHER POST EMPLOYMENT BENEFITS	107,261	42,500	22,476	22,339	194,576
TOTAL DEFERRED INFLOW OF RESOURCES	207,873	83,563	44,605	43,472	379,513
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	872,563	3,367,602	5,119,081	246,840	9,606,086
RESTRICTED FOR CUSTOMER DEPOSITS	24,270	19,629	5,349	3,564	52,812
RESTRICTED FOR OPERATIONS AND MAINTENANCE	-	263,000	132,000	-	395,000
RESTRICTED FOR ASSET RETIREMENT	46,368	-	-	-	46,368
UNRESTRICTED	3,820,400	646,061	665,654	302,879	5,434,994
TOTAL NET POSITION	4,763,601	4,296,292	5,922,084	553,283	15,535,260
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 5,747,218	$ 5,517,969	$ 7,741,530	$ 1,015,749	$ 20,022,466

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2025

	LIGHT AND POWER	WATER	SEWER	SANITATION	TOTAL
OPERATING REVENUES					
CHARGES FOR SERVICES	$ 4,195,510	$ 1,000,331	$ 675,699	$ 956,893	$ 6,828,433
OTHER	107,472	31,298	7,456	30,432	176,658
TOTAL OPERATING REVENUES	4,302,982	1,031,629	683,155	987,325	7,005,091
OPERATING EXPENSES					
PERSONAL SERVICES	1,005,945	444,649	246,888	249,016	1,946,498
PURCHASED SERVICES	271,590	90,441	110,271	405,999	878,301
SUPPLIES AND MATERIALS	127,943	113,574	25,980	56,771	324,268
POWER AND UTILITIES	2,512,929	145,087	84,524	-	2,742,540
MAINTENANCE AND REPAIRS	3,373	247,083	48,282	121,824	420,562
DEPRECIATION	107,964	237,035	276,821	48,901	670,721
BAD DEBTS	-	6,329	4,337	4,005	14,671
OTHER	46,964	3,805	4,105	14,386	69,260
TOTAL OPERATING EXPENSES	4,076,708	1,288,003	801,208	900,902	7,066,821
OPERATING INCOME (LOSS)	226,274	(256,374)	(118,053)	86,423	(61,730)
NONOPERATING REVENUES (EXPENSES)					
INTEREST REVENUE	63,394	14,570	14,381	10,055	102,400
GRANT FUNDS	-	-	187,983	-	187,983
OTHER REVENUE	-	22,393	3,988	6,020	32,401
INTEREST EXPENSE	-	(12,348)	(7,140)	-	(19,488)
PENSION AND OPEB REVENUE (EXPENSE)	18,357	11,367	7,429	4,436	41,589
TOTAL NONOPERATING REVENUES (EXPENSES)	81,751	35,982	206,641	20,511	344,885
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	308,025	(220,392)	88,588	106,934	283,155
TRANSFERS IN	-	123,800	20,000	-	143,800
CAPITAL CONTRIBUTIONS	-	5,102	1,400	-	6,502
CHANGE IN NET POSITION	308,025	(91,490)	109,988	106,934	433,457
NET POSITION JANUARY 1	4,455,576	4,387,782	5,812,096	446,349	15,101,803
NET POSITION DECEMBER 31	$ 4,763,601	$ 4,296,292	$ 5,922,084	$ 553,283	$ 15,535,260

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

	LIGHT AND POWER	WATER	SEWER	SANITATION	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH RECEIVED FROM CUSTOMERS AND USERS	$ 4,282,931	$ 1,037,655	$ 681,737	$ 979,730	$ 6,982,053
CASH PAYMENTS TO EMPLOYEES AND BENEFIT PROVIDERS	(971,453)	(394,457)	(231,143)	(250,300)	(1,847,353)
CASH PAYMENTS TO VENDORS - SUPPLIES AND SERVICES	(2,951,105)	(574,983)	(270,217)	(639,283)	(4,435,588)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	360,373	68,215	180,377	90,147	699,112
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
CUSTOMER DEPOSITS	4,032	3,433	651	381	8,497
TRANSFERS - OTHER FUNDS	-	137,354	6,446	(32,500)	111,300
OTHER	-	22,393	3,988	6,020	32,401
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	4,032	163,180	11,085	(26,099)	152,198
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
ACQUISITION OF CAPITAL ASSETS	(317,217)	-	(229,514)	(9,181)	(555,912)
GRANT PROCEEDS	-	-	151,379	-	151,379
CAPITAL CONTRIBUTED	-	5,102	1,400	-	6,502
INTEREST PAID ON DEBT	-	(12,433)	(7,181)	-	(19,614)
PRINCIPAL PAID ON DEBT	-	(82,640)	(89,934)	-	(172,574)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(317,217)	(89,971)	(173,850)	(9,181)	(590,219)
CASH FLOWS FROM INVESTING ACTIVITIES					
INTEREST RECEIVED	63,394	14,570	14,381	10,055	102,400
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	63,394	14,570	14,381	10,055	102,400
NET CHANGE IN CASH AND CASH EQUIVALENTS	110,582	155,994	31,993	64,922	363,491
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	3,842,119	868,280	839,977	593,965	6,144,341
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,952,701	$ 1,024,274	$ 871,970	$ 658,887	$ 6,507,832

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF LAS ANIMAS, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

	LIGHT AND POWER	WATER	SEWER	SANITATION	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
OPERATING INCOME (LOSS)	$ 226,274	$ (256,374)	$ (118,053)	$ 86,423	(61,730)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
DEPRECIATION	107,964	237,035	276,821	48,901	670,721
CHANGE IN ASSETS AND LIABILITIES					
RECEIVABLES AND ACCRUALS	(20,051)	6,026	(1,418)	(7,595)	(23,038)
INVENTORIES	21,345	24,047	1,578	-	46,970
PAYABLES AND ACCRUALS	24,841	57,481	21,449	(37,582)	66,189
TOTAL ADJUSTMENTS	134,099	324,589	298,430	3,724	760,842
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 360,373	$ 68,215	$ 180,377	$ 90,147	$ 699,112
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES					
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	$ -	$ -	$ 45,755	$ -	$ 45,755

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Las Animas, Colorado (the "City") was incorporated under provisions of the State of Colorado, Council Bill No. 98. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services.

Reporting Entity:

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statement No. 34, No. 39, and No. 61), "*The Financial Reporting Entity" (GASB No. 14)* describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause these statements to be misleading or incomplete. Any organizations that can be described by these two items are included with the primary government in the financial statements as component units.

The City is not included in any other governmental "reporting entity", as required by accounting principles generally accepted in the United States of America; these basic financial statements present the City (the primary government) and its component units, if applicable. The City includes the component unit "Las Animas Municipal Light & Power Company" as part of its "reporting entity".

Related Organizations

The City's officials are responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City Council and Mayor appoint board members of the Las Animas Urban Renewal Authority and the Las Animas Housing Authority. In 2025 the City did not appropriate operating grants to the Urban Renewal Authority or the Housing Authority.

Jointly Governed Organization

Arkansas River Power Authority ("ARPA") - ARPA was created by an intergovernmental agreement between the cities of La Junta, Lamar, Las Animas (City of Las Animas, Colorado), Trinidad, Springfield, and Holly to supply their wholesale electric power and energy requirements. Each of the participating municipalities has a residual interest in ARPA's assets upon dissolution that is proportional to total revenue received from each since ARPA was organized. The governing Board of ARPA consists of two members from each municipality. Because it is felt that the City cannot significantly influence the operations of ARPA it is considered a jointly governed organization and not part of the City's reporting entity.

Blended Component Unit

The City of Las Animas, Colorado (the "Light and Power Fund") is reported as an enterprise fund and is included as a blended component unit because the City has operational responsibility for it.

The Company was created as part of the Charter of the City of Las Animas, Colorado (the City) with a nonpolitical power board of five members who have complete charge and control of the Company and such other electric public utilities as may be acquired by the City. Four of the five members of the power board are elected members with the fifth member being the mayor of the City. The power board has the ability to fix the rates subject to approval by the City Council Resolution.

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 of the nonfiduciary activities of the City and its component units, if applicable. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. The major individual governmental fund (General Fund) and the individual enterprise funds (Water, Sewer, Sanitation, Light and Power Funds) are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 and claims and judgements, are recorded only when payment is due.

Property and specific ownership taxes, sales taxes, interest revenues, and charges for services are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and entitlement awards are recorded as revenue when earned. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental fund:

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those which are required to be accounted for in another fund. Major revenue sources include sales taxes, property taxes, franchise and other taxes, charges for services, and intergovernmental revenue. Primary expenditures include general government, public safety (fire and police), public works, health and welfare, culture and recreation, and general expenditures.

The City reports the following major proprietary funds:

Water Fund - Accounts for the operations of the City's water utility. Activities of the fund include administration, operation and maintenance, treatment, and distribution of the water system, along with accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Sewer Fund - Accounts for the operations of the City's sewer utility. Activities of the fund include administration, operation and maintenance, treatment, and collection of the waste water system, along with accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Sanitation Fund - Accounts for the operations of the City's solid waste disposal utility. Activities of the fund include administration, operation and maintenance, and collection of trash related to the solid waste disposal system. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Light and Power Fund – Accounts for the activities of the City's electric generation and distribution system. Activities of the fund include administration, operation and maintenance, and distribution of the electric utility system. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the government reports the following fund types:

Special Revenue Funds - Accounts for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Accounts for the specific revenues received that are legally restricted for expenditures related to capital projects.

The proprietary funds account for transactions that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the costs and expenses of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through charges. The 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 the funds principal ongoing operations. The principal operating revenues of the funds are charges to customers for sales and service. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

STEWARDSHIP
The City follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the City Finance Officer submits to the City Council 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 15, the budget is legally enacted through passage of an ordinance.

Revisions that alter total expenditures of any kind generally must be approved by City Council. Budget amounts in the accompanying financial statements include revisions to the original approval. Appropriations lapse at year end and any open purchase item must be reappropriated in the following year.

All budget amounts presented in the accompanying supplemental information reflect the final budgets.

Expenditures may not legally exceed appropriations at the fund level. For the year ended December 31, 2025, expenditures exceeded appropriations in the General Fund.

ENCUMBRANCES
Outstanding encumbrances represent a commitment for the estimated amount of expenditures, which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (December 31). Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those, which will be reinstated and paid from appropriations for the following year. Encumbrances are, therefore, not considered expenditures until an actual liability is incurred.

CASH AND CASH EQUIVALENTS
The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments held in banks. For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of six months or less when purchased to be cash equivalents.

ACCOUNTS RECEIVABLE
The City grants credit terms in the normal course of business to its utility customers. Concentrations of credit risk with respect to accounts receivables which are uncollectible is limited due to customer deposits and account monitoring procedures which are utilized to minimize risk of loss. The City recognized amounts due from utility customers as of year-end but not billed due to cycle billings. Recognition is based upon a direct ratio of days in the current period to the total days in each individual billing cycle.

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVENTORIES
The inventories of the General Fund are accounted for as expenditures at the time they are purchased. Consumable supplies on hand are not recognized. The inventories of the Proprietary Funds are valued at cost using the first-in, first-out method.

WATER INVENTORY
The water inventory is carried at the lower of cost or market, with cost determined using the expenses involved in acquiring water held in storage.

CAPITAL ASSETS
Capital assets which include property, plant, equipment, and current infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Infrastructure assets have been capitalized on a prospective basis, from 2004. The City defines capital assets as assets with an initial life in excess of two years and an individual cost of $5,000 or more. Such assets are recorded as historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value on the date of donation.

Expenditures for maintenance and repairs are charged to expenses as incurred; expenditures for renewals and betterments are generally capitalized. Gains or losses due to disposal are charged or credited to income.

Depreciation is determined using the straight-line method based on the estimated useful lives of the assets as follows:

Buildings & Improvements	7 - 30	Years
Streets and Improvements	4 - 15	Years
Vehicles	7	Years
Equipment	7 - 20	Years

DEFERRED OUTFLOWS / INFLOWS OF RESOURCES
In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category which is for pension related amounts.

Pension and OPEB Related - Amounts reported as deferred outflows of resources include the following:

	Pension-PERA	OPEB	Old Hire Police
Difference Between Expected and Actual Experience	$ 80,487	$ -	$ -
Changes of Assumptions or Other Inputs	31,480	757	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	107,470	26,541	20,637
Contributions Made Subsequent to the Measurement Date	249,668	18,556	29,203
Total Pension Related Deferred Outflows	$ 469,105	$ 45,854	$ 49,840

More information on pension related items is included in Note 6 and on OPEB related items in Note 8.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category.

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEFERRED OUTFLOWS / INFLOWS OF RESOURCES (Continued)

Property Taxes - The item, property taxes levied for subsequent years, arises only under a modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected.

Pension and OPEB Related - Amounts reported as deferred inflows of resources include the following:

	Pension-PERA	OPEB	Old Hire Police
Difference Between Expected and Actual Experience	$ -	$ 14,553	$ -
Changes of Assumptions or Other Inputs	54,708	21,090	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	187,517	217,715	2,957
Contributions Made Subsequent to the Measurement Date	-	-	-
Total Pension Related Deferred Inflows	$ 242,225	$ 253,358	$ 2,957

More information on pension related items is included in Note 6 and on OPEB related items in Note 8.

NET POSITION / FUND BALANCE

In the government-wide and proprietary financial statements, net position is classified in the following categories:

Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation, reduced by outstanding debt, if applicable, attributed to the acquisition, construction, or improvement of those assets.

Restricted net position – This amount is restricted by external creditors, grantors, contributors, laws, or regulations of other governments.

Unrestricted net position – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position”

GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or required to be maintained intact;

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established through the adoption or amendment of the budget as intended for specific purposes.

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION / FUND BALANCE

When both restricted and unrestricted resources are available in governmental funds, the City applies expenditures against restricted fund balance first, followed by committed fund balance, assigned fund balance and unassigned fund balance.

COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay are accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and will be liquidated with resources of the general fund.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts, as well as issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt is reported as other financing sources while discounts on issuances are reported as other financing uses. Issuance costs are recorded as debt service expenditures.

Net pension liability associated with the Old Hire Police Pension Fund administered by FPPA, represent the City's total pension liabilities less the fiduciary net position. Amounts have been determined using the economic resources measurement focus and the accrual basis of accounting.

PENSION PLANS

The employees of the City are covered by a variety of pension plans. Police personnel who were hired prior to April 1978, and elected to do so, are covered by a defined benefit plan (Old Hire Police Fund). All other employees are covered by defined benefit plans (Local Government Division Trust Fund and Health Care Trust Fund).

More information on pension plans is included in Notes 6, 7 and 8.

INTERFUND TRANSACTIONS

Interfund transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

ESTIMATES

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

ACCOUNTING PRINCIPLES

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations.

NOTE -2 DEPOSITS

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2025, the carrying value of cash deposits was $9,687,334 and the bank balances were $10,263,458 of which $500,000 was covered by federal deposit insurance and the remaining balance was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

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

NOTE -3 CAPITAL ASSETS

A summary of the various fund types' property and equipment follows:

GOVERNMENTAL ACTIVITIES:

	Balances January 1, 2025	Additions	Deletions	Balances December 31, 2025
Capital assets not being depreciated:				
Land	$ 285,734	$ -	$ -	$ 285,734
Construction in Process	191,250	2,035,475	-	2,226,725
Total	477,984	2,035,475	-	2,513,459
Capital assets being depreciated:				
Buildings & Improvements	1,427,022	-	-	1,427,022
Vehicles	247,708	-	-	247,708
Equipment	852,106	105,534	-	957,640
Infrastructure	2,135,280	-	-	2,135,280
Total	4,662,116	105,534	-	4,767,650
Less Accumulated Depreciation:				
Buildings & Improvements	(1,104,054)	(47,178)	-	(1,151,232)
Vehicles	(215,047)	(7,823)	-	(222,870)
Equipment	(671,242)	(33,356)	-	(704,598)
Infrastructure	(1,458,403)	(93,490)	-	(1,551,893)
	(3,448,746)	(181,847)	-	(3,630,593)
Governmental Activities Net Capital Assets	$ 1,691,354	$ 1,959,162	$ -	$ 3,650,516

NOTE -3 CAPITAL ASSETS (Continued)

BUSINESS-TYPE ACTIVITIES:

	Balances January 1, 2025	Additions	Deletions	Balances December 31, 2025
Capital assets not being depreciated:				
Land, Equity, Water Rights	$ 170,821	$ -	$ -	$ 170,821
Preliminary Survey	181,901	-	-	181,901
Construction in Progress	-	244,160	-	244,160
Total	352,722	244,160	-	596,882
Capital assets being depreciated:				
Buildings & Systems	23,907,332	68,024	-	23,975,356
Equipment	4,358,273	289,482	(123,757)	4,523,998
Total	28,265,605	357,506	(123,757)	28,499,354
Less Accumulated Depreciation	(16,602,449)	(670,721)	123,757	(17,149,413)
Business-Type Activities Net Capital Assets	$12,015,878	$ (69,055)	$ -	$11,946,823

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	$ 7,823
Public Works	126,846
Culture and Recreation	47,178
Total Governmental Activities Depreciation	$ 181,847
Business-Type Activities	
Light & Power	$ 107,964
Water	237,035
Sewer	276,821
Sanitation	48,901
Total Business-Type Activities Depreciation	$ 670,721

NOTE -4 PROPERTY TAXES AND DEFERRED REVENUES

Property taxes are levied on November 15 and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. The County bills and collects property taxes for all taxing districts in the County. The City's share of property tax receipts collected by the County are remitted to the City in the subsequent month. Property taxes are reported as a receivable and a deferred revenue when levied and as a revenue when due for collection in the following year.

NOTE -5 CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the City for the year ended December 31, 2025:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE	CURRENT PORTION
Governmental Activities:					
Land Reclamation Costs	$ 16,000	$ -	$ -	$ 16,000	$ -
Compensated Absences	3,300	1,029	-	4,329	-
Totals	$ 19,300	$ 1,029	$ -	$ 20,329	$ -
Business-Type Activities:					
Bonds Payable	$ 469,527	$ -	$ (55,574)	$ 413,953	$ 50,000
Notes Payable	2,043,784	-	(117,000)	1,926,784	117,246
Compensated Absences	144,415	99,145	-	243,560	-
Estimated Closure & Post-Closure Costs	339,200	-	(35,400)	303,800	-
Totals	$2,996,926	$ 99,145	$ (207,974)	$2,888,097	$ 167,246

All outstanding notes from direct borrowings contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the City is unable to make payment. The City's outstanding notes from direct borrowings, as applicable, contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

REFUNDING BONDS - WATER

Water Refunding Bonds dated April 29, 2022, principal paid annually and matures serially on December 1, 2022, through December 1, 2027 and bears an interest rate at 2.25% paid semi-annually. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Fund revenues. Following is a bond schedule:

Year	Principal	Interest	Total
2026	$ 50,000	$ 2,250	$ 52,250
2027	38,953	1,125	40,078
Total	$ 88,953	$ 3,375	$ 92,328

REFUNDING BONDS - WATER

Water Refunding Bonds dated April 29, 2022, principal paid annually and matures serially on December 1, 2028, through December 1, 2033 and bears an interest rate at 2.75% paid semi-annually. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Fund revenues. Following is a bond schedule:

Year	Principal	Interest	Total
2026	$ -	$ 8,938	$ 8,938
2027	-	8,938	8,938
2028	50,000	8,937	58,937
2029	50,000	7,562	57,562
2030	50,000	6,187	56,187
2031-2033	175,000	9,488	184,488
Total	$ 325,000	$ 50,050	$ 375,050

Total Bonds Payable	$ 413,953

NOTE -5 CHANGES IN LONG-TERM OBLIGATIONS (Continued)

NOTE PAYABLE – WATER FUND

Water Pollution Control Fund payable to Colorado Water Resources and Power Development Authority, dated March 26, 2008, maturing serially on May 1, 2009 through November 1, 2038, and bearing interest at a rate of 0%. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Fund revenues. The following is a loan schedule:

Year	Principal	Interest	Total
2026	$ 27,067	-	$ 27,067
2027	27,067	-	27,067
2028	27,067	-	27,067
2029	27,067	-	27,067
2030	27,067	-	27,067
2031-2035	135,333	-	135,333
2036-2038	81,199	-	81,199
Total	$ 351,867	$ -	$ 351,867

NOTE PAYABLE – SEWER FUND

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated November 4, 2011, maturing serially on November 1, 2012 through May 1, 2032, and bearing interest at a rate of 0%. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Fund revenues. The following is a loan schedule:

Year	Principal	Interest	Total
2026	$ 15,780	-	$ 15,780
2027	15,780	-	15,780
2028	15,780	-	15,780
2029	15,780	-	15,780
2030	15,780	-	15,780
2031-2032	23,671	-	23,671
Total	$ 102,571	$ -	$ 102,571

NOTE PAYABLE – SEWER FUND

Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated March 26, 2009, maturing serially on May 1, 2009 through November 1, 2028, and bearing interest at a rate of 0%. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Fund revenues. The following is a loan schedule:

Year	Principal	Interest	Total
2026	$ 18,850	-	$ 18,850
2027	18,850	-	18,850
2028	18,850	-	18,850
Total	$ 56,550	$ -	$ 56,550

NOTE -5 CHANGES IN LONG-TERM OBLIGATIONS (Continued)

NOTE PAYABLE – SEWER FUND
Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated December 19, 2013, maturing serially on November 1, 2014 through May 1, 2034, and bearing interest at a rate of 0%. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Fund revenues. The following is a loan schedule:

Year	Principal	Interest	Total
2026	$ 6,387	$ -	$ 6,387
2027	6,387	-	6,387
2028	6,387	-	6,387
2029	6,387	-	6,387
2030	6,387	-	6,387
2031-2034	22,351	-	22,351
Total	$ 54,286	$ -	$ 54,286

NOTE PAYABLE – SEWER FUND
Water Pollution Control Revolving Fund payable to Colorado Water Resources and Power Development Authority, dated February 26, 2021, maturing serially on May 1, 2022 through November 1, 2051, and bearing interest at a rate of 0.50%. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Fund revenues. The following is a loan schedule:

Year	Principal	Interest	Total
2026	$ 49,162	$ 6,747	$ 55,909
2027	49,409	6,500	55,909
2028	49,656	6,253	55,909
2029	49,905	6,004	55,909
2030	50,154	5,755	55,909
2031-2035	254,563	24,980	279,543
2036-2040	260,999	18,544	279,543
2041-2045	267,598	11,945	279,543
2046-2050	274,364	5,179	279,543
2051	55,700	209	55,909
Total	$1,361,510	$ 92,116	$1,453,626

COMPLIANCE WITH LOAN AGREEMENTS
Colorado Water Resources Power Development Authority Water require that the City maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year and a rate covenant which shall have operating revenues to pay the system operation and maintenance expenses and 110% of its debt requirements. The following is an analysis of these requirements.

	Water Fund	Sewer Fund
Operation and Maintenance Reserve	$ 263,000	$ 132,000
Rate Covenant - amount in excess (deficit) requirement	$ 41,946	$ 279,694

As of December 31, 2025, the City was in compliance with the rate covenants.

NOTE -5 CHANGES IN LONG-TERM OBLIGATIONS (Continued)

LAND RECLAMATION COSTS
The State of Colorado required the reclamation of a parcel of land used to provide sand for city purposes. The Estimated costs for this reclamation is $16,000.

ESTIMATED CLOSURE AND POSTCLOSURE CARE COSTS
State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of these closure and postclosure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $303,800 reported in the Long-Term Debt as landfill closure and postclosure care liability at December 31, 2025, represents the cumulative expense incurred to date based on the use of the existing facility and the requirements to close and monitor as the facility currently exists. This amount is based upon what it would cost to perform all postclosure care in 2025. Actual cost may be higher due to inflation, changes in technology or changes in regulations. Current consumption rates indicate that the new landfill will last 38 years.

The City will recognize the remaining estimated cost of closure and postclosure care of $240,500 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2025. The City expects to close the landfill in the year 2053. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to provide assurance that it can meet the cost of closure and postclosure care. The City has provided assurance by meeting the test requirements of the Colorado Department of Public Health and Environment. The City expects that future inflation costs may need to be covered by charges to future landfill users or other future revenues.

		LABC #2	
	LABC #1	CELL #1	CELL #2
Percent of capacity	100%	100%	46%
Estimated closure date	Closed	Closed	2053

The estimated closure and post closure costs had a minimal change from 2024 to 2025; therefore, no amount was reported as a special item on the statement of activities and statement of revenues, expenses, and changes in net position in the Sanitation Fund.

NOTE -6 DEFINED BENEFIT PENSION PLANS

The following plans cover members of the Fire and Police Department and City employees. The plans are:

- Old Hire Police Pension Fund (Note -6)
- Local Government Division Trust Fund (PERA) (Note -6)
- Health Care Trust Fund (PERA) (Note -8)

OLD HIRE POLICE PENSION FUND

Summary of Significant Accounting Policies

Pensions – The City of Las Animas participates in the Old Hire Police Pension Fund, an agent multiple-employer defined benefit pension fund administered by the Colorado Fire and Police Pension Association (“FPPA”).

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Old Hire Police Pension Fund has been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investments - Investments are reported at fair value.

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

Plan Information

Plan Description - The City, on behalf of certain full-time paid Police Officers, contributes to the Old Hire Police Pension Fund which is affiliated with the Colorado Fire and Police Pension Association (FPPA). FPPA administers the agent multiple-employer Public Employee Retirement System ("PERS"). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at FPPAco.org. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the City Council of the City of Las Animas.

Plan Membership – Plan membership consists of active employees hired prior to April 8, 1978, electing to remain covered under the provisions of the City's current plan.

The following is a summary of the participants:

	Old Hire Police
Active Members	0
Retirees and Beneficiaries	2
Inactive, Nonretired Members	0

Benefits Provided - The plan provides retirement benefits for members and beneficiaries according to the plan provisions and is as follows:

All City police officers hired prior to April 8, 1978, could remain in the plan or transfer and become a participant in a defined contribution plan (new hire plan). Police offices' benefits become vested after 20 years of service and age 55 or after 25 years of service. Vested employees who retire are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to one half of one month's salary at the time of retirement. Benefits vested after 1979 are limited to increases of 3% per year of inflation, as determined by the state. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

Title 31, Article 30 of the Colorado Revised Statues ("CRS"), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the City of Las Animas Old Hire Police Pension Fund. That report may be obtained by writing to: FPPA of Colorado, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111 or by calling FPPA at (303) 770-3772 in the Denver Metro area, or 1-800-770-FPPA (3772) from outside the metro area.

Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Plan members and the City of Las Animas are required to contribute at a rate set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership. The contributions are based on an actuarially determined amount recommended by an independent actuary.

The contribution rate for members and the City for the Old Hire Police Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2022 actuarial valuation. Total contribution for the year ended December 31, 2025 was $29,203 and the actuarially determined contribution was $29,203.

Actuarial Assumptions – Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2022, determines the contribution amounts for 2023 and 2024.

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2024:

Actuarial Cost Method – Entry Age Normal
Amortization Method – N/A
Remaining Amortization Period – N/A
Asset Valuation Method – 5-Year smoothed fair value
Inflation – 2.50%
Salary Increases – N/A
Investment Rate of Return – 4.50%
Retirement Age – Any remaining actives are assumed to retire immediately
Mortality Rates – Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled (pre-1980): Post-retirement rates set forward three years.

Long-Term Expected Rate of Return on Pension Plan Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.0%	5.5%
Fixed Income - Rates	70.0%	5.4%
Fixed Income - Credit	10.0%	5.9%
Diversifiers	0.0%	7.4%
Long Short	0.0%	7.0%
Global Public Equity	10.0%	8.3%
Private Markets	0.0%	10.2%
Total	100.0%	

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%: the municipal bond rate is 4.08% (based on the weekly rate closet to but no later than the measurement date of the "state & local bonds" rate from Federal Reserve statically release (H.15)); and the resulting Single Discount Rate is 4.50%.

Projected cash flows used in determining the Single Discount Rate are available upon request to FPPA.

Net Pension Liability

The net pension liability was measured at December 31, 2024, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2024, and the City's fiscal year ending date, or reporting date, is December 31, 2025.

NOTE -6 DEFINED BENEFIT PENSION PLANS (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2024	$ 435,309	$ 201,194	$ 234,115
Change for the year:			
Interest	18,829	-	18,829
Difference between Expected & Actual Experience of the Total Pension Liability	-	-	-
Changes in Assumptions	-	-	-
Contributions – Employer	-	29,203	(29,203)
Contributions – Member	-	-	-
Net Investment Income	-	5,662	(5,662)
Benefit Payments	(34,162)	(34,162)	-
Administrative Expense	-	(3,250)	3,250
Net Changes	(15,333)	(2,547)	(12,786)
Balances at December 31, 2025	$ 419,976	$ 198,647	$ 221,329

Timing of the Valuation - An actuarial valuation to determine the total pension liability is required to be performed at least every two years. For the employer's financial reporting purposes, the net pension liability/(asset) and pension expense/(income) should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of January 1, 2024 and a measurement date of December 31, 2024. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2025 and may be used for December 31, 2025 reporting purposes.

Expense and deferred outflow calculations are shown starting with the year ending December 31, 2024, but can be used for the plan sponsor's December 31, 2025 financial reporting. Each reported amount will have a one-year lag so that year end December 31, 2024 can be used for December 31, 2025 plan sponsor reporting.

Paragraph 34 of GASB Statement No. 68 indicates that contributions to the pension plan subsequent to the measurement date of the Net Pension Liability/(Asset) and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to pensions. The information contained in this report does not incorporate any contributions made to the Las Animas Old Hire Police Pension Fund subsequent to December 31, 2024; the employer will need to add 2025 contributions into the Deferred Outflows

Sensitivity of the Net Pension Liability / (Asset) to the Single Discount Rate Assumption – The following table presents the net pension liability of the City at December 31, 2025, for the measurement period ending December 31, 2024, calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (3.50%)	Current Single Discount Rate Assumption (4.50%)	1% Increase (5.50%)
Net Pension Liability	$ 250,473	$ 221,329	$ 195,396

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2025; the City recognized pension revenue of $7,780. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE -6 DEFINED BENEFIT PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Assumption Changes	-	-
Net difference between projected and actual earnings on pension plan investments	20,637	(2,957)
Contributions subsequent to the measurement date	29,203	-
Total	$ 49,840	$ (2,957)

$29,203 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2025:	
2026	$ 9,719
2027	7,665
2028	(345)
2029	641
2030	-
Thereafter	-
Total	$ 17,680

LOCAL GOVERNMENT DIVISION TRUST FUND (PERA)

Summary of Significant Accounting Policies

Pensions. City of Las Animas, Colorado participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the City of Las Animas, Colorado are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits provided as of December 31, 2024. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

NOTE -6 DEFINED BENEFIT PENSION PLAN (Continue)

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- $15 times the first 10 years of service credit plus $20 times the service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For Safety Officers whose disability is caused by an on- the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2025: Eligible employees of, City of Las Animas, Colorado and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of 1/1/2024 through 12/31/2025 are summarized in the following table:

NOTE -6 DEFINED BENEFIT PENSION PLAN (Continue)

	January 1, 2024 Through December 31, 2024	January 1, 2025 Through December 31, 2025
Employee contribution (all employees other than Safety Officers)	9.00%	9.00%
Safety Officers	13.00%	13.00%

*Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees other than Safety Officers are summarized in the following table:

	January 1, 2024 Through December 31, 2024	January 1, 2025 Through December 31, 2025
Employer contribution rate	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.98%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.08%	0.11%
Total employer contribution rate to the LGDTF	13.76%	13.79%

*Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for Safety Officers are summarized in the following table:

	January 1, 2024 Through December 31, 2024	January 1, 2025 Through December 31, 2025
Employer contribution rate	14.10%	14.10%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	13.08%	13.08%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.08%	0.11%
Total employer contribution rate to the LGDTF	16.86%	16.89%

*Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

NOTE -6 DEFINED BENEFIT PENSION PLAN (Continue)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City of Las Animas, Colorado is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from City of Las Animas, Colorado were $249,668 for the year ended December 31, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the LGDTF was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The City of Las Animas, Colorado proportion of the net pension liability was based on City of Las Animas, Colorado contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers.

At December 31, 2025, the City of Las Animas, Colorado reported a liability of $1,066,649 for its proportionate share of the net pension liability.

At December 31, 2024, the City of Las Animas, Colorado proportion was 0.1738%, which was a decrease of 0.0194% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City of Las Animas, Colorado recognized pension revenue of $60,319. At December 31, 2025, the City of Las Animas, Colorado reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$80,487	$-
Changes of assumptions or other inputs	31,480	(54,708)
Net difference between projected and actual earnings on pension plan investments	107,470	(187,517)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	249,668	N/A
Total	$469,105	$(242,225)

$249,668 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2025	
2026	$3,204
2027	(24,156)
2028	(1,836)
2029	-
2030	-
Thereafter	-

Actuarial assumptions. The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

NOTE -6 DEFINED BENEFIT PENSION PLAN (Continue)

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than Safety Officers	3.20%-11.30%
Safety Officers	3.20%-12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

NOTE -6 DEFINED BENEFIT PENSION PLAN (Continue)

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation:	
Members other than Safety Officers	3.40%-13.00%
Safety Officers	3.20%-16.30%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

NOTE -6 DEFINED BENEFIT PENSION PLAN (Continue)

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

NOTE -6 DEFINED BENEFIT PENSION PLAN (Continue)

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City of Las Animas, Colorado proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	$2,334,681	$1,066,649	$1,358

Pension plan fiduciary net position. Detailed information about the LGDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE -7 DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description - Employees of the City of Las Animas, Colorado that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Funding Policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the City of Las Animas, Colorado has agreed to match employee contributions up to 0% of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended December 31, 2025, program members contributed $11,725 and City of Las Animas, Colorado recognized pension expense and a liability of $0 and $0 respectively, for the PERAPlus 401(k) Plan.

NOTE - 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

HEALTH CARE TRUST FUND (PERA)

Summary of Significant Accounting Policies

OPEB. City of Las Animas, Colorado participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the City of Las Animas, Colorado are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). Health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. Members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). Basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq*. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit.

NOTE - 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A

DPS Benefit Structure
The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City of Las Animas, Colorado is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from City of Las Animas, Colorado were $18,556 for the year ended December 31, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
At December 31, 2025, the City of Las Animas, Colorado reported a liability of $65,977 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The City of Las Animas, Colorado proportion of the net OPEB liability was based on City of Las Animas, Colorado contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the City of Las Animas, Colorado proportion was 0.0138%, which was a decrease of 0.0015% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City of Las Animas, Colorado recognized OPEB expense of $19,882. At December 31, 2025, the City of Las Animas, Colorado reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$(14,553)
Changes of assumptions or other inputs	757	(21,090)
Net difference between projected and actual earnings on OPEB plan investments	26,541	(217,715)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	18,556	N/A
Total	$45,854	$(253,358)

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

$18,556 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31, 2025:	
2026	$(34,070)
2027	(34,072)
2028	(34,355)
2029	(34,418)
2030	(34,418)
Thereafter	(54,727)

Actuarial assumptions. The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age			
Price inflation	2.30%			
Real wage growth	0.70%			
Wage inflation	3.00%			
Salary increases, including wage inflation				
Members other than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%			
Discount rate	7.25%			
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy	0.00%			
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034			
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034			
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033			
DPS benefit structure:				
Service-based premium subsidy	0.00%			
PERACare Medicare plans	N/A			
Medicare Part A premiums	N/A			

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$1,710	$1,420	$585	$486	$1,897	$1,575
70	$1,921	$1,589	$657	$544	$2,130	$1,763
75	$2,122	$1,670	$726	$571	$2,353	$1,853

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$6,536	$5,429	$4,241	$3,523	$7,063	$5,866
70	$7,341	$6,073	$4,764	$3,941	$7,933	$6,563
75	$8,110	$6,385	$5,262	$4,143	$8,763	$6,900

The 2024 Medicare Part A premium is $505 per month.

All costs are subject to the health care cost trend rates, discussed as follows.

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the following table:

Year	PERACare Medicare Plans[1]	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

[1] Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2024 plan year.

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$1,824	$6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Sensitivity of the City of Las Animas, Colorado proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following table presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate[1]	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$64,199	$65,977	$67,989

[1]For the January 1, 2025, plan year.

Discount rate. The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.

NOTE – 8 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City of Las Animas, Colorado proportionate share of the net OPEB liability to changes in the discount rate. The following table presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$80,856	$65,977	$53,150

OPEB plan fiduciary net position. Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies

NOTE -9 NET POSITION

Restricted net position represents net position whose users are subject to constraints that are either 1.) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or 2.) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2025 is as follows:

	Governmental Activities	Business-Type Activities	Total
Operations and Maintenance	$ -	$ 395,000	$ 395,000
Customer Deposits	-	52,812	52,812
Asset Retirement	-	46,368	46,368
Capital Improvements	1,496,904	-	1,496,904
Parks and Recreation	460,096	-	460,096
Economic Development	270,756	-	270,756
Emergencies - TABOR	48,000	-	48,000
	$ 2,275,756	$ 494,180	$ 2,769,936

NOTE -9 NET POSITION (Continued)

Restricted for Operations and Maintenance – The City is required to maintain an operation and maintenance reserve as set forth by the creditors. As of December 31, 2025, the City reported $263,000 in the Water Fund and $132,000 in the Sewer Fund which is for the CWRPDA Reserves.

Restricted for Customer Deposits – This represents money received from customers that is restricted for specific purposes.

Restricted for Asset Retirement – This represents the City's obligation associated with the future retirement of tangible long-lived assets.

Restricted for Capital Improvements – This represents revenues that are legally restricted to expenditures for capital purposes.

Restricted for Parks and Recreation – This represents money received from the State of Colorado for parks and open space related projects.

Restricted for Economic Development – This represents proceeds of specific revenue sources that are to be used to promote community services.

Restricted for Emergencies - TABOR – This represents approximately 3% of the City's 2025 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the City's net position can be used for declared emergencies only and the City must maintain 3% or more of its spending in this restricted account. The City does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles.

NOTE -10 FUND BALANCES

At December 31, 2025, fund balances for governmental funds consist of the following:

	Restricted Fund Balance				
	Emergencies TABOR	Parks and Recreation	Capital Projects	Economic Development	Total
General Fund	$ 48,000	$ -	$ -	$ -	$ 48,000
Conservation Trust	-	66,163	-	-	66,163
Parks and Recreation	-	393,933	-	-	393,933
Infrastructure and Improvement	-	-	895,673	-	895,673
1% Street Improvement	-	-	601,231	-	601,231
Sales Tax Development	-	-	-	270,756	270,756
Total	$ 48,000	$ 460,096	$ 1,496,904	$ 270,756	$ 2,275,756

	Committed Fund Balance	
	Employee Health Ins	Total
General Fund	$ 208,945	$ 208,945

	Assigned Fund Balance		
	Revolving Loan	Parks and Recreation	Total
General Fund	$ 202,835	$ -	$ 202,835

NOTE -11 INTERFUND ACTIVITY

Interfund Transfers:
Transfers are for the use of unrestricted revenues collected in the enterprise funds to finance various programs accounted for in other funds in accordance with council authorizations.

The composition of interfund transfers as of December 31, 2025 is as follows:

Transfer To	Transfer From	Amount Transferred
Water Fund	Infrastructure and Improvement Fund	$ 123,800
Sewer Fund	Infrastructure and Improvement Fund	20,000
		$ 143,800
Parks and Recreation Fund	General Fund	$ 525,000
1% Street Improvement Fund	General Fund	25,000
		$ 550,000

Interfund Receivables and Payables:
During the course of operations, numerous transactions occur between the City's funds for the reimbursement of expenditures. Related interfund receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet and statement of net position and will be settled within a reasonable time period.

The composition of due to / from other funds as of December 31, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
Sewer Fund	Water Fund	$ 25,093

NOTE -12 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

For risks related to property and liability and workers' compensation, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2). The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs.

All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have ability to significantly affect the operations of the unit. The City has not significantly changed its insurance coverage over the past three years, nor have settlements exceeded coverage during the same period.

The City purchases commercial insurance coverage for all items not covered by CIRSA. Settled claims for these risks have not exceeded insurance coverage the past three years.

NOTE -13 TAX SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The City's management believes a significant portion of its operations qualify for this exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention on such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). A portion of the fund balance has been restricted in compliance with this requirement. At December 31, 2025, $48,000 of the fund balance has been restricted.

Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

During 1999, the authorized voters of the City of Las Animas, Colorado, voted to authorize the City, without creating any new tax or creating an increase in any current tax to collect, retain, and expend the full proceeds of all of the City's sales tax and use tax, non-federal grants and other revenue from any other source, notwithstanding any state restriction on Fiscal Year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution, effective January 1, 2000 for the use for expenditures for any Lawful Municipal purposes.

The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation.

NOTE -14 SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAS ANIMAS, COLORADO

OLD HIRE POLICE PENSION FUND

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

YEAR ENDED DECEMBER 31, 2025

MEASUREMENT PERIOD ENDING DECEMBER 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
INTEREST	$ 18,829	$ 19,129	$ 20,142	$ 20,504	$ 21,458	$ 32,127	$ 32,989	$ 39,848	$ 40,851	$ 38,887
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	-	15,952	-	14,101	-	(38,409)	-	(81,395)	-	20,981
ASSUMPTION CHANGES	-	(3,298)	-	-	-	97,558	-	-	-	25,232
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(34,162)	(42,651)	(42,651)	(42,651)	(42,651)	(42,651)	(46,247)	(53,439)	(54,982)	(62,700)
NET CHANGE IN TOTAL PENSION LIABILITY	(15,333)	(10,868)	(22,509)	(8,046)	(21,193)	48,625	(13,258)	(94,986)	(14,131)	22,400
TOTAL PENSION LIABILITY - BEGINNING	435,309	446,177	468,686	476,732	497,925	449,300	462,558	557,544	571,675	549,275
TOTAL PENSION LIABILITY - ENDING (a)	419,976	435,309	446,177	468,686	476,732	497,925	449,300	462,558	557,544	571,675
PLAN FIDUCIARY NET POSITION										
CONTRIBUTIONS - EMPLOYER	29,203	29,203	29,203	29,203	29,203	29,203	67,924	-	26,510	50,206
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-	-	-	-	-	-
NET INVESTMENT INCOME	5,662	13,703	(29,246)	1,163	18,801	27,885	340	32,542	12,495	4,715
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(34,162)	(42,651)	(42,651)	(42,651)	(42,651)	(42,651)	(46,247)	(53,439)	(54,982)	(62,700)
ADMINISTRATIVE EXPENSES	(3,250)	(1,468)	(2,803)	(1,210)	(2,511)	(1,377)	(4,701)	(1,065)	(3,558)	(748)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(2,547)	(1,213)	(45,497)	(13,495)	2,842	13,060	17,316	(21,962)	(19,535)	(8,527)
PLAN FIDUCIARY NET POSITION - BEGINNING	201,194	202,407	247,904	261,399	258,557	245,497	228,181	250,143	269,678	278,205
PLAN FIDUCIARY NET POSITION - ENDING (b)	198,647	201,194	202,407	247,904	261,399	258,557	245,497	228,181	250,143	269,678
NET PENSION LIABILITY - ENDING	$ 221,329	$ 234,115	$ 243,770	$ 220,782	$ 215,333	$ 239,368	$ 203,803	$ 234,377	$ 307,401	$ 301,997
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	47.30%	46.22%	45.36%	52.89%	54.83%	51.93%	54.64%	49.33%	44.87%	47.17%
COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF LAS ANIMAS, COLORADO

OLD HIRE POLICE PENSION FUND

SCHEDULE OF PLAN CONTRIBUTIONS

YEAR ENDED DECEMBER 31, 2025

FY ENDING DECEMBER 31,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION*	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2025	$ 29,203	$ 29,203	$ -	N/A	N/A
2024	$ 29,203	$ 29,203	$ -	N/A	N/A
2023	$ 29,203	$ 29,203	$ -	N/A	N/A
2022	$ 29,203	$ 29,203	$ -	N/A	N/A
2021	$ 29,203	$ 29,203	$ -	N/A	N/A
2020	$ 29,203	$ 29,203	$ -	N/A	N/A
2019	$ 33,962	$ 67,924	$ (33,962)	N/A	N/A
2018	$ 33,962	$ 33,962	$ -	N/A	N/A
2017	$ 26,510	$ 26,510	$ -	N/A	N/A
2016	$ 26,510	$ 50,206	$ (23,696)	N/A	N/A

** Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.*

CITY OF LAS ANIMAS, COLORADO

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE - LOCAL GOVERNMENT DIVISION TRUST FUND

DEFINED BENEFIT PENSION PLAN

FOR THE LAST 10 FISCAL YEARS (AS AVAILABLE)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Plan measurement date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
City's proportion of the net pension liability (asset)	0.1738%	0.1932%	0.2011%	0.1755%	0.1828%	0.1773%	0.1823%	0.1831%	0.1837%	0.1835%
City's proportionate share of the net pension liability (asset)	$ 1,066,649	$ 1,418,160	$ 2,016,000	$ (150,470)	$ 952,798	$ 1,296,613	$ 2,291,663	$ 2,038,576	$ 2,480,707	$ 2,021,142
City's covered payroll	$ 1,819,196	$ 1,673,641	$ 1,705,770	$ 1,310,209	$ 1,290,709	$ 1,289,909	$ 1,220,838	$ 1,195,570	$ 1,155,006	$ 1,113,514
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	58.63%	84.74%	118.19%	-11.48%	73.82%	100.52%	187.71%	170.51%	214.78%	181.51%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.45%	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

CITY OF LAS ANIMAS, COLORADO

SCHEDULE OF CITY CONTRIBUTIONS - LOCAL GOVERNMENT DIVISION TRUST FUND

DEFINED BENEFIT PENSION PLAN

FOR THE LAST 10 FISCAL YEARS (AS AVAILABLE)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Plan measurement date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Contractually required contribution	$ 249,668	$ 229,112	$ 233,002	$ 172,316	$ 166,887	$ 166,860	$ 154,802	$ 151,598	$ 146,455	$ 141,194
Contributions in relation to the contractually required contribution	(249,668)	(229,112)	(233,002)	(172,316)	(166,887)	(166,860)	(154,802)	(151,598)	(146,455)	(141,194)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,819,196	$ 1,673,641	$ 1,705,770	$ 1,310,209	$ 1,290,709	$ 1,289,909	$ 1,220,838	$ 1,195,570	$ 1,155,006	$ 1,113,514
Contributions as a percentage of covered payroll	13.72%	13.69%	13.66%	13.15%	12.93%	12.94%	12.68%	12.68%	12.68%	12.68%

CITY OF LAS ANIMAS, COLORADO

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE - HEALTH CARE TRUST FUND

DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

FOR THE LAST 10 FISCAL YEARS (AS AVAILABLE)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Plan measurement date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
City's proportion of the net OPEB liability	0.0138%	0.0153%	0.0162%	0.0136%	0.0140%	0.0136%	0.0141%	0.0142%	0.0141%
City's proportionate share of the net OPEB liability	65,977	109,423	132,078	117,493	132,545	152,612	192,325	184,893	182,841
City's covered payroll	$ 1,819,196	$ 1,673,641	$ 1,705,770	$ 1,310,209	1,290,709	1,289,909	1,220,838	1,195,570	1,155,006
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.63%	6.54%	7.74%	8.97%	10.27%	11.83%	15.75%	15.46%	15.83%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.71%

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The schedule is presented to show information for ten years. Until information for the full ten-year period is available, information will be presented for the year it is available.

CITY OF LAS ANIMAS, COLORADO

SCHEDULE OF CITY CONTRIBUTIONS - HEALTH CARE TRUST FUND

DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

FOR THE LAST 10 FISCAL YEARS (AS AVAILABLE)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Plan measurement date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Statutorily required contribution	$ 18,556	$ 17,071	$ 17,399	$ 13,364	$ 13,165	$ 13,157	$ 12,453	$ 12,195	$ 11,781
Contributions in relation to the statutorily required contribution	(18,556)	(17,071)	(17,399)	(13,364)	(13,165)	(13,157)	(12,453)	(12,195)	(11,781)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,819,196	$ 1,673,641	$ 1,705,770	$ 1,310,209	$ 1,290,709	$ 1,289,909	$ 1,220,838	$ 1,195,570	$ 1,155,006
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

The amounts presented for each fiscal year were determined as of December 31.

The schedule is presented to show information for ten years. Until information for the full ten year period is available, information will be presented for the year it is available.

CITY OF LAS ANIMAS, COLORADO

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	BUDGET			VARIANCE FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
TAXES	$ 881,694	$ 881,694	$ 787,280	$ (94,414)
FRANCHISE FEES	146,000	146,000	143,806	(2,194)
LICENSES AND PERMITS	12,000	12,000	12,443	443
INTERGOVERNMENTAL	104,341	104,341	110,819	6,478
CHARGES FOR SERVICES	145,000	145,000	119,553	(25,447)
INTEREST	3,000	3,000	10,433	7,433
GRANTS	-	-	189,304	189,304
FINES	750	750	3,995	3,245
EXCESS HEALTH INSURANCE CONTRIBUTIONS	15,000	15,000	4,082	(10,918)
MARIJUANA APPLICATION FEE	22,500	22,500	23,900	1,400
OTHER	17,000	17,000	112,314	95,314
TOTAL REVENUES	1,347,285	1,347,285	1,517,929	170,644
EXPENDITURES				
GENERAL GOVERNMENT	487,446	487,446	882,500	(395,054)
PUBLIC SAFETY	585,473	585,473	488,365	97,108
PUBLIC WORKS	285,179	285,179	190,487	94,692
REVOLVING LOAN	58,000	58,000	11,360	46,640
TOTAL EXPENDITURES	1,416,098	1,416,098	1,572,712	(156,614)
REVENUES OVER (UNDER) EXPENDITURES	(68,813)	(68,813)	(54,783)	14,030
OTHER FINANCING SOURCES				
TRANSFERS IN	70,000	70,000	(550,000)	(620,000)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	1,187	1,187	(604,783)	(605,970)
FUND BALANCE JANUARY 1	2,019,237	2,019,237	2,019,237	-
FUND BALANCE DECEMBER 31	$ 2,020,424	$ 2,020,424	$ 1,414,454	$ (605,970)

NOTE -1 SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS – OLD HIRE POLICE PENSION FUND

Measurement Period: January 1, 2024 - December 31, 2024 for the Fiscal Year Ending December 31, 2025 (December 31, 2024 measurement date). The City elected the one-year lookback for measurement date and measurement period purposes.

NOTE -2 SCHEDULES OF PLAN CONTRIBUTIONS – OLD HIRE POLICE PENSION FUND

Actuarial Assumptions

Valuation Date: January 1, 2022

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2022, determines the contribution amounts for 2023 and 2024.

Significant actuarial methods and assumptions used to determine the contribution rates for the Old Hire Police Pension Fund is as follows:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	-	Entry Age Normal
Amortization Method	-	N/A
Remaining Amortization Period	-	N/A
Asset Valuation Method	-	5-Year smoothed fair value
Inflation	-	2.50%
Salary Increase	-	N/A
Investment Rate of Return	-	4.50%
Retirement Age	-	Any remaining actives are assumed to retire immediately
Mortality (Annuities)	-	Post-retirement: Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years

NOTE-3 DEFINED BENEFIT PENSION PLAN

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information *2024 Changes in Plan Provisions Since 2023*

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information *2024 Changes in Assumptions or Other Inputs Since 2023*

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

NOTE-4 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information *2024 Changes in Plan Provisions Since 2023*

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information *2023 Changes in Assumptions or Other Inputs Since 2022*

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

General Fund – It accounts for all financial resources of the general government, except those which are required to be accounted for in another fund.

CITY OF LAS ANIMAS, COLORADO

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CASH OR EQUIVALENTS	$ 1,323,246	$ 1,924,845
RECEIVABLES:		
ACCOUNTS	69,881	68,558
PROPERTY TAXES	332,400	201,200
DEPOSITS	37,083	37,083
TOTAL ASSETS	$ 1,762,610	$ 2,231,686
LIABILITIES		
ACCOUNTS PAYABLE	$ 1,403	$ 1,496
ACCRUED EXPENSES	14,353	9,753
TOTAL LIABILITIES	15,756	11,249
DEFERRED INFLOWS OF RESOURCES		
DEFERRED REVENUES - PROPERTY TAXES	332,400	201,200
FUND BALANCE		
RESTRICTED FOR		
EMERGENCIES - TABOR	48,000	43,900
COMMITTED FOR		
EMPLOYEE HEALTH INSURANCE	208,945	193,989
ASSIGNED FOR		
REVOLVING LOAN	202,835	243,838
UNASSIGNED	954,674	1,537,510
TOTAL FUND BALANCE	1,414,454	2,019,237
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 1,762,610	$ 2,231,686

CITY OF LAS ANIMAS, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES		
TAXES	$ 787,280	$ 1,019,995
FRANCHISE FEES	143,806	139,212
LICENSES AND PERMITS	12,443	15,488
INTERGOVERNMENTAL	110,819	112,778
CHARGES FOR SERVICES	119,553	122,967
INTEREST	10,433	9,697
GRANTS	189,304	-
FINES	3,995	2,000
EXCESS HEALTH INSURANCE CONTRIBUTIONS	4,082	4,515
MARIJUANA REVENUE	23,900	5,000
OTHER	112,314	2,897
TOTAL REVENUES	1,517,929	1,434,549
EXPENDITURES		
GENERAL GOVERNMENT	882,500	562,409
PUBLIC SAFETY	488,365	474,223
PUBLIC WORKS	190,487	226,988
REVOLVING LOAN	11,360	150
TOTAL EXPENDITURES	1,572,712	1,263,770
REVENUES OVER (UNDER) EXPENDITURES	(54,783)	170,779
OTHER FINANCING SOURCES		
TRANSFERS OUT	(550,000)	15,000
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(604,783)	185,779
FUND BALANCE JANUARY 1	2,019,237	1,833,458
FUND BALANCE DECEMBER 31	$ 1,414,454	$ 2,019,237

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Conservation Trust Fund – This fund is used to account for the collection and disbursement of revenues received from the Colorado state lottery and are restricted for parks and open space related projects.

Parks and Recreation Fund – This fund is used to account for the collection and disbursement of revenues received for the operation of the Parks and Recreation facilities of the City.

Sales Tax Development Fund – This fund is used to account for the collection and disbursement of revenues received from specified revenue sources that are to be used to promote community services.

CAPITAL PROJECTS FUNDS

Infrastructure and Improvement Fund – This fund is used to account for the collection and disbursement of sales tax receipts that are for the construction and improvement of infrastructure assets.

1% Street Improvement Fund – This fund is used to account for the collection and disbursement of revenues received from specified revenue sources that are legally restricted for street improvements.

CITY OF LAS ANIMAS, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2025

	CONSERVATION TRUST	PARKS AND RECREATION	SALES TAX DEVELOPMENT	INFRASTRUCTURE AND IMPROVEMENT CAPITAL PROJECTS	1% STREET IMPROVEMENT CAPITAL PROJECTS	TOTAL
ASSETS						
CASH OR EQUIVALENTS	$ 66,163	$ 90,600	$ 249,225	$ 872,355	$ 577,913	$ 1,856,256
ACCOUNTS RECEIVABLE	-	23,318	21,531	23,318	23,318	91,485
GRANTS RECEIVABLE	-	372,165	-	-	-	372,165
TOTAL ASSETS	$ 66,163	$ 486,083	$ 270,756	$ 895,673	$ 601,231	$ 2,319,906
LIABILITIES						
ACCOUNTS PAYABLE	$ -	$ 92,150	$ -	$ -	$ -	$ 92,150
TOTAL LIABILITIES	-	92,150	-	-	-	92,150
FUND BALANCE						
RESTRICTED						
PARKS AND RECREATION	66,163	393,933	-	-	-	460,096
CAPITAL IMPROVEMENTS	-	-	-	895,673	601,231	1,496,904
ECONOMIC DEVELOPMENT	-	-	270,756	-	-	270,756
TOTAL FUND BALANCE	66,163	393,933	270,756	895,673	601,231	2,227,756
TOTAL LIABILITIES AND FUND BALANCE	$ 66,163	$ 486,083	$ 270,756	$ 895,673	$ 601,231	$ 2,319,906

CITY OF LAS ANIMAS, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2025

	CONSERVATION TRUST	PARKS AND RECREATION	SALES TAX DEVELOPMENT	INFRASTRUCTURE AND IMPROVEMENT CAPITAL PROJECTS	1% STREET IMPROVEMENT CAPITAL PROJECTS	TOTAL
REVENUES						
TAXES	$ -	$ 338,039	$ 177,974	$ 338,040	$ 338,040	$ 1,192,093
INTERGOVERNMENTAL	28,326	-	-	-	-	28,326
CHARGES FOR SERVICES	-	21,745	-	-	-	21,745
INTEREST	856	998	3,323	11,903	8,375	25,455
GRANTS	-	1,561,269	-	-	-	1,561,269
OTHER	-	1,458	5,590	-	2,939	9,987
TOTAL REVENUES	29,182	1,923,509	186,887	349,943	349,354	2,838,875
EXPENDITURES						
HIGHWAYS AND STREETS	-	-	-	-	253,721	253,721
CULTURE AND RECREATION	17,040	2,108,601	-	-	-	2,125,641
COMMUNITY SERVICES	-	-	133,672	-	-	133,672
TOTAL EXPENDITURES	17,040	2,108,601	133,672	-	253,721	2,513,034
REVENUES OVER (UNDER) EXPENDITURES	12,142	(185,092)	53,215	349,943	95,633	325,841
OTHER FINANCING SOURCES						
TRANSFERS IN (OUT)	-	525,000	-	(143,800)	25,000	406,200
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	12,142	339,908	53,215	206,143	120,633	732,041
FUND BALANCE JANUARY 1	54,021	54,025	217,541	689,530	480,598	1,495,715
FUND BALANCE DECEMBER 31	$ 66,163	$ 393,933	$ 270,756	$ 895,673	$ 601,231	$ 2,227,756

CITY OF LAS ANIMAS, COLORADO

CONSERVATION TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025		VARIANCE FAVORABLE	2024
	ACTUAL	BUDGET	(UNFAVORABLE)	ACTUAL
REVENUES				
INTERGOVERNMENTAL	$ 28,326	$ 24,500	$ 3,826	$ 27,270
INTEREST	856	500	356	736
TOTAL REVENUES	29,182	25,000	4,182	28,006
EXPENDITURES				
CULTURE AND RECREATION	17,040	24,941	7,901	21,492
REVENUES OVER (UNDER) EXPENDITURES	12,142	59	12,083	6,514
FUND BALANCE JANUARY 1	54,021	54,021	-	47,507
FUND BALANCE DECEMBER 31	$ 66,163	$ 54,080	$ 12,083	$ 54,021

CITY OF LAS ANIMAS, COLORADO

PARKS AND RECREATION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025		VARIANCE FAVORABLE	2024
	ACTUAL	BUDGET	(UNFAVORABLE)	ACTUAL
REVENUES				
SALES TAX	$ 338,039	$ 311,000	$ 27,039	$ 313,862
CHARGES FOR SERVICES	21,745	12,000	9,745	19,366
INTEREST	998	50	948	50
GRANTS	1,561,269	2,000,000	(438,731)	25,000
OTHER	1,458	500	958	2,992
TOTAL REVENUES	1,923,509	2,323,550	(400,041)	361,270
EXPENDITURES				
CULTURE AND RECREATION	2,108,601	2,323,474	214,873	481,132
REVENUES OVER (UNDER) EXPENDITURES	(185,092)	76	(185,168)	(119,862)
OTHER FINANCING SOURCES				
TRANSFERS IN (OUT)	525,000	-	525,000	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	339,908	76	339,832	(119,862)
FUND BALANCE JANUARY 1	54,025	54,025	-	173,887
FUND BALANCE DECEMBER 31	$ 393,933	$ 54,101	$ 339,832	$ 54,025

CITY OF LAS ANIMAS, COLORADO

SALES TAX DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025		VARIANCE FAVORABLE	2024
	ACTUAL	BUDGET	(UNFAVORABLE)	ACTUAL
REVENUES				
SALES TAX	$ 177,974	$ 170,000	$ 7,974	$ 139,599
INTEREST	3,323	300	3,023	2,822
OTHER	5,590	1,000	4,590	247
TOTAL REVENUES	186,887	171,300	15,587	142,668
EXPENDITURES				
COMMUNITY SERVICES	133,672	168,250	34,578	128,167
REVENUES OVER (UNDER) EXPENDITURES	53,215	3,050	50,165	14,501
OTHER FINANCING SOURCES				
TRANSFERS IN (OUT)	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	53,215	3,050	50,165	14,501
FUND BALANCE JANUARY 1	217,541	217,541	-	203,040
FUND BALANCE DECEMBER 31	$ 270,756	$ 220,591	$ 50,165	$ 217,541

CITY OF LAS ANIMAS, COLORADO

INFRASTRUCTURE AND IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025		VARIANCE FAVORABLE	2024
	ACTUAL	BUDGET	(UNFAVORABLE)	ACTUAL
REVENUES				
SALES TAX	$ 338,040	$ 311,000	$ 27,040	$ 313,862
INTEREST	11,903	5,000	6,903	8,826
TOTAL REVENUES	349,943	316,000	33,943	322,688
EXPENDITURES				
CAPITAL PROJECTS	-	130,000	130,000	-
TOTAL EXPENDITURES	-	130,000	130,000	-
REVENUES OVER (UNDER) EXPENDITURES	349,943	186,000	163,943	322,688
OTHER FINANCING SOURCES				
TRANSFERS IN (OUT)	(143,800)	(186,000)	42,200	(176,085)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	206,143	-	206,143	146,603
FUND BALANCE JANUARY 1	689,530	689,530	-	542,927
FUND BALANCE DECEMBER 31	$ 895,673	$ 689,530	$ 206,143	$ 689,530

CITY OF LAS ANIMAS, COLORADO

1% STREET IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025		VARIANCE FAVORABLE	2024
	ACTUAL	BUDGET	(UNFAVORABLE)	ACTUAL
REVENUES				
SALES TAX	$ 338,040	$ 311,000	$ 27,040	$ 313,862
INTEREST	8,375	4,500	3,875	5,991
OTHER	2,939	2,000	939	188
TOTAL REVENUES	349,354	317,500	31,854	320,041
EXPENDITURES				
HIGHWAYS AND STREETS	253,721	317,000	63,279	185,460
TOTAL EXPENDITURES	253,721	317,000	63,279	185,460
REVENUES OVER (UNDER) EXPENDITURES	95,633	500	95,133	134,581
OTHER FINANCING SOURCES				
TRANSFERS IN (OUT)	25,000	-	25,000	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	120,633	500	120,133	134,581
FUND BALANCE JANUARY 1	480,598	480,598	-	346,017
FUND BALANCE DECEMBER 31	$ 601,231	$ 481,098	$ 120,133	$ 480,598

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Light and Power Fund - Accounts for the operations of the City's electric utility. Activities of the fund include administration, operation and maintenance, and distribution of the electric utility system. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Water Fund - Accounts for the operations of the City's water utility. Activities of the fund include administration, operation and maintenance, treatment, and distribution of the water system, along with accumulation of resources for the payment of principal and interest on long-term debt.

Sewer Fund - Accounts for the operations of the City's sewer utility. Activities of the fund include administration, operation and maintenance, treatment, and collection of the waste water system, along with accumulation of resources for the payment of principal and interest on long-term debt.

Sanitation Fund - Accounts for the operations of the City's solid waste disposal utility. Activities of the fund include administration, operation and maintenance, and collection of trash related to the solid waste disposal system.

CITY OF LAS ANIMAS, COLORADO

LIGHT AND POWER FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	$ 3,952,701	$ 3,842,119
ACCOUNTS RECEIVABLE (NET)	358,519	338,468
PREPAIDS	2,089	2,089
INVENTORIES	357,556	378,901
TOTAL CURRENT ASSETS	4,670,865	4,561,577
PROPERTY PLANT AND EQUIPMENT		
LAND	17,055	17,055
POWER PLANT SYSTEM, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - AT COST	6,093,578	5,900,118
ACCUMULATED DEPRECIATION	(5,238,070)	(5,253,863)
NET PROPERTY PLANT AND EQUIPMENT	872,563	663,310
TOTAL ASSETS	5,543,428	5,224,887
DEFERRED OUTFLOW OF RESOURCES		
PENSION	185,347	285,810
OTHER POST EMPLOYMENT BENEFITS	18,443	21,745
TOTAL DEFERRED OUTFLOW OF RESOURCES	203,790	307,555
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 5,747,218	$ 5,532,442
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	$ 223,177	$ 232,828
METER DEPOSITS PAYABLE	24,270	20,238
TOTAL CURRENT LIABILITIES	247,447	253,066
TERM LIABILITIES		
COMPENSATED ABSENCES PAYABLE	90,371	55,879
NET PENSION LIABILITY (ASSET)	411,722	547,404
NET OPEB LIABILITY	26,204	43,461
TOTAL TERM LIABILITIES	528,297	646,744
TOTAL LIABILITIES	775,744	899,810
DEFERRED INFLOW OF RESOURCES		
PENSION	100,612	85,275
OTHER POST EMPLOYMENT BENEFITS	107,261	91,781
TOTAL DEFERRED INFLOW OF RESOURCES	207,873	177,056
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	872,563	663,310
RESTRICTED FOR CUSTOMER DEPOSITS	24,270	20,238
RESTRICTED FOR ASSET RETIREMENT	46,368	46,368
UNRESTRICTED	3,820,400	3,725,660
TOTAL NET POSITION	4,763,601	4,455,576
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 5,747,218	$ 5,532,442

CITY OF LAS ANIMAS, COLORADO

LIGHT AND POWER FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
CHARGES FOR SERVICES	$ 4,195,510	$ 4,497,562
OTHER	107,472	106,477
TOTAL OPERATING REVENUES	4,302,982	4,604,039
OPERATING EXPENSES		
PERSONAL SERVICES	1,005,945	897,132
PURCHASED SERVICES	271,590	238,682
SUPPLIES AND MATERIALS	127,943	142,251
POWER AND UTILITIES	2,512,929	2,764,024
MAINTENANCE AND REPAIRS	3,373	5,532
DEPRECIATION	107,964	86,393
OTHER	46,964	42,335
TOTAL OPERATING EXPENSES	4,076,708	4,176,349
OPERATING INCOME (LOSS)	226,274	427,690
NONOPERATING REVENUES (EXPENSES)		
INTEREST REVENUE	63,394	62,092
PENSION AND OPEB EXPENSE	18,357	61,772
TOTAL NONOPERATING REVENUES (EXPENSES)	81,751	123,864
CHANGE IN NET POSITION	308,025	551,554
NET POSITION JANUARY 1	4,455,576	3,904,022
NET POSITION DECEMBER 31	$ 4,763,601	$ 4,455,576

CITY OF LAS ANIMAS, COLORADO

LIGHT AND POWER FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS AND USERS	$ 4,282,931	$ 4,700,100
CASH PAYMENTS TO EMPLOYEES AND BENEFIT PROVIDERS	(971,453)	(890,649)
CASH PAYMENTS TO VENDORS - SUPPLIES AND SERVICES	(2,951,105)	(3,280,240)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	360,373	529,211
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
CUSTOMER DEPOSITS	4,032	1,232
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	4,032	1,232
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(317,217)	(53,000)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(317,217)	(53,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	63,394	62,092
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	63,394	62,092
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	110,582	539,535
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	3,842,119	3,302,584
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 3,952,701	$ 3,842,119
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	$ 226,274	$ 427,690
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
DEPRECIATION	107,964	86,393
CHANGE IN ASSETS AND LIABILITIES		
RECEIVABLES AND ACCRUALS	(20,051)	96,061
INVENTORIES	21,345	(50,328)
PAYABLES AND ACCRUALS	24,841	(30,605)
TOTAL ADJUSTMENTS	134,099	101,521
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 360,373	$ 529,211

CITY OF LAS ANIMAS, COLORADO

WATER FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	$ 1,024,274	$ 868,280
ACCOUNTS RECEIVABLE (NET)	75,410	81,436
INVENTORIES	195,317	219,364
TOTAL CURRENT ASSETS	1,295,001	1,169,080
PROPERTY PLANT AND EQUIPMENT		
LAND AND WATER RIGHTS	130,911	130,911
PRELIMINARY SURVEY	181,901	181,901
WATER SYSTEM, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - AT COST	10,873,267	10,873,267
ACCUMULATED DEPRECIATION	(7,052,656)	(6,815,621)
NET PROPERTY PLANT AND EQUIPMENT	4,133,423	4,370,458
TOTAL ASSETS	5,428,424	5,539,538
DEFERRED OUTFLOW OF RESOURCES		
PENSION	81,638	125,889
OTHER POST EMPLOYMENT BENEFITS	7,907	9,323
TOTAL DEFERRED OUTFLOW OF RESOURCES	89,545	135,212
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 5,517,969	$ 5,674,750
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	$ 19,131	$ 11,842
ACCRUED INTEREST PAYABLE	932	1,017
DUE TO OTHER FUNDS	25,093	11,539
METER DEPOSITS PAYABLE	19,629	16,196
DEBT PAYABLE - CURRENT	77,067	72,067
TOTAL CURRENT LIABILITIES	141,852	112,661
TERM LIABILITIES		
COMPENSATED ABSENCES PAYABLE	108,265	58,073
DEBT PAYABLE - NONCURRENT	688,754	776,394
NET PENSION LIABILITY (ASSET)	187,791	249,676
NET OPEB LIABILITY	11,452	18,994
TOTAL TERM LIABILITIES	996,262	1,103,137
TOTAL LIABILITIES	1,138,114	1,215,798
DEFERRED INFLOW OF RESOURCES		
PENSION	41,063	34,804
OTHER POST EMPLOYMENT BENEFITS	42,500	36,366
TOTAL DEFERRED INFLOW OF RESOURCES	83,563	71,170
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	3,367,602	3,521,997
RESTRICTED FOR CUSTOMER DEPOSITS	19,629	16,196
RESTRICTED FOR OPERATIONS AND MAINTENANCE	263,000	234,000
UNRESTRICTED	646,061	615,589
TOTAL NET POSITION	4,296,292	4,387,782
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 5,517,969	$ 5,674,750

CITY OF LAS ANIMAS, COLORADO

WATER FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
CHARGES FOR SERVICES	$ 1,000,331	$ 998,199
OTHER	31,298	28,503
TOTAL OPERATING REVENUES	1,031,629	1,026,702
OPERATING EXPENSES		
PERSONAL SERVICES	444,649	396,514
PURCHASED SERVICES	90,441	94,312
SUPPLIES AND MATERIALS	113,574	94,451
POWER AND UTILITIES	145,087	143,279
MAINTENANCE AND REPAIRS	247,083	195,542
DEPRECIATION	237,035	232,769
BAD DEBTS	6,329	6,279
OTHER	3,805	4,675
TOTAL OPERATING EXPENSES	1,288,003	1,167,821
OPERATING INCOME (LOSS)	(256,374)	(141,119)
NONOPERATING REVENUES (EXPENSES)		
INTEREST REVENUE	14,570	14,181
GRANT FUNDS	-	99,990
OTHER REVENUE	22,393	31,280
INTEREST EXPENSE	(12,348)	(14,232)
PENSION AND OPEB REVENUE (EXPENSE)	11,367	32,681
TOTAL NONOPERATING REVENUES (EXPENSES)	35,982	163,900
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(220,392)	22,781
TRANSFERS IN	123,800	121,085
CAPITAL CONTRIBUTIONS	5,102	1,486
CHANGE IN NET POSITION	(91,490)	145,352
NET POSITION JANUARY 1	4,387,782	4,242,430
NET POSITION DECEMBER 31	$ 4,296,292	$ 4,387,782

CITY OF LAS ANIMAS, COLORADO

WATER FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS AND USERS	$ 1,037,655	$ 1,028,007
CASH PAYMENTS TO EMPLOYEES AND BENEFIT PROVIDERS	(394,457)	(392,779)
CASH PAYMENTS TO VENDORS - SUPPLIES AND SERVICES	(574,983)	(611,443)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	68,215	23,785
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
CUSTOMER DEPOSITS	3,433	(867)
TRANSFERS - OTHER FUNDS	137,354	129,949
OTHER	22,393	31,280
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	163,180	160,362
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
GRANT PROCEEDS	-	99,990
CAPITAL CONTRIBUTED	5,102	2,498
ACQUISTION OF CAPITAL ASSETS	-	(57,902)
INTEREST PAID ON DEBT	(12,433)	(14,316)
PRINCIPAL PAID ON DEBT	(82,640)	(114,895)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(89,971)	(84,625)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	14,570	14,181
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	14,570	14,181
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	155,994	113,703
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	868,280	754,577
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 1,024,274	$ 868,280
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	$ (256,374)	$ (141,119)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
DEPRECIATION	237,035	232,769
CHANGE IN ASSETS AND LIABILITIES		
RECEIVABLES AND ACCRUALS	6,026	1,305
INVENTORIES	24,047	(67,106)
PAYABLES AND ACCRUALS	57,481	(2,064)
TOTAL ADJUSTMENTS	324,589	164,904
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 68,215	$ 23,785

CITY OF LAS ANIMAS, COLORADO

SEWER FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	$ 871,970	$ 839,977
RECEIVABLES:		
ACCOUNTS (NET)	61,410	59,992
GRANTS	36,604	-
NOTE	799	799
INVENTORIES	26,346	27,924
DUE FROM OTHER FUND	25,093	11,539
TOTAL CURRENT ASSETS	1,022,222	940,231
PROPERTY PLANT AND EQUIPMENT		
LAND	2,150	2,150
CONSTRUCTION IN PROGRESS	234,979	-
SEWER SYSTEM, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - AT COST	10,029,581	9,989,291
ACCUMULATED DEPRECIATION	(3,572,713)	(3,295,892)
NET PROPERTY PLANT AND EQUIPMENT	6,693,997	6,695,549
TOTAL ASSETS	7,716,219	7,635,780
DEFERRED OUTFLOW OF RESOURCES		
PENSION	46,013	70,954
OTHER POST EMPLOYMENT BENEFITS	4,391	5,177
TOTAL DEFERRED OUTFLOW OF RESOURCES	50,404	76,131
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 7,766,623	$ 7,711,911
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	$ 61,484	$ 10,025
ACCRUED INTEREST PAYABLE	1,124	1,165
METER DEPOSITS PAYABLE	5,349	4,698
DEBT PAYABLE - CURRENT	90,179	89,934
TOTAL CURRENT LIABILITIES	158,136	105,822
TERM LIABILITIES		
COMPENSATED ABSENCES PAYABLE	42,785	27,040
DEBT PAYABLE - NONCURRENT	1,484,737	1,574,916
NET PENSION LIABILITY (ASSET)	107,849	143,391
NET OPEB LIABILITY	6,427	10,658
TOTAL TERM LIABILITIES	1,641,798	1,756,005
TOTAL LIABILITIES	1,799,934	1,861,827
DEFERRED INFLOW OF RESOURCES		
PENSION	22,129	18,756
OTHER POST EMPLOYMENT BENEFITS	22,476	19,232
TOTAL DEFERRED INFLOW OF RESOURCES	44,605	37,988
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	5,119,081	5,030,699
RESTRICTED FOR CUSTOMER DEPOSITS	5,349	4,698
RESTRICTED FOR OPERATIONS AND MAINTENANCE	132,000	136,000
UNRESTRICTED	665,654	640,699
TOTAL NET POSITION	5,922,084	5,812,096
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 7,766,623	$ 7,711,911

CITY OF LAS ANIMAS, COLORADO

SEWER FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
CHARGES FOR SERVICES	$ 675,699	$ 652,495
OTHER	7,456	6,867
TOTAL OPERATING REVENUES	683,155	659,362
OPERATING EXPENSES		
PERSONAL SERVICES	246,888	193,369
PURCHASED SERVICES	110,271	112,634
SUPPLIES AND MATERIALS	25,980	28,451
POWER AND UTILITIES	84,524	105,867
MAINTENANCE AND REPAIRS	48,282	94,861
DEPRECIATION	276,821	227,701
BAD DEBTS	4,337	4,092
OTHER	4,105	1,047
TOTAL OPERATING EXPENSES	801,208	768,022
OPERATING INCOME (LOSS)	(118,053)	(108,660)
NONOPERATING REVENUES (EXPENSES)		
CAPITAL GRANTS / LOAN FORGIVENESS	187,983	772
INTEREST REVENUE	14,381	13,591
GRANT FUNDS	-	55,354
OTHER REVENUE	3,988	11,492
INTEREST EXPENSE	(7,140)	(7,250)
PENSION AND OPEB REVENUE (EXPENSE)	7,429	20,123
TOTAL NONOPERATING REVENUES (EXPENSES)	206,641	94,082
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	88,588	(14,578)
TRANSFERS	20,000	21,000
CAPITAL CONTRIBUTIONS	1,400	2,000
CHANGE IN NET POSITION	109,988	8,422
NET POSITION JANUARY 1	5,812,096	5,803,674
NET POSITION DECEMBER 31	$ 5,922,084	$ 5,812,096

CITY OF LAS ANIMAS, COLORADO

SEWER FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS AND USERS	$ 681,737	$ 659,665
CASH PAYMENTS TO EMPLOYEES AND BENEFIT PROVIDERS	(231,143)	(200,880)
CASH PAYMENTS TO VENDORS - SUPPLIES AND SERVICES	(270,217)	(390,256)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	180,377	68,529
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
CUSTOMER DEPOSITS	651	(141)
TRANSFERS - OTHER FUNDS	6,446	6,219
OTHER	3,988	11,492
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	11,085	17,570
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(229,514)	(36,900)
GRANT PROCEEDS	151,379	68,006
CAPITAL CONTRIBUTED	1,400	2,000
DEBT PROCEEDS	-	45,870
INTEREST PAID ON DEBT	(7,181)	(7,291)
PRINCIPAL PAID ON DEBT	(89,934)	(89,691)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(173,850)	(18,006)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	14,381	13,591
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	14,381	13,591
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	31,993	81,684
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	839,977	758,293
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 871,970	$ 839,977
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	$ (118,053)	$ (108,660)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
DEPRECIATION	276,821	227,701
CHANGE IN ASSETS AND LIABILITIES		
RECEIVABLES AND ACCRUALS	(1,418)	303
INVENTORIES	1,578	2,578
PAYABLES AND ACCRUALS	21,449	(53,393)
TOTAL ADJUSTMENTS	298,430	177,189
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 180,377	$ 68,529
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES		
EQUIPMENT ACQUISITIONS IN ACCOUNTS PAYABLE	$ 45,755	$ -

CITY OF LAS ANIMAS, COLORADO

SANITATION FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	$ 658,887	$ 593,965
ACCOUNTS RECEIVABLE (NET)	66,267	58,672
TOTAL CURRENT ASSETS	725,154	652,637
PROPERTY PLANT AND EQUIPMENT		
LAND	20,705	20,705
CONSTRUCTION IN PROGRESS	9,181	-
SANITATION SYSTEM, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - AT COST	1,502,928	1,502,928
ACCUMULATED DEPRECIATION	(1,285,974)	(1,237,073)
NET PROPERTY PLANT AND EQUIPMENT	246,840	286,560
TOTAL ASSETS	971,994	939,197
DEFERRED OUTFLOW OF RESOURCES		
PENSION	39,825	61,410
OTHER POST EMPLOYMENT BENEFITS	3,930	4,633
TOTAL DEFERRED OUTFLOW OF RESOURCES	43,755	66,043
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 1,015,749	$ 1,005,240
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	$ 14,449	$ 15,347
METER DEPOSITS PAYABLE	3,564	3,183
DUE TO OTHER FUNDS	-	32,500
TOTAL CURRENT LIABILITIES	18,013	51,030
TERM LIABILITIES		
COMPENSATED ABSENCES PAYABLE	2,139	3,423
NET PENSION LIABILITY (ASSET)	89,425	118,895
NET OPEB LIABILITY	5,617	9,316
LANDFILL POSTCLOSURE PAYABLE	303,800	339,200
TOTAL TERM LIABILITIES	400,981	470,834
TOTAL LIABILITIES	418,994	521,864
DEFERRED INFLOW OF RESOURCES		
PENSION	21,133	17,912
OTHER POST EMPLOYMENT BENEFITS	22,339	19,115
TOTAL DEFERRED INFLOW OF RESOURCES	43,472	37,027
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	246,840	286,560
RESTRICTED FOR CUSTOMER DEPOSITS	3,564	3,183
UNRESTRICTED (DEFICIT)	302,879	156,606
TOTAL NET POSITION	553,283	446,349
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 1,015,749	$ 1,005,240

CITY OF LAS ANIMAS, COLORADO

SANITATION FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
CHARGES FOR SERVICES	$ 956,893	$ 801,590
OTHER	30,432	21,965
TOTAL OPERATING REVENUES	987,325	823,555
OPERATING EXPENSES		
PERSONAL SERVICES	249,016	196,758
PURCHASED SERVICES	405,999	350,652
SUPPLIES AND MATERIALS	56,771	51,435
MAINTENANCE AND REPAIRS	121,824	117,111
DEPRECIATION	48,901	55,716
BAD DEBTS	4,005	2,899
OTHER	14,386	3,624
TOTAL OPERATING EXPENSES	900,902	778,195
OPERATING INCOME (LOSS)	86,423	45,360
NONOPERATING REVENUES (EXPENSES)		
INTEREST REVENUE	10,055	8,631
OTHER REVENUE	6,020	9,120
PENSION AND OPEB REVENUE (EXPENSE)	4,436	14,090
TOTAL NONOPERATING REVENUES (EXPENSES)	20,511	31,841
INCOME (LOSS) BEFORE TRANSFERS	106,934	77,201
TRANSFERS	-	19,000
CHANGE IN NET POSITION	106,934	96,201
NET POSITION JANUARY 1	446,349	350,148
NET POSITION DECEMBER 31	$ 553,283	$ 446,349

CITY OF LAS ANIMAS, COLORADO

SANITATION FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS AND USERS	$ 979,730	$ 823,551
CASH PAYMENTS TO EMPLOYEES AND BENEFIT PROVIDERS	(250,300)	(198,003)
CASH PAYMENTS TO VENDORS - SUPPLIES AND SERVICES	(639,283)	(506,270)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	90,147	119,278
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
CUSTOMER DEPOSITS	381	(175)
TRANSFERS - OTHER FUNDS	(32,500)	48,750
OTHER	6,020	9,120
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	(26,099)	57,695
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(9,181)	-
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(9,181)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	10,055	8,631
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	10,055	8,631
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	64,922	185,604
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	593,965	408,361
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 658,887	$ 593,965
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	$ 86,423	$ 45,360
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
DEPRECIATION	48,901	55,716
CHANGE IN ASSETS AND LIABILITIES		
RECEIVABLES AND ACCRUALS	(7,595)	(4)
PAYABLES AND ACCRUALS	(37,582)	18,206
TOTAL ADJUSTMENTS	3,724	73,918
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 90,147	$ 119,278

CITY OF LAS ANIMAS, COLORADO

LIGHT AND POWER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	BUDGET			VARIANCE FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	$ 4,453,632	$ 4,453,632	$ 4,195,510	$ (258,122)
INTEREST REVENUE	5,550	5,550	63,394	57,844
OTHER	415,386	415,386	107,472	(307,914)
TOTAL REVENUES	4,874,568	4,874,568	4,366,376	(508,192)
EXPENDITURES				
PERSONAL SERVICES	825,879	825,879	1,005,945	(180,066)
PURCHASED SERVICES	280,346	280,346	271,590	8,756
SUPPLIES AND MATERIALS	357,238	357,238	127,943	229,295
POWER AND UTILITIES	2,440,905	2,440,905	2,512,929	(72,024)
MAINTENANCE AND REPAIRS	124,701	124,701	3,373	121,328
DEPRECIATION	130,250	130,250	107,964	22,286
OTHER	68,447	68,447	46,964	21,483
PENSION AND OPEB EXPENSE (REVENUE)	-	-	(18,357)	18,357
CAPITAL OUTLAY	528,250	528,250	317,217	211,033
CONTINGENCY RESERVES	118,552	118,552	-	118,552
TOTAL EXPENDITURES	4,874,568	4,874,568	4,375,568	499,000
CHANGE IN NET POSITION	-	-	(9,192)	$ (9,192)
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
CAPITALIZATION OF FIXED ASSETS			317,217	
CHANGE IN NET POSITION			308,025	
NET POSITION JANUARY 1			4,455,576	
NET POSITION DECEMBER 31			$ 4,763,601	

CITY OF LAS ANIMAS, COLORADO

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	BUDGET			VARIANCE FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	$ 1,097,532	$ 1,097,532	$ 1,031,629	$ (65,903)
INTEREST REVENUE	5,000	5,000	14,570	9,570
GRANT REVENUE	3,600,010	3,600,010	-	(3,600,010)
OTHER	20,000	20,000	22,393	2,393
TOTAL REVENUES	4,722,542	4,722,542	1,068,592	(3,653,950)
EXPENDITURES				
PERSONAL SERVICES	432,672	432,672	444,649	(11,977)
PURCHASED SERVICES	115,715	115,715	90,441	25,274
SUPPLIES AND MATERIALS	88,000	88,000	113,574	(25,574)
POWER AND UTILITIES	140,000	140,000	145,087	(5,087)
MAINTENANCE AND REPAIRS	65,000	65,000	247,083	(182,083)
DEPRECIATION	244,000	244,000	237,035	6,965
BAD DEBTS	2,000	2,000	6,329	(4,329)
OTHER	7,000	7,000	3,805	3,195
PENSION AND OPEB EXPENSE (REVENUE)	12,000	12,000	(11,367)	23,367
INTEREST	200	200	12,348	(12,148)
CAPITAL OUTLAY	3,695,500	3,695,500	-	3,695,500
DEBT RETIREMENT	46,000	46,000	82,640	(36,640)
TOTAL EXPENDITURES	4,848,087	4,848,087	1,371,624	3,476,463
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(125,545)	(125,545)	(303,032)	(177,487)
OTHER FINANCING SOURCES				
TRANSFERS	123,000	123,000	123,800	800
CAPITAL CONTRIBUTIONS	3,042	3,042	5,102	2,060
	$ 497	$ 497	(174,130)	$ (174,627)
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
DEBT RETIREMENT			82,640	
CAPITALIZATION OF FIXED ASSETS			-	
CHANGE IN NET POSITION			(91,490)	
NET POSITION JANUARY 1			4,387,782	
NET POSITION DECEMBER 31			$ 4,296,292	

CITY OF LAS ANIMAS, COLORADO

SEWER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	BUDGET AMOUNTS			VARIANCE FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	$ 705,125	$ 705,125	$ 683,155	$ (21,970)
INTEREST	9,500	9,500	14,381	4,881
GRANTS	2,600,000	2,600,000	187,983	(2,412,017)
OTHER	2,000	2,000	3,988	1,988
TOTAL REVENUES	3,316,625	3,316,625	889,507	(2,427,118)
EXPENDITURES				
PERSONAL SERVICES	210,650	210,650	246,888	(36,238)
PURCHASED SERVICES	179,015	179,015	110,271	68,744
SUPPLIES AND MATERIALS	26,000	26,000	25,980	20
POWER AND UTILITIES	66,000	66,000	84,524	(18,524)
MAINTENANCE AND REPAIRS	48,000	48,000	48,282	(282)
DEPRECIATION	129,500	129,500	276,821	(147,321)
BAD DEBTS	3,000	3,000	4,337	(1,337)
OTHER	6,000	6,000	4,105	1,895
PENSION AND OPEB EXPENSE (REVENUE)	16,500	16,500	(7,429)	23,929
INTEREST	1,000	1,000	7,140	(6,140)
CAPITAL OUTLAY	2,600,000	2,600,000	229,514	2,370,486
DEBT RETIREMENT	96,880	96,880	89,934	6,946
TOTAL EXPENDITURES	3,382,545	3,382,545	1,120,367	2,262,178
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(65,920)	(65,920)	(230,860)	(164,940)
OTHER FINANCING SOURCES				
TRANSFERS	63,000	63,000	20,000	(43,000)
CAPITAL CONTRIBUTIONS	3,000	3,000	1,400	(1,600)
	$ 80	$ 80	(209,460)	$ (209,540)
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
CAPITALIZATION OF FIXED ASSETS			229,514	
DEBT RETIREMENT			89,934	
CHANGE IN NET POSITION			109,988	
NET POSITION JANUARY 1			5,812,096	
NET POSITION DECEMBER 31			$ 5,922,084	

CITY OF LAS ANIMAS, COLORADO

SANITATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2025

	BUDGET			VARIANCE FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	$ 807,769	$ 807,769	$ 987,325	$ 179,556
INTEREST	5,000	5,000	10,055	5,055
OTHER	9,000	9,000	6,020	(2,980)
TOTAL REVENUES	821,769	821,769	1,003,400	181,631
EXPENDITURES				
PERSONAL SERVICES	223,671	223,671	249,016	(25,345)
PURCHASED SERVICES	374,346	374,346	405,999	(31,653)
SUPPLIES AND MATERIALS	79,000	79,000	56,771	22,229
MAINTENANCE AND REPAIRS	96,000	96,000	121,824	(25,824)
DEPRECIATION	80,000	80,000	48,901	31,099
BAD DEBTS	1,500	1,500	4,005	(2,505)
OTHER	8,000	8,000	14,386	(6,386)
PENSION AND OPEB EXPENSE (REVENUE)	-	-	(4,436)	4,436
INTEREST	100	100	-	100
CAPITAL OUTLAY	19,000	19,000	9,181	9,819
CONTINGENT RESERVE	351,129	351,129	-	351,129
TOTAL EXPENDITURES	1,232,746	1,232,746	905,647	327,099
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(410,977)	(410,977)	97,753	508,730
TRANSFERS IN	60,000	60,000	-	(60,000)
	$ (350,977)	$ (350,977)	97,753	$ 448,730
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
CAPITALIZATION OF FIXED ASSETS			9,181	
CHANGE IN NET POSITION			106,934	
NET POSITION JANUARY 1			446,349	
NET POSITION DECEMBER 31			$ 553,283	

LOCAL HIGHWAY FINANCE REPORT

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO

THIS INFORMATION FROM THE RECORDS OF:	PREPARED BY:	REPORT YEAR ENDING DATE(mm/yyyy):
CITY OF LAS ANIMAS	FRANK SCHMEISER lacityclerk81054@gmail.com	12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	338,040.00	b. Other Misc. Local Receipts	
c. Total (a + b)	$ 338,040.00	**c. Total (a + b)**	$ -

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	103,900.00	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds			
c. Total (a + b)	$ -		
4. Total (1 + 2 + 3c)	$ 103,900.00	**3. Total (1 + 2)**	$ -

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	468,671.00
d. Total Capital Outlay (a+ b + c)	$ 468,671.00

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

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

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	26,731.00
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 338,040.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ -
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 364,771.00
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 103,900.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 468,671.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 468,671.00
2. Maintenance:	
3. Road and Street Services:	
a. Snow and Ice Removal	
b. Other & Traffic Control Operations	
c. Total (a + b)	$ -
4. General Administration & Miscellaneous	
5. Highway Law Enforcement and Safety	
6. Total (1 through 5)	$ 468,671.00
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 468,671.00

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)		$ -	$ -	$ -