COLORADO COUNTY, TEXAS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended
December 31, 2025

COLORADO COUNTY, TEXAS
COLORADO COUNTY AUDITOR'S OFFICE
318 Spring Street, Room 104
Columbus, TX 78934

THE STATE OF TEXAS

COLORADO COUNTY

COLORADO COUNTY, TEXAS
Annual Comprehensive Financial Report
For the Year Ended December 31, 2025

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INTRODUCTORY SECTION

THE STATE OF TEXAS
COLORADO COUNTY

THE OFFICE OF THE COUNTY AUDITOR
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June 26, 2026

To the Honorable 25th and 2nd 25th District Judges,
To the Honorable Commissioners' Court
To the Citizens of Colorado County, Texas

The Annual Comprehensive Financial Report ("Annual Report") of Colorado County, Texas, for the fiscal year ended December 31, 2025, is submitted herewith, in accordance with Chapter 114.025 of the State of Texas Local Government Code. The accompanying financial statements were prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB") and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed public accountants. Chapter 115.045 of the Local Government Code of the State of Texas requires the issuance within six months of the close of each fiscal year a complete set of financial statements. Pursuant to that requirement, this annual comprehensive financial report is issued for the fiscal year ended December 31, 2025.

Assumption of Responsibility: This report consists of management's representations concerning the finances of Colorado County, Texas. Management assumes full responsibility for the completeness and reliability of the information presented in this report.

Internal Control: To provide a reasonable basis for making these representations, Colorado County ("the County") has established a comprehensive framework of internal control that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Colorado County's financial statements in conformity with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The County asserts, to the best of its knowledge and belief, this financial report is complete and reliable in all material respects.

Independent Audit: The County's financial statements have been audited by KM&L, LLC, certified public accountants. The objective of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2025, are free from material misstatements. The independent audit: involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded there was a reasonable basis for rendering an unmodified opinion on the County's financial statements for the fiscal year ended December 31, 2025, and are fairly presented in conformity with GAAP. The independent auditors' report is located at the beginning of the Financial Section of this report.

Reference to MD & A: GAAP requires the County to provide a narrative introduction, overview, and analysis to accompany this report's basic financial statements in the form of Management's Discussion and Analysis ("MD & A") This letter of transmittal is designed to complement MD & A and should be read in conjunction with the financial statements. The MD & A can be found immediately following the report of the independent auditors. The financial section also includes government-wide financial statements, fund financial statements, notes, required supplementary information and the combining and individual fund financial statements and schedules. The statistical section of the report includes selected financial and demographic information, which is generally presented on a multi-year basis.

PROFILE OF COLORADO COUNTY GOVERNMENT

Colorado County, incorporated in 1836, is in south/central Texas, midway between San Antonio and Houston on Interstate 10 and is one of 13 counties in the Gulf Coast Region. Colorado County is one of the original counties established in Texas by Stephen F. Austin. The County is a rural county of approximately 963 square miles in area with a 2020 census population of 20,557 and an estimated 2025 population of 21,513. The largest incorporated cities located within the County are Columbus (the County seat), Eagle Lake and Weimar. The County is empowered to levy a property tax on real property located within its boundaries.

The County is a public corporation and political subdivision of the State of Texas. The County operates as specified under the Constitution of the State of Texas and Vernon's Texas Code Annotated. The Colorado County, Texas Commissioners' Court is the County's governing body. The Commissioners' Court is elected by county voters for staggered four-year terms and is comprised of the County Judge (the presiding officer elected at large to serve a four-year term) and four commissioners. Each of the four commissioners represent one of the four geographical precincts into which the county is divided. The Commissioners' Court has certain powers granted to it by the state legislature. The duties include adoption of the budget, setting the tax rates, approval of contracts, appointment of certain county officials and the development of policies and orders. The Commissioners' Court shares the financial controls of the County with the County Auditor who is appointed according to Texas State statutes for two-year terms by the District Judges. The County Auditor holds the basic responsibilities for establishing accounting policies and procedures, maintaining the records of all financial transactions of the County, and "examining and approving" disbursements from county funds prior to their submission of the Commissioners' Court for payment. Policy-making authority is vested in the Commissioners' Court and the Commissioners' Court is responsible, among other things, for adopting the budget and for setting the County's annual tax rate, along with setting county policies.

The County provides a full range of services authorized by statute. Such services include general government functions such as recording and licensing, maintaining the County and District Court systems, maintaining public facilities, ensuring public safety, maintaining public health and welfare, aiding conservation, and maintaining county roads and bridges. The costs associated with these services are presented within the financial statements in detail and summary form.

The County has two medical facilities. Columbus Community Hospital is a 40-bed acute care medical and surgical facility. The construction of the Columbus Wellness Center was completed in 2022. It is a state-of-the-art facility that will offer expanded physical therapy resources, exercise equipment, cardiac rehabilitation services, pool, physician office space, and community education classrooms, including a demonstration kitchen. During 2023, additional clinic renovations were made to add more exam rooms, parking, and other facilities to enhance and expand the primary and specialty care offerings. In addition, Rice Medical Center is a 25-bed Critical Access hospital with a Trauma IV designation and is in Eagle Lake, Texas.

Budget

The annual budget serves as the foundation for Colorado County's financial planning and control. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Commissioners' Court. The activities of the General Fund, Special Revenue Funds and Debt Service Fund are included in the annual appropriated budget. The legal level of budgetary control is at the personnel services category level within each department and the department level overall. All transfers of appropriations, either between departments or within an individual department's budget, require the approval of the Commissioners' Court. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriation annual budget has been adopted.

Local Economy

The County's economy is based primarily on agribusiness, oilfield services and equipment manufacturing, minerals processing and gravel mining. Rice, corn, sorghum, and livestock play a major role in the area's economy. The school districts and the County also have a significant economic presence, employing in total approximately 600 teachers, professionals, and support staff. One of the most important sectors of the area's economy is tourism. Tourism dollars represented by restaurant sales, hotel occupancy and specialty shop sales are a significant contributor to the overall economy.

Because of the County's location in a region with a varied economic base, unemployment had been relatively stable. During the past ten years, the unemployment rate had increased to 6.3 percent due to the COVID-19 pandemic (2020) from the lowest unemployment rate of 3.0 (2019). This year's unemployment rate remained stable and is below both the national and state average rates. The County's unemployment rate as of December 2025 was 3.4 percent compared to 4.3 percent for the state and 4.4 percent nationally.

Median household incomes within the County are less than average for the state and nation. According to the U.S. Census Bureau, the County's median household income was $ 66,377, compared with Texas was $ 79,721 and the nations was $ 81,604.

Population growth is noticeable throughout all sections of the County. Even the smaller communities have experienced impressive residential development and several new subdivisions have been approved and are underway. It is projected that the development will result in approximately 300 new homes in the County.

The County's location within the Eagle Ford shale development in Southern Texas has led to new economic opportunities even though oil and gas production has decreased. Although the County currently produces only minor amounts of oil and natural gas, there is potential for economic opportunities in neighboring counties and for the county to benefit from increased retail trade, housing, and personnel. The renewed attraction of Colorado County as a favorable business environment, coupled with continued moderately low interest rates, continues to stimulate local construction activity. The tax base is diverse, with the 10 leading taxpayers accounting for 15.07% of total assessed value. Countywide tax abatement plans, which give reduced property taxes for several years, are being offered to industries to relocate in the County.

Long Term Financial Planning

County strategies and plans are integrated into all departmental budgets to ensure unified efforts within County government to achieve the goals and objectives of the County. County governments in Texas operate under a balanced budget as required by law. This does not mean that estimated revenues must always be exactly equal to estimated expenditures. In most of the annual operating budgets, the Commissioners' Court members usually decide to use a portion of fund balance reserves to balance the revenues to appropriations. As a sound financial management practice, members of Commissioners' Court consistently emphasize maintaining sufficient undesignated fund balance levels (unrestricted net position) to meet first quarter obligations of payroll and operating costs and furthermore, this assists in maintaining financial stability and retaining or enhancing the County's bond ratings.

Fund balance refers to the excess of assets over liabilities in governmental funds. For financial planning, fund balance is defined as the cumulative surpluses or deficits resulting from the difference between expenditures and revenues in any one fiscal year. The cumulative effect of yearly fund balance amounts is furthermore addressed as a fund balance reserve. When evaluating fund balance reserves, it is vitally important to maintain sufficient positive fund balance reserves to avoid borrowing to meet short-term operating needs.

Finally, because of the trend to shift unfunded mandates by both federal and state levels to local government, it is anticipated that additional financial burden will continue to be experienced by the County and ultimately local taxpayers if other sources of funding are not identified. The County will be tasked with identifying new or additional revenues to counter these expenditures. At its discretion, the Court may continue to utilize some amount of fund balance, which is healthy in the sense that it keeps the County from building up excessive reserves and reduces a future burden on taxpayers. Based on the amount of fund balance utilized to balance the 2022 budget, the Court must remain cautious in planning for the budget in fiscal year 2024 in the absence of either continued cost containment initiatives or significant additional revenue enhancement efforts. It is imperative that the County government continually strive to maintain steady increases in revenue while costs are on the rise.

Major Initiatives

The County has received funds from the U.S. Treasury in the amount of $ $ 4,174,764 from Coronavirus State and Local Fiscal Recovery Funds (SLFRF) as part of the American Rescue Plan Act (ARPA) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts. The County awarded two initial contracts to utilize these funds for an EMS Maintenance Facility and a new EMS station in the southern part of the County in 2023. In 2024, contracts were awarded for replacement of the jail roof and additional jail renovations, including an updated surveillance system. These projects were completed in 2025.

In July, 2022 the County was notified that $ 5,284,400 was awarded through Houston-Galveston Area Council (H-GAC) to develop a method of distribution (MOD) for the Regional Mitigation Program as part of the State of Texas Community Development Block Grant Mitigation (CDBG-MIT) Action Plan. The program is administered by the General Land Office. The County accepted the award in October, 2022. Later that year, the County awarded contracts for Administrative and Engineering Services and began to review eligible projects. During 2024, the County executed agreements with the various water utilities throughout the County and also awarded bids and executed agreements for a communication tower. The contract period for this program is through October, 2027.

FINANCIAL POLICIES

The County has adopted an investment policy as required by state law and in conformity with state investment statutes. The investment policy, as adopted by the County, employs the prudent person concept in that priorities were established as to the investment vehicles the County would use. Compliance with the laws of the State of Texas and Safety were established as first priorities, followed by liquidity and low risk with a management philosophy of maintaining high professional and ethical standards.

The County Treasurer is responsible for administering all the investment of idle funds in the County. During the fiscal year, the County earned approximately $ 1,156,000 of interest on the funds invested.

The County is responsible for establishing its tax rate. For the fiscal year ended December 31, 2025, the tax rate to finance general governmental services (the tax rate approved in 2024 to fund the 2025 fiscal year) was $ 0.447747 per $ 100 valuation and the tax rate for the payment of principal and interest on long-term debt was $ 0.017166 per $ 100 of valuation.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Colorado County for its Annual Comprehensive financial report (ACFR) for the fiscal year ended December 31, 2024. This was the thirtieth consecutive year that Colorado County has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, the County believes the current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and is being submitted to the GFOA to determine its eligibility for another certificate.

The production of this report would not have been possible without the skill, effort, and dedication of the County Auditor's staff. The preparation of this Annual Comprehensive Financial Report could not have been completed without the assistance of the County's outside auditing firm, KM&L, LLC. Appreciation is expressed to all the members of the Commissioners' Court for support in maintaining the highest standards of professionalism in the management of Colorado County's finances. Sincere thanks to all other County Officials, Department Heads, and employees for their assistance in providing the necessary data to prepare this report. I would also like to thank the District Judges of Colorado County for their unwavering support, enabling this office to perform its duties in a responsible and progressive manner. I am very honored to serve the citizens of this County.

REQUEST FOR INFORMATION

This financial report is designated to provide an overview of the County's finances for individuals who are interested in this information. Questions concerning any of the data provided in this report or requests for additional financial information should be addressed to the Colorado County Auditor, 318 Spring St., Suite 104, Columbus, Texas 78155.

Respectfully submitted,

Michelle Lowrance

Michelle Lowrance, CPA, CGFM, CGMA
County Auditor
Colorado County, Texas

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Colorado County
Texas

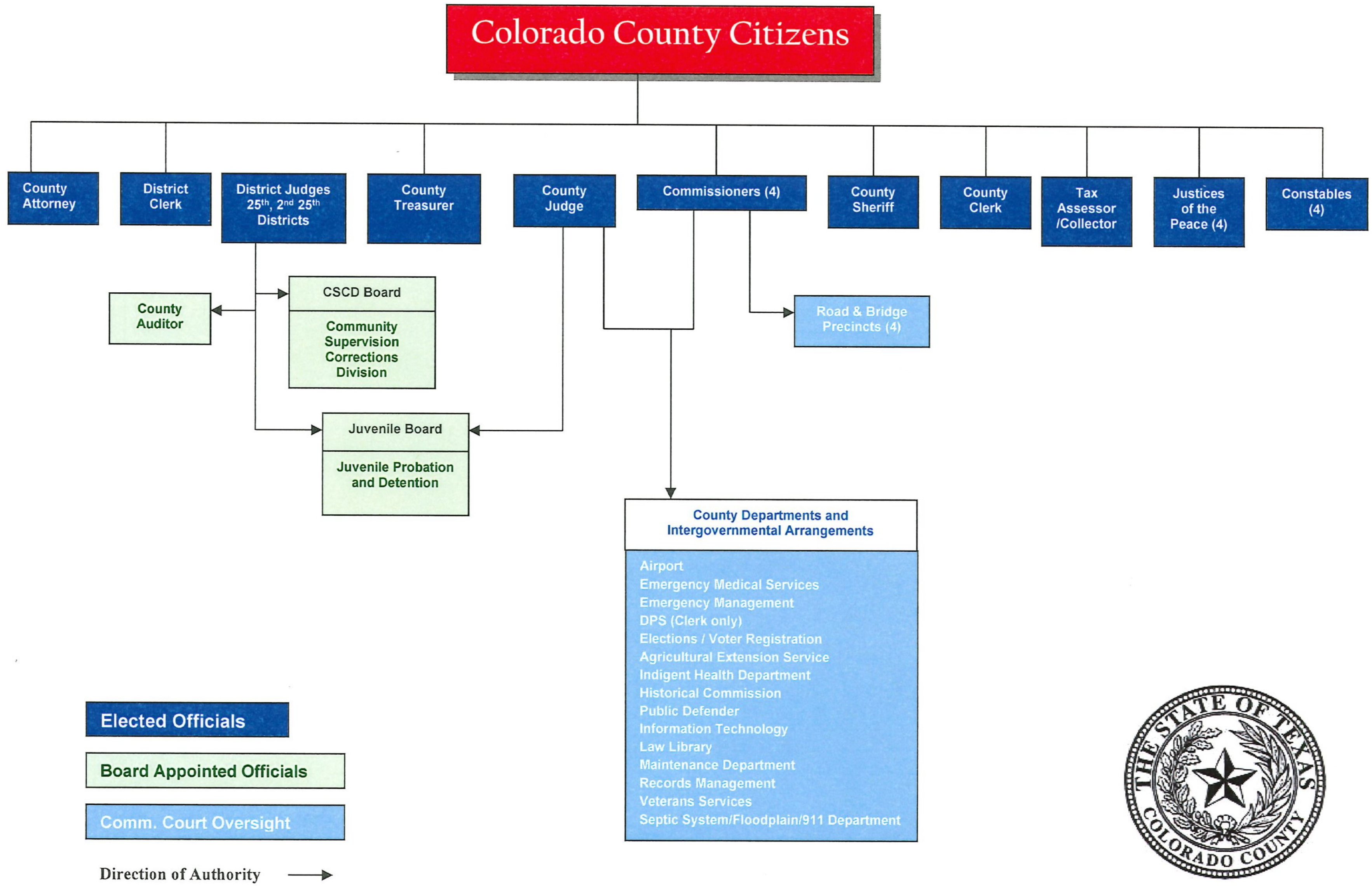
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

Colorado County Organization Chart



Colorado County, Texas
Elected and Appointed Officials
December 31, 2025

Elected Officials

County Judge	Daniel “Ty” Prause
Commissioner Precinct No. 1	Shannon Owers
Commissioner Precinct No. 2	Ryan Brandt
Commissioner Precinct No. 3	Keith Neuendorff
Commissioner Precinct No. 4	Darrell Gertson
25th Judicial District Judge	William Old III
2nd 25th Judicial District Judge	Jessica Crawford
Tax Assessor-Collector	Melinda Zajicek
County Clerk	Kimberly Menke
County/District Attorney	Jay Johannes
District Clerk	Valerie Harmon
County Treasurer	Joyce Guthmann
County Sheriff	Justin Lindemann
Justice of Peace Precinct No. 1	Billy Hefner
Justice of Peace Precinct No. 2	Boe Reeves
Justice of Peace Precinct No. 3	Donald Clark
Justice of Peace Precinct No. 4	Stan Warfield
Constable No. 1	Richard J. LaCourse Jr
Constable No. 2	Lonnie Hinze
Constable No. 3	Ivan Menke
Constable No. 4	Darrell Stancik
County Surveyor	Matthew Loessin
County Engineer	Kirk Lowe

Appointed Officials

Veterans' Service Officer	Wayne Murphy
Public Defenders	Kevin Dunn
	Louis Gimbert
County Auditor	Michelle Lowrance
Adult Probation District Director	Traci Darilek
Juvenile Probation District Director	Robin Pean
Adult Probation Officer	Brittany Krenek
Juvenile Probation Officer	Kristen Shain
Juvenile Probation Officer	Delishia Anthony
Local Health Authority	Bart Klaus, M.D.
County Extension Office	
County Ag Agent	Laramie Kettler
Consumer and Family Science	Brenda Anderson
Medical Director	Lindsey Tijerina, M.D.
Asst Medical Director	Raymond Russell Thomas, Jr., M.D.
Asst Medical Director	Curtis Van Houten, M.D.
Asst Medical Director	Raymond Cantu, M.D.

THE STATE OF TEXAS
COLORADO COUNTY

FINANCIAL SECTION

THE STATE OF TEXAS
COLORADO COUNTY

KM&L
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Honorable County Judge
and Members of Commissioners Court
Colorado County, Texas

Report on the Audit of the Financial Statements

Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

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The Honorable County Judge,
and Members of Commissioners' Court
Colorado County, Texas

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

The Honorable County Judge,
and Members of Commissioners Court
Colorado County, Texas

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, required pension schedules and required OPEB schedules on pages 5 through 16 and pages 61 through 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

The Honorable County Judge,
and Members of Commissioners' Court
Colorado County, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

KM&L, LLC

Lake Jackson, Texas
June 26, 2026

As management of Colorado County, Texas (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through vi of this report.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year for governmental activities by $ 49,094,819 (net position). Of this amount, unrestricted net position is $ 10,322,238.

- The County's total net position increased for governmental activities by $ 2,997,711.

- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $ 17,994,892. 39.31% of this amount, $ 7,074,006 (unassigned fund balance), was available for use within the County's fund designations. Of the governmental funds amount, $ 10,445,343 has been restricted or committed for specific uses.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $ 7,105,969 or 32.79% of the total general fund expenditures.

Overview of the Financial Statements

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

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

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

The s*tatement of activities* presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the County include general administration, financial administration, judicial, public safety, public facilities, public transportation, conservation and health and welfare. The County has no *business-type activities*.

The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

  The County maintains twenty-three (23) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from the other twenty-two (22) funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 20 through 23 of this report.

- **Proprietary Funds.** The County maintains no proprietary funds.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's operations. The County is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's basic fiduciary financial statements can be found on pages 24 through 25.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 58 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 61 through 68 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information on pensions. Combining and individual statements and schedules can be found on pages 70 through 105 of this report.

Government-wide Financial Analysis

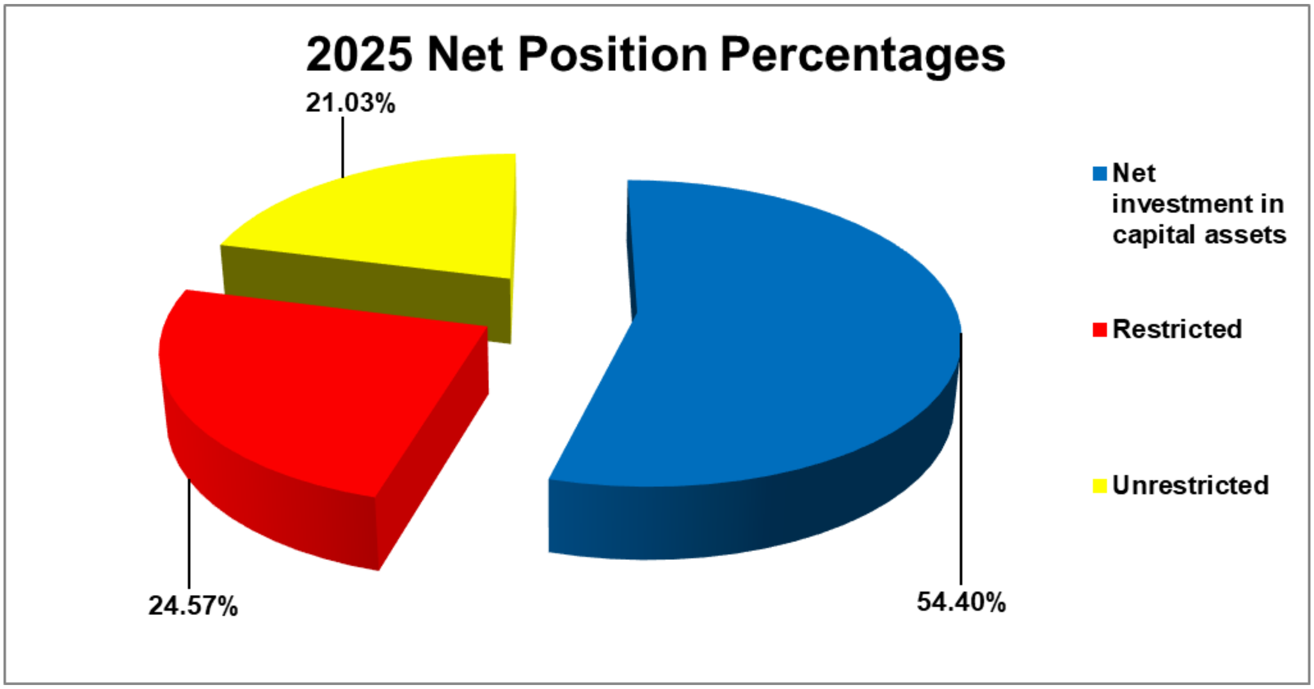
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $ 49,094,819 as of December 31, 2025. This is an increase in net position of $ 2,997,711. The primary reason for the increase in net position is an increase in property tax revenue due to increasing assessed values of property while keeping the overall tax rate consistent with prior year. Other factors contributing to the increase in net position is the change in the pension activity changing from a net pension liability to a net pension asset. There was a change in plan provision that positively impacted the County's net position.

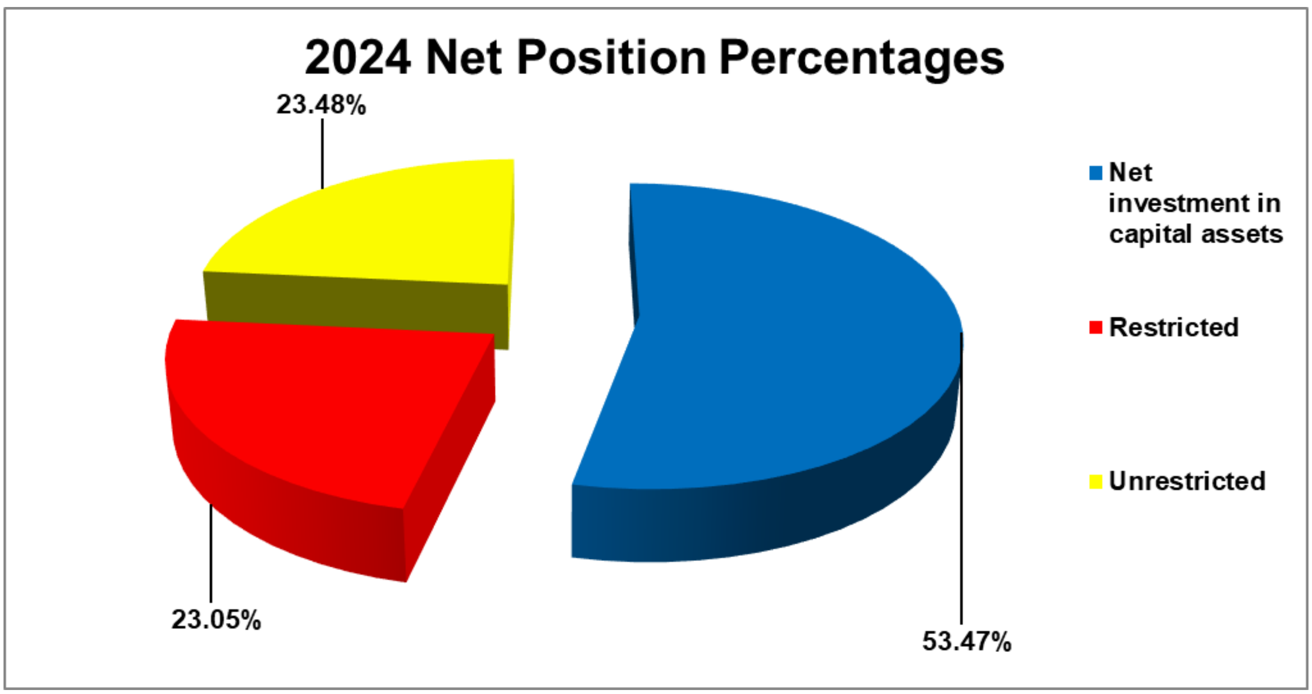
The largest portion of the County's net position of $ 26,707,627 reflects its investments in capital assets (land, buildings and improvements, equipment, right to use leased assets and infrastructure), less any debt used to acquire those assets that is still outstanding. The County uses capital assets to provide service to citizens and consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it 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. Net investment in capital assets increased by $ 2,059,536 due to the completion of projects placed in service in the current year, the principal payments on long-term debt and ongoing purchases through the County's budgeting process to replace equipment.

An additional portion of the County's net position of $ 12,064,954 represents resources that are subject to external restrictions on how they may be used. The remaining balance is $ 10,322,238, which represents unrestricted net position.

COLORADO COUNTY'S NET POSITION

	Governmental Activities		
	2025	2024	Net Change
Assets:			
Current and other assets	$ 42,249,677	$ 41,589,674	$ 660,003
Capital assets	29,451,057	27,924,799	1,526,258
Total assets	71,700,734	69,514,473	2,186,261
Total deferred outflows of resources	1,650,217	1,707,025	(56,808)
Liabilities:			
Current and other liabilities	1,336,167	2,730,212	(1,394,045)
Long-term liabilities	3,460,910	5,310,060	(1,849,150)
Total liabilities	4,797,077	8,040,272	(3,243,195)
Total deferred inflows of resources	19,459,055	17,084,118	2,374,937
Net Position:			
Net investment in capital assets	26,707,627	24,648,091	2,059,536
Restricted	12,064,954	10,625,845	1,439,109
Unrestricted	10,322,238	10,823,172	(500,934)
Total net position	$ 49,094,819	$ 46,097,108	$ 2,997,711

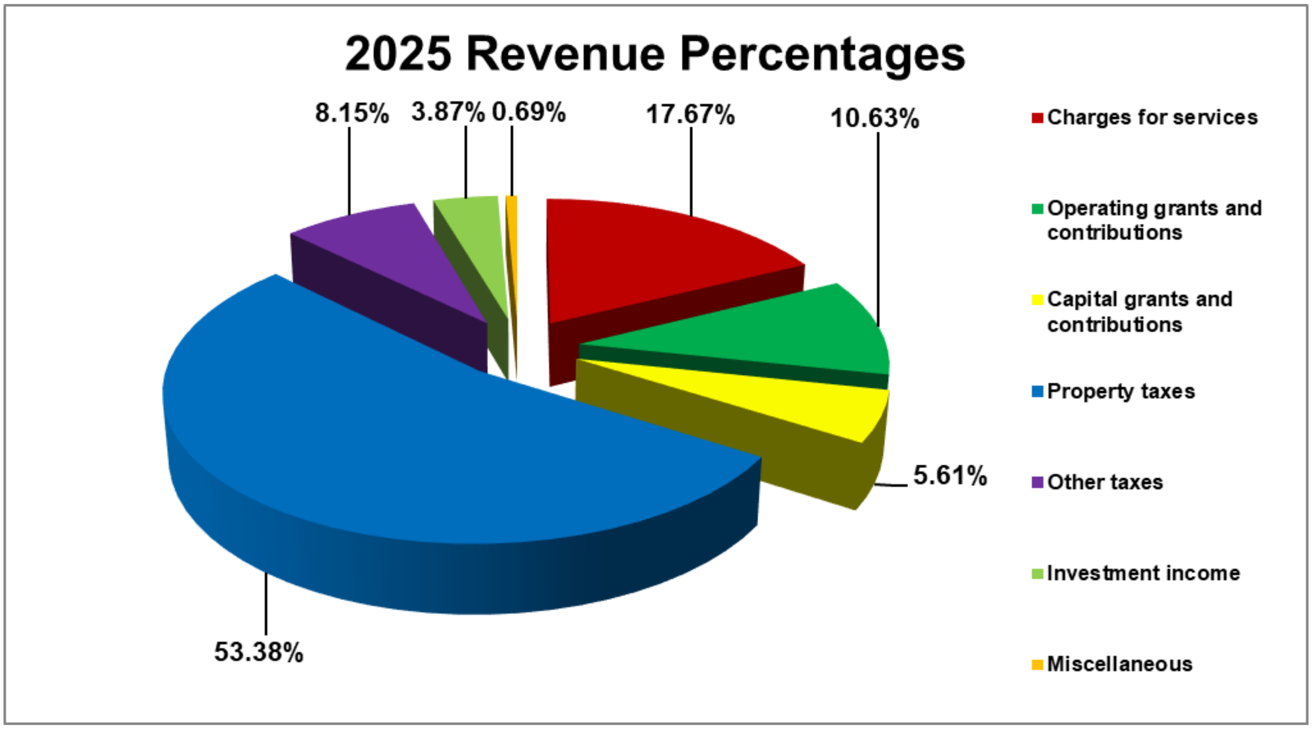

2025 Net Position Percentages
21.03%
24.57%
54.40%
Net investment in capital assets
Restricted
Unrestricted

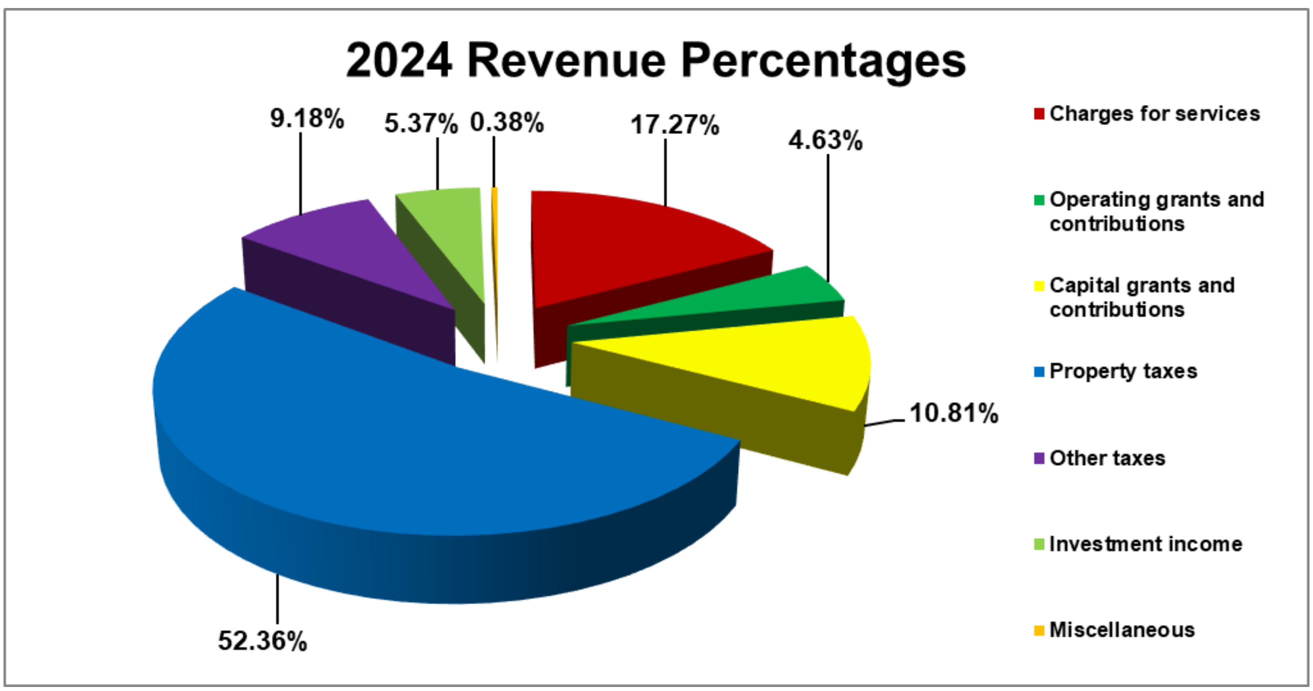

2024 Net Position Percentages
23.48%
23.05%
53.47%
Net investment in capital assets
Restricted
Unrestricted

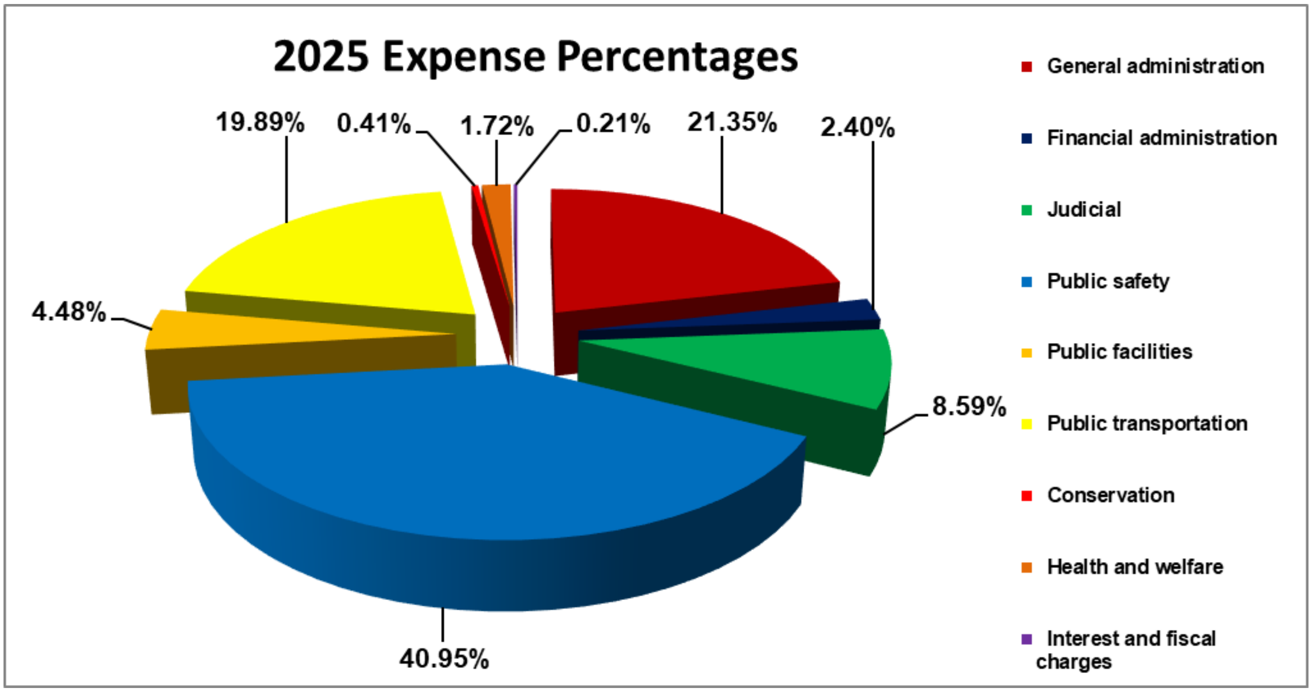
Analysis of the County's Operations. Governmental activities reported an increase in net position in the amount of $ 2,997,711. The primary reason for the increase in net position is an increase in property tax revenue due to increasing assessed values of property while keeping the overall tax rate consistent with prior year. Other factors contributing to the increase in net position is the change in the pension activity changing from a net pension liability to a net pension asset. There was a change in plan provision that positively impacted the County's net position. The following table provides a summary of the County's operations for the year ended December 31, 2025.

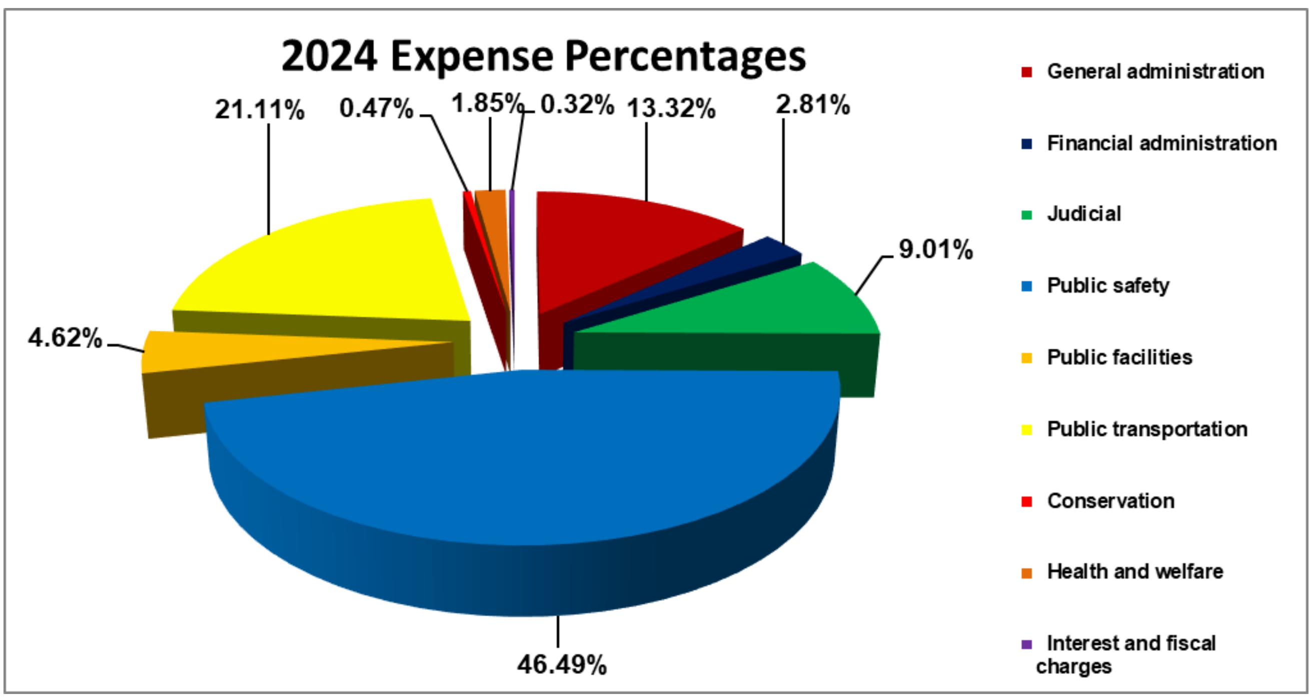
COLORADO COUNTY'S CHANGES IN NET POSITION

	Governmental Activities		
	2025	2024	Net Change
Revenues:			
Program Revenues:			
Charges for services	$ 5,591,727	$ 5,152,713	$ 439,014
Operating grants and contributions	3,364,648	1,380,721	1,983,927
Capital grants and contributions	1,774,587	3,224,275	(1,449,688)
General Revenues:			
Property taxes	16,891,479	15,625,232	1,266,247
Other taxes	2,580,305	2,737,774	(157,469)
Investment income	1,223,583	1,603,437	(379,854)
Miscellaneous	219,914	115,436	104,478
Total revenues	31,646,243	29,839,588	1,806,655
Expenses:			
General administration	6,116,649	3,316,161	2,800,488
Financial administration	687,520	700,307	(12,787)
Judicial	2,460,417	2,243,460	216,957
Public safety	11,732,693	11,575,683	157,010
Public facilities	1,282,890	1,150,183	132,707
Public transportation	5,698,569	5,256,584	441,985
Conservation	115,849	116,688	(839)
Health and welfare	493,238	460,396	32,842
Interest and fiscal charges	60,707	79,268	(18,561)
Total expenses	28,648,532	24,898,730	3,749,802
Change in net position	2,997,711	4,940,858	(1,943,147)
Net position - beginning	46,097,108	41,156,250	4,940,858
Net position - ending	$ 49,094,819	$ 46,097,108	$ 2,997,711


2025 Revenue Percentages
8.15%
3.87%
0.69%
17.67%
10.63%
5.61%
53.38%
Charges for services
Operating grants and contributions
Capital grants and contributions
Property taxes
Other taxes
Investment income
Miscellaneous


2024 Revenue Percentages
9.18%
5.37%
0.38%
17.27%
4.63%
10.81%
52.36%
Charges for services
Operating grants and contributions
Capital grants and contributions
Property taxes
Other taxes
Investment income
Miscellaneous


2025 Expense Percentages
19.89%
0.41%
1.72%
0.21%
21.35%
2.40%
4.48%
8.59%
40.95%
General administration
Financial administration
Judicial
Public safety
Public facilities
Public transportation
Conservation
Health and welfare
Interest and fiscal charges


2024 Expense Percentages
21.11%
0.47%
1.85%
0.32%
13.32%
2.81%
9.01%
4.62%
46.49%
General administration
Financial administration
Judicial
Public safety
Public facilities
Public transportation
Conservation
Health and welfare
Interest and fiscal charges

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, 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.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $ 17,994,892. The unassigned fund balance of $ 7,074,006 constitutes 39.31% of ending fund balance. The fund balance is categorized as 1) nonspendable of $ 475,543, 2) restricted of $ 2,119,727, 3) committed of $ 8,325,616, and 4) unassigned of $ 7,074,006.

The General Fund is the chief operating fund of the County. Fund balance of the General Fund decreased by $ 1,137,651; and other governmental funds decreased by $ 13,331. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32.79% of total general fund expenditures, and total fund balance represents 34.01% of that same amount.

The fund balance of the County's general fund decreased by $ 1,137,651 compared to a net increase of $ 138,092 in the prior year due to the County exceeding their budgeted expenditures for the year by $ 1,193,536.

General Fund Budgetary Highlights. The County budget is prepared by the County Judge's Office and presented to Commissioners' Court for approval. The County operates within this budget for the fiscal year with expenditure amendments made as needed.

The Commissioners' Court approved increases to appropriations of $ 595,000. Various grant awards were also allocated to revenue and expenditures during the year as necessary.

Total General Fund revenue exceeded the budget by approximately 6.26% and total General Fund expenditures were over budget by approximately 5.83%.

Capital Assets

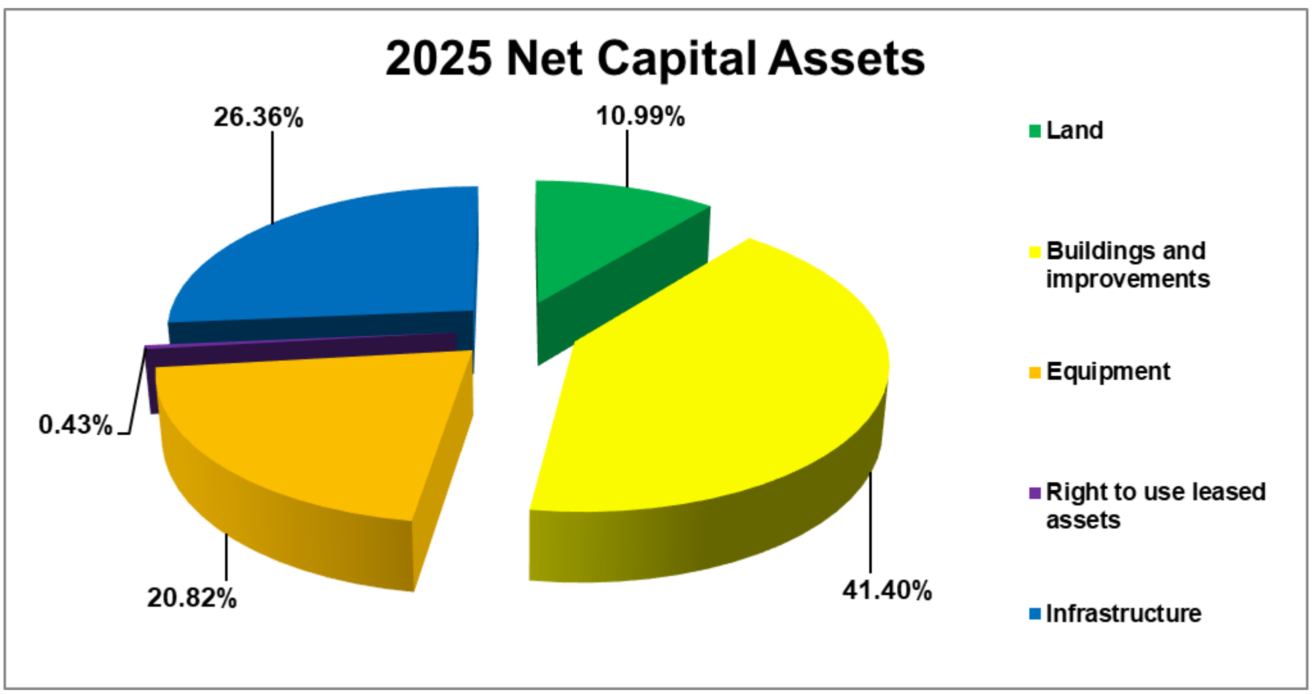
This investment in capital assets includes land, buildings and improvements, equipment, right to use leased assets and infrastructure.

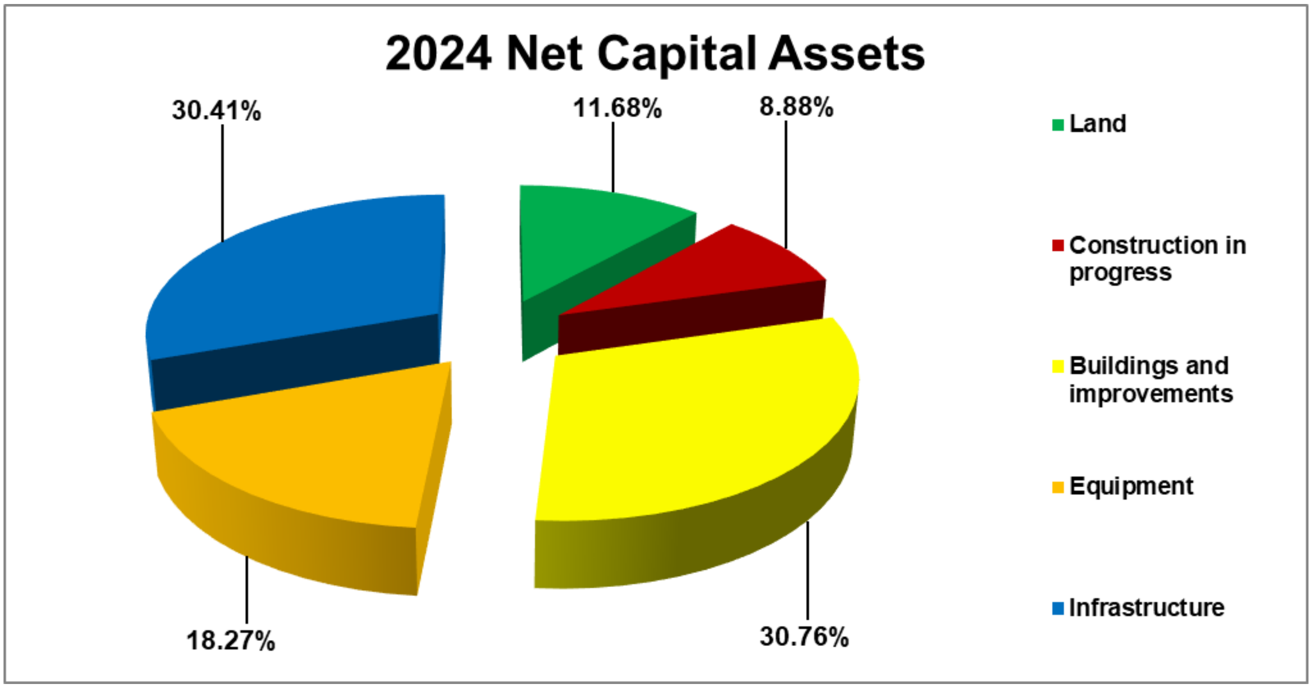
Major capital asset events during the current fiscal year included the following:

- Construction of a new EMS building and repairs to the jail facility.
- Acquisition of new vehicles road and bridge equipment.
- Road and bridge improvements are continuous.

COLORADO COUNTY'S CAPITAL ASSETS
Net of Accumulated Depreciation

	Governmental Activities		Net
	2025	2024	Change
Land	$ 3,236,172	$ 3,260,342	$ (24,170)
Constructions in progress	-	2,479,095	(2,479,095)
Buildings and improvements	12,193,026	8,589,225	3,603,801
Equipment	6,131,025	5,103,514	1,027,511
Right to use leased assets	127,335	-	127,335
Infrastructure	7,763,499	8,492,623	(729,124)
Total	$ 29,451,057	$ 27,924,799	$ 1,526,258





Additional of information on the County's capital assets can be found in Note 5 on pages 43 this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the County had a total bonded debt of $ 2,320,000, which comprises bonded and debt backed by the full faith and credit of the County agreement. The bonds will be retired with revenues from property taxes.

COLORADO COUNTY'S LONG-TERM DEBT

	Governmental Activities		Net
	2025	2024	Change
Certificates of obligation bonds	$ 2,320,000	$ 2,875,000	$ (555,000)
Notes payable	296,095	403,765	(107,670)
Lease liability	127,335	-	127,335
Bond discount	-	(2,057)	2,057
Compensated absences	289,218	386,543	(97,325)
Net pension liability	-	1,237,409	(1,237,409)
Total OPEB liability	428,262	409,400	18,862
Total	$ 3,460,910	$ 5,310,060	$ (1,849,150)

During the fiscal year, the County's total debt decreased by $ 1,849,150 or 34.82%. The net decrease was due primarily to the decreased valuation on the net pension liability.

All of the outstanding Bonds of the County payable from its limited taxes are insured and are, therefore, rated "AA" by Standard & Poor's ("S&P"). State statutes limit the amount of general obligation debt a government may issue to 25% of its total assessed valuation. The current limitation for the County significantly exceeds the outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note 7 on pages 45 through 47 of this report.

Economic Factors and Next Year's Budgets and Rates

The annual budget is developed to provide efficient, effective and controlled use of the County's resources. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities.

The 2026 budget was adopted September 8, 2025 with General Fund expenditures of $ 22,335,950 and a revenue budget of $ 20,227,600.

The Commissioners' Court adopted a maintenance and operation tax rate of $ 0.325312, road & bridge tax rate of $ 0.123500 and a debt service tax rate of $ 0.016106 per $ 100 assessed valuation, respectively.

Request for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Colorado County Auditor, 318 Spring Street, Room 104, Columbus, Texas, 78934.

BASIC FINANCIAL STATEMENTS

COLORADO COUNTY, TEXAS Exhibit 1

Statement of Net Position

December 31, 2025

		Governmental Activities
Assets:		
Cash and temporary investments	$	24,209,412
Receivables (net of allowance for uncollectibles):		
Taxes		12,137,496
Accounts		3,472,404
Due from other governments		807,675
Inventories		196,826
Prepaid expenses		278,717
Net pension asset		1,147,147
Capital Assets:		
Land		3,236,172
Buildings and improvements, net		12,193,026
Equipment, net		6,131,025
Right to use leased assets, net		127,335
Infrastructure, net		7,763,499
Total assets		71,700,734
Deferred Outflows of Resources:		
Deferred outflows of resources		1,650,217
Total deferred outflows of resources		1,650,217
Liabilities:		
Accounts and accrued liabilities payable		1,136,167
Accrued interest payable		19,401
Unearned revenue		180,599
Noncurrent liabilities:		
Due within one year		993,304
Due in more than one year:		
Other long-term liabilities		2,039,344
Total OPEB liability		428,262
Total liabilities		4,797,077
Deferred Inflows of Resources:		
Deferred inflows of resources		19,459,055
Total deferred inflows of resources		19,459,055
Net Position:		
Net investment in capital assets		26,707,627
Restricted:		
Public transportation		8,297,157
Pension		1,384,474
Other		2,383,323
Unrestricted		10,322,238
Total net position	$	49,094,819

The notes to the financial statements are an integral part of this statement.

COLORADO COUNTY, TEXAS

Exhibit 2

Statement of Activities
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
General administration	$ 6,116,649	$ 468,146	$ 1,871,579	$ -	$ (3,776,924)
Financial administration	687,520	463,684	-	-	(223,836)
Judicial	2,460,417	908,689	171,178	-	(1,380,550)
Public safety	11,732,693	2,758,566	1,100,115	1,681,181	(6,192,831)
Public facilities	1,282,890	-	-	-	(1,282,890)
Public transportation	5,698,569	902,587	171,427	93,406	(4,531,149)
Conservation	115,849	-	-	-	(115,849)
Health and welfare	493,238	90,055	50,349	-	(352,834)
Interest and fiscal charges	60,707	-	-	-	(60,707)
Total governmental activities	28,648,532	5,591,727	3,364,648	1,774,587	(17,917,570)
General Revenue:					
Property taxes					16,891,479
Other taxes					2,580,305
Investment income					1,223,583
Miscellaneous					219,914
Total general revenue					20,915,281
Change in net position					2,997,711
Net position - beginning					46,097,108
Net position - ending					$ 49,094,819

The notes to the financial statements are an integral part of this statement.

COLORADO COUNTY, TEXAS

Exhibit 3

Balance Sheet - Governmental Funds
December 31, 2025

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and temporary investments	$ 11,281,523	$ 12,927,889	$ 24,209,412
Receivables (net of allowance for uncollectibles):			
Taxes	8,489,649	3,647,847	12,137,496
Due from other governments	481,639	326,036	807,675
Accounts	24,332	-	24,332
Due from other funds	559,902	-	559,902
Inventories	-	196,826	196,826
Prepaid expenditures	262,946	15,771	278,717
Total assets	$ 21,099,991	$ 17,114,369	$ 38,214,360
Liabilities, Deferred Inflows of Resources and Fund Balance:			
Liabilities:			
Accounts and accrued liabilities payable	$ 801,172	$ 334,995	$ 1,136,167
Due to other funds	-	559,902	559,902
Unearned revenue	98,827	81,772	180,599
Total liabilities	899,999	976,669	1,876,668
Deferred Inflows of Resources:			
Deferred inflows of resources	12,831,077	5,511,723	18,342,800
Total deferred inflows of resources	12,831,077	5,511,723	18,342,800
Fund Balance:			
Nonspendable	262,946	212,597	475,543
Restricted	-	2,119,727	2,119,727
Committed	-	8,325,616	8,325,616
Unassigned	7,105,969	(31,963)	7,074,006
Total fund balance	7,368,915	10,625,977	17,994,892
Total liabilities, deferred inflows of resources and fund balance	$ 21,099,991	$ 17,114,369	$ 38,214,360

The notes to the financial statements are an integral part of this statement.

COLORADO COUNTY, TEXAS Exhibit 3R

Reconciliation of the Governmental Funds Balance Sheet to the Governmental Activities Statement of Net Position

December 31, 2025

Total fund balance - governmental funds balance sheet (Exhibit 3)			$	17,994,892
Amounts reported for *governmental activities* in the statement of net position (Exhibit 1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in the governmental funds. Those assets consist of:				
Capital assets	$	149,335,287		
Accumulated depreciation/amortization		(119,884,230)		29,451,057
Some of the County's assets are not available to pay for the current period's expenditures and therefore, are reported as unavailable revenue in the funds. These assets consist of:				
Property taxes receivable	$	138,212		
Judicial receivables		2,271,090		
Ambulance receivables		1,176,982		3,586,284
Some liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:				
Deferred outflows - pension	$	1,473,348		
Deferred outflows - OPEB		176,869		
Net pension asset		1,147,147		
Accrued interest on bonds		(19,401)		
Bonds payable		(2,320,000)		
Notes payable		(296,095)		
Lease liability		(127,335)		
Compensated absences		(289,218)		
Total OPEB liability		(428,262)		
Deferred inflows - pension		(1,236,021)		
Deferred inflows - OPEB		(18,446)		(1,937,414)
Net position of governmental activities - statement of net position (Exhibit 1)			$	49,094,819

The notes to the financial statements are an integral part of this statement.

COLORADO COUNTY, TEXAS Exhibit 4

Statement of Revenues, Expenditures, and Change in Fund Balance
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	(Formerly Major) American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 14,282,227	$ -	$ 5,085,839	$ 19,368,066
Intergovernmental	639,850	-	3,463,233	4,103,083
Licenses and permits	32,936	-	761,866	794,802
Charges for services	3,380,124	-	382,892	3,763,016
Fines and forfeitures	726,154	-	24,071	750,225
Investment income	605,986	-	617,597	1,223,583
Miscellaneous	676,120	-	150,138	826,258
Total revenues	20,343,397	-	10,485,636	30,829,033
Expenditures:				
Current:				
General administration	3,689,937	-	2,542,160	6,232,097
Financial administration	882,683	-	-	882,683
Judicial	2,429,297	-	71,208	2,500,505
Public safety	11,638,307	-	187,025	11,825,332
Public facilities	813,161	-	-	813,161
Public transportation	-	-	4,374,044	4,374,044
Conservation	122,457	-	-	122,457
Health and welfare	495,343	-	-	495,343
Capital outlay	1,489,681	-	2,853,101	4,342,782
Debt service:				
Principal	107,670	-	555,000	662,670
Interest and fiscal charges	-	-	63,387	63,387
Total expenditures	21,668,536	-	10,645,925	32,314,461
Deficiency of revenues over expenditures	(1,325,139)	-	(160,289)	(1,485,428)
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	150,153	-	56,958	207,111
Issuance of lease	127,335	-	-	127,335
Transfers in	-	-	90,000	90,000
Transfers out	(90,000)	-	-	(90,000)
Total other financing sources (uses)	187,488	-	146,958	334,446
Change in fund balance	(1,137,651)	-	(13,331)	(1,150,982)
Fund balance - beginning, as previously reported	8,506,566	529,804	10,109,504	19,145,874
Change within financial reporting entity	-	(529,804)	529,804	-
Fund balance - beginning, as adjusted	8,506,566	-	10,639,308	19,145,874
Fund balance - ending	$ 7,368,915	$ -	$ 10,625,977	$ 17,994,892

The notes to the financial statements are an integral part of this statement.

COLORADO COUNTY, TEXAS

Exhibit 4R

Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance - Governmental Funds to Governmental Activities Statement of Activities
For the Year Ended December 31, 2025

Change in fund balance - total governmental funds (Exhibit 4)		$ (1,150,982)
Amounts reported for *governmental activities* in the statement of activities (Exhibit 2) are different because:		
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/amortization expense.		
Capital outlay	$ 4,342,782	
Capital contributions	396,100	
Depreciation/amortization expense	(3,024,832)	
Loss on disposal of capital assets	(187,792)	1,526,258
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect on premiums and similar items when debt is issued, whereas these amounts are amortized in the statement of activities.		
Issuance of lease	$ (127,335)	
Principal payments on bonds and notes payable	662,670	
Change in accrued interest	4,737	
Change in compensated absences	97,325	
Amortization of bond premium	(2,057)	635,340
The net change in net pension liability/(asset), deferred outflows and deferred inflows is reported in the statement of activities but does not require the use of current resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:		
Net pension liability decreased	$ 2,384,556	
Deferred outflows decreased	(21,898)	
Deferred inflows increased	(733,016)	1,629,642
The net change in total OPEB liability, deferred outflows and deferred inflows is reported in the statement of activities but does not require the use of current resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:		
Total OPEB liability increased	$ (18,862)	
Deferred outflows decreased	(34,910)	
Deferred inflows decreased	9,434	(44,338)
Because some property taxes receivable, judicial receivables and ambulance receivables will not be collected for several months after the County's fiscal year ends, they are not considered available revenues in the governmental funds.		401,791
Change in net position of governmental activities (see Exhibit 2)		$ 2,997,711

The notes to the financial statements are an integral part of this statement.

COLORADO COUNTY, TEXAS Exhibit 5

Statement of Net Position - Fiduciary Funds

December 31, 2025

		Custodial Funds
Assets:		
Cash and temporary investments	$	2,848,474
Total assets		2,848,474
Liabilities:		
Accounts payable		58,736
Held for others		2,186,169
Due to other governments		233,997
Total liabilities		2,478,902
Net Position:		
Individuals, organizations and other governments		369,572
Total net position	$	369,572

The notes to the financial statements are an integral part of this statement.

COLORADO COUNTY, TEXAS Exhibit 6

Statement of Change in Net Position - Fiduciary Funds
For the Year Ended December 31, 2025

	Custodial Funds
Additions:	
Tax collections for other governments	$ 13,716,097
Held for others	4,369,883
Investment income	33,392
Total additions	18,119,372
Deductions:	
Payments to individuals	4,294,410
Payments to other governments	13,740,114
Total deductions	18,034,524
Net change in net position	84,848
Net position - beginning	284,724
Net position - ending	$ 369,572

The notes to the financial statements are an integral part of this statement.

THE STATE OF TEXAS

COLORADO COUNTY

Note

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Colorado County, Texas (the "County") was established in 1836 by the Republic of Texas. Commissioners' Court is the level of government which has oversight responsibility and control over all activities of the County. The Commissioners' Court is composed of four commissioners, each elected from the four precincts in the County and the County Judge elected from the entire County. The members are elected by the public and have decision making authority, the power to designate management, the ability to influence operations and primary accountability for fiscal matters.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted account principles. Based upon the application of these criteria, the following is a brief review addressed in defining the County's reporting entity.

Financial accountability - The primary government is deemed to be financially accountable if it appoints a voting majority of an Organization's governing body and 1) is able to impose its will on that Organization or 2) there is a potential for the Organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an Organization is fiscally dependent on the primary government, regardless of whether the Organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board. There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. 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 County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The County has no enterprise funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County 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 judgments, are recorded only when payment is due.

Revenues from property and other taxes, grants and contracts, fees (charges for services), fines (including forfeitures), and interest associated with the current fiscal period are all considered to be susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Revenue from investments, including governmental external investment pools, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the County to refund all or part of the unused amount.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation - Continued

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

The County has presented the following major governmental funds:

> The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

The County reports the following fiduciary funds:

> The C*ustodial Funds* account for assets that the government holds on behalf of others as their agent. The County's custodial funds include County Attorney Seizure, County Clerk, District Clerk, Justice of the Peace #1, Justice of the Peace #2, Justice of the Peace #3, Justice of the Peace #4, Sheriff, County Attorney and Tax Collector funds.

New Pronouncements

GASB issues statements on a routine basis with the intent to provide authoritative guidance on the preparation of financial statements and to improve governmental accounting and financial reporting of governmental entities. Management reviews these statements to ensure that preparation of its financial statements are in conformity with generally accepted accounting principles and to anticipate changes in those requirements. The following recent GASB Statements reflect the action and consideration of management regarding these requirements:

GASB Statement No. 102 "Certain Risk Disclosures" was issued in December 2023. The statement was implemented and did not have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2024.

GASB Statement No. 103 "Financial Reporting Model Improvements" was issued in April 2024. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 104 "Disclosure of Certain Capital Assets" was issued in September 2024. The management of the County does not expect the implementation of this standard to have a material effect on the financial statements of the County. The requirements of this statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 105 "Subsequent Events" was issued in December 2025. The management of the District does not expect the implementation of this standard to have a material effect on the financial statements of the District. The requirements of this statement are effective for reporting periods beginning after June 15, 2026.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgetary Data

The budget law of the State of Texas provides that amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in the funds, plus the anticipated revenues for the current year as estimated by the County Auditor. The legal level of budgetary control is at the category or line item level (salaries and wages and employee benefits, and operating expenditures) within departments of each fund. Any expenditure, which alters the total budgeted amounts of a fund must be approved by Commissioners' Court, and the budget amended. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Annual appropriated budgets are adopted for the General Fund, certain special revenue funds (Records Preservation Fund, Airport Fund, Road & Bridge Precinct Number 1 Fund, Road & Bridge Precinct Number 2 Fund, Road & Bridge Precinct Number 3 Fund, Road & Bridge Precinct Number 4 Fund, Security Fund, Law Library Fund, Justice Court Technology Fund and County and District Court Technology Fund), and the Debt Service Fund.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budget procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings as necessary. Before September 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held, and the Commissioners' Court acts on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts budgeted may not exceed the estimate of revenues and available cash.

Once the budget has been adopted by Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding appropriations and for keeping members of Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund, department and category. Any transfers of appropriations are first approved by the Commissioners' Court. Department heads may approve line item transfers for expenditures of their respective department. However, no amendments for the personnel services category may be made without Commissioners' Court approval to the total budget. Thus, the legal level of budgetary control is at the personnel services category level within each department and the department level overall. Expenditures can exceed appropriations as long as they do not exceed the available revenues and cash balances.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized. Encumbrances outstanding at year-end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. As of December 31, 2025, the County had no outstanding encumbrances.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Investments

Cash and temporary investments include amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the County. For purposes of the cash flow statement, cash and temporary investments are considered cash equivalents. In accordance with GASB Statement 31, “Accounting and Financial Reporting for Certain Investments and for External Investment Pools”, investments are stated at fair value.

The County maintains cash that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and temporary investments under each fund's caption. Funds are allowed to exceed the amount of their equity in the pooled cash account. Funds with overdrawn accounts are disclosed as an interfund payable in the liability section of the balance sheet.

Property Taxes

Property taxes are levied as of October 1st of each year with statements prepared and mailed at that date or soon thereafter. The tax levy is based upon appraised property values as of each previous January 1st for all taxable property within the County. Payments are due and payable when taxes are levied and may be timely paid through January 31st. On February 1st, taxes become delinquent and subject to penalty and interest charges. After June 30th, any uncollected taxes are subject to tax suit and additional charges to offset related legal costs. The lien date for property taxes is July 1st.

The appraisal of property within the County is the responsibility of the Colorado County Appraisal District. The Texas Legislature established the Appraisal District and the related Appraisal Review Board in 1979 through the adoption of a comprehensive Property Tax Code. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Real property is reappraised at least every four years. Under certain circumstances, taxpayers and taxing units including the County, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Under the Code, the Commissioners’ Court will continue to set annual tax rates on the property. The Code also provides that, if approved by the qualified voters in the Appraisal District, collection functions may be placed with the Appraisal District. The County bills and collects its property taxes and those of certain other taxing entities. Collections of those taxes pending distribution are accounted for in a custodial fund.

The County is permitted by Article VIII, Section 9 of the State of Texas Constitution to levy taxes up to $ 0.80 per $ 100 assessed valuation for general governmental services including payment of principal and interest on general long-term debt and maintenance of roads and bridges. Article 6790 of Vernon's Civil Statutes permits the County to collect an additional $0.15 per $ 100 valuation for road and bridge purposes. Article 7048a of Vernon's Civil Statutes permits the County to collect $ 0.30 per $ 100 valuation for road, bridge and flood control purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property Taxes - Continued

The County's 2025 tax levy, supporting the 2026 fiscal period budget, totaled $ 0.464918 per $ 100 valuation and was comprised as follows:

General Fund	$	0.325312
Road and Bridge Funds		0.123500
Debt Service Fund		0.016106
Combined tax rate	$	0.464918

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All outstanding balances between funds are reported as “due to/from other funds”. The County had no advances between funds. All activity between funds was for short-term cash flow requirements. See Note 4 for additional discussion of interfund receivables and payables.

Inventories and Prepaid Items

The County utilizes the consumption method to account for inventory and prepaid expenditures. Under this method, inventory and prepaid expenditures are considered an expenditure when used rather than when purchased. Significant inventories are reported on the balance sheet at cost, using the first-in, first-out method, with an offsetting reservation of fund balance in the governmental fund financial statements since they do not constitute "available spendable resources" even though they are a component of current assets. Inventories in the governmental funds are comprised of road materials, bulk fuel, parts, and chemicals. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide and prepaid expenditures in the fund financial statements.

Capital Assets

Capital assets, which include land, construction in progress, vehicles and equipment, buildings and improvements, and infrastructure are reported in the governmental activities column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their acquisition value on the date of donation. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year ended December 31, 2025, no capitalized interest was included in the cost of capital assets under construction.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets - Continued

Assets capitalized have an original cost of $ 5,000 or more and over two years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Leased assets are depreciated over the lesser of the term of the related lease or the estimated useful lives of the assets. Estimated useful lives are as follows:

Buildings and improvements	30 Years
Equipment	3-10 Years
Right to use leased assets	3 Years
Infrastructure	20-45 Years

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability is matured as a result of employee resignation or retirement.

Accumulated sick leave lapses when employees leave the employ of the county and, upon separation from service, no monetary obligation exists.

The liability for compensated absences disclosed in the financial statements represents accumulated vacation and compensatory time at December 31, 2025, computed at pay rates in effect at that time was $ 289,218.

Deferred Outflows and Inflows of Resources

Guidance for deferred outflows of resources and deferred inflows of resources is provided by GASB No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Further, GASB No. 65, "Items Previously Reported as Assets and Liabilities", had an objective to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

Leases

Lessee: The County is a lessee for noncancellable leases. The County recognizes a lease liability and a right to use leased asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $ 5,000 or more.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Leases - Continued

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for the leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

The fiduciary net position of the Colorado County Retiree Health Care Plan (the "Plan") has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the Plan's total OPEB liability. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no assets as this is a pay-as-you-go plan.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as interest and fiscal charge expenses.

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 the debt is reported as other financing resources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

The County's Commissioners' Court meets on a regular basis to manage and review cash financial activities and to ensure compliance with established policies. The County's unassigned General Fund Balance is maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned General Fund Balance may only be appropriated by resolution of the County's Commissioners' Court. Fund Balance of the County may be committed for a specific source by formal action of the County's Commissioners' Court. Amendments or modifications of the committed fund balance must also be approved by formal action by the County's Commissioners' Court. When it is appropriate for fund balance to be assigned, the County's Commissioners' Court has delegated authority to the County Judge or the County Auditor. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended are as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The *nonspendable* fund balance includes a portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include inventories, prepaid expenditures and long-term receivables.

The *restricted* fund balance includes net resources that can be spent only for the specific purposes stipulated by constitution, external resource providers (creditors, grantors, and contributors), laws and regulations of other governments, or through enabling legislation. The enabling legislation authorizes the County to access, levy, charge or otherwise mandate payment of resources from external resource providers; those resources can be used only for the specific purposes stipulated in the legislation. The County's fee revenue generated through enabling legislations include auto registration fees, birth/death certificate fees, adult bond supervision fees, child abuse protection fees, court technology fees, election service fees, family protection fees, financial security fees, juvenile case management fees, law library fees, records archive fees, and records management and preservation fees reported under Non-Major Special Revenue Funds, and auto registration fees, certificates of title, and gross weight and axle fees reported under the Road & Bridge Precinct Funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Balance - Continued

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by formal Commissioners' Court actions, no later than the close of the fiscal year. These actions must be in the form of a resolution approved by Commissioners' Court. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources. At December 31, 2024, the Commissioners' agreed to commit fund balances for the Airport Fund, each of the Road & Bridge Precinct Funds and Historical Commission Fund.

The *assigned* fund balance includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by Commissioners' Court or its designated officials to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Commissioners' Court actions. At December 31, 2025, there are no assignments of fund balance.

The *unassigned* Fund Balance represents spendable net resources that have not been restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount.

Governmental Fund Financial Statements:

The following schedule presents details of fund balance components at December 31, 2025:

	General Fund	Other Governmental Funds	Total Governmental Activities
Fund Balances:			
Nonspendable:			
Inventories	$ -	$ 196,826	$ 196,826
Prepaid expenditures	262,946	15,771	278,717
Restricted:			
Court improvements and operations	-	124,804	124,804
Debt service	-	245,891	245,891
Election services	-	13,033	13,033
Federal and state grants	-	407,620	407,620
Juvenile services	-	71,431	71,431
Library services	-	172,297	172,297
Public safety services	-	81,617	81,617
Records management	-	602,690	602,690
County/District Attorney services	-	400,344	400,344
Committed:			
Airport operations	-	254,584	254,584
Public transportation	-	8,063,477	8,063,477
Historical preservation	-	7,555	7,555
Unassigned	7,105,969	(31,963)	7,074,006
Total fund balance	$ 7,368,915	$ 10,625,977	$ 17,994,892

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

	Governmental Activities
Net Position:	
Net investment in capital assets	$ 26,707,627
Restricted:	
Public transportation	8,297,157
Pension	1,384,474
Other:	
Airport operations	260,031
County/District Attorney services	400,344
Court improvements and operations	135,128
Debt service	231,577
Election services	13,033
Federal and state grants	407,620
Historical preservations	7,555
Juvenile services	71,431
Library services	172,297
Public safety services	81,617
Records management	602,690
Unrestricted	10,322,238
Total net position	$ 49,094,819

NOTE 2 - DEPOSITS AND INVESTMENTS

The County classifies deposits and investments for financial statement purposes as cash and temporary investments, and investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose, a temporary investment is one that when purchased had a maturity date of three months or less. Investments are classified as either short-term investments or investments. Short-term investments have a maturity of one year or less and investments are those that have a maturity of one year or more. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures.

NOTE 2 - DEPOSITS AND INVESTMENTS - Continued

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to them. The County requires that all deposits with financial institutions be collateralized in an amount equal to 110 percent of uninsured balances.

At year-end, the carrying amount of the County's financial institution deposits, was $ 27,057,886, while the financial institution balances totaled $ 25,696,282. Of these balances, $ 274,014 was covered by federal depository insurance coverage and $ 25,422,268 was covered by collateral held by the County's agent in the County's name.

Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under a written investment policy. The investment policy primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and also addresses the quality and capability of investment personnel. This investment policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain instruments allowed under the Public Funds Investment Act.

The County's investment policy authorizes the County to invest in 1) obligations of the United States or its agencies and instrumentalities; 2) direct obligations of the State of Texas or its agencies; 3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; 4) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; 5) certificates of deposit by state and national banks domiciled in the state that are guaranteed or insured by the Federal Deposit Insurance Corporation or secured by obligations that are described in 1) through 4); 6) money market mutual funds regulated by the Securities an Exchange Commission with a dollar weighted average portfolio maturity of 90 days or less; 7) eligible investment pools organized and operating in compliance with the Public Funds Investment Act that have been authorized by Commissioners' Court, and whose investment philosophy and strategy are consistent with the Policy and the County's ongoing investment strategy.

The County's Investment Officer submits an investment report quarterly to Commissioners' Court. The report details the investment position and transactions of the County and the compliance of the investment portfolio as it relates to both the adopted investment strategy and Texas state law.

For the year ending December 31, 2025, the County did not have any investments.

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES

Receivables and Allowances

Receivables as of December 31, 2025, for the government's individual governmental major and nonmajor funds, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Other Governmental Funds	Total Governmental Funds
Receivables:			
Taxes	$ 8,943,532	$ 3,863,578	$ 12,807,110
Due from other governments	481,639	326,036	807,675
Accounts	24,332	-	24,332
Gross receivables	9,449,503	4,189,614	13,639,117
Less allowance for Uncollectibles:			
Property taxes	(453,883)	(215,731)	(669,614)
Total net receivables	$ 8,995,620	$ 3,973,883	$ 12,969,503

Receivables From Other Governments

The County participates in a variety of federal and state programs from which it receives grants to, partially or fully, finance certain activities. In addition, the County receives entitlements from the State through the legislative actions and taxes collected by the State on behalf of the County (other taxes). All federal grants shown below are either direct or passed through state or local agencies and are reported on the financial statements as due from other governments.

Amounts due from federal, state, and local governments as of December 31, 2025 are summarized below:

	Federal Grants	Other	Total
Major Governmental Funds:			
General Fund	$ 16,965	$ 464,674	$ 481,639
Other Governmental Funds	326,036	-	326,036
Total	$ 343,001	$ 464,674	$ 807,675

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued

Judicial and Emergency Medical Service Receivables

Judicial and Emergency Medical Service (EMS) receivables are reported in the governmental activities statement of net position. Since these receivables do not represent current available resources, they are not reported in the governmental funds balance sheet. The allowance for uncollectible receivables related to the County's various court assessments and emergency medical service is determined based on historical experience and evaluation of collectability in relation to the aging of customer accounts. The following is a summary of the receivable and allowance for uncollectible as of December 31, 2025:

	Gross Receivable	Allowance for Uncollectible Accounts	Net Receivable
Judicial and EMS receivables:			
Justice of the Peace	$ 5,458,240	$ (4,093,680)	$ 1,364,560
County Courts	1,068,918	(801,688)	267,230
District Courts	2,557,202	(1,917,902)	639,300
Emergency Medical Service	4,496,265	(3,319,283)	1,176,982
Total	$ 13,580,625	$ (10,132,553)	$ 3,448,072

Deferred Outflows and Inflows of Resources and Unearned Revenue

Governmental Funds

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of December 31, 2025, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
Deferred Inflows of Resources:			
Current property taxes collected (October 1, 2025 Levy)	$ 4,419,441	$ 1,898,552	$ 6,317,993
Current property taxes receivable (October 1, 2025 Levy)	8,315,365	3,571,230	11,886,595
Delinquent property taxes receivable (October 1, 2024 and prior)	96,271	41,941	138,212
Unearned Revenue:			
State grants	66,124	76,372	142,496
Local grants	24,503	-	24,503
Rental deposits	8,200	5,400	13,600
Total	$ 12,929,904	$ 5,593,495	$ 18,523,399

NOTE 3 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES AND UNEARNED REVENUES - Continued

Deferred Inflows of Resources and Unearned Revenue - Continued

Governmental Activities

Governmental activities defer the recognition of pension expense for contributions made from the measurement date to the current year end of December 31, 2025 and report these as deferred outflows of resources. Governmental activities also defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. Further, for governmental activities, like governmental funds, defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

As of December 31, 2025, the various components of deferred outflows and inflows of resources and unearned revenue reported in the governmental activities were as follows:

Governmental Activities:	Deferred Outflows of Resources	Deferred Inflows of Resources	Unearned Revenue
Pension Related:			
Differences between expected and actual experience	$ -	$ 781,252	$ -
Net differences between projected and actual investment earnings	-	454,769	-
Subsequent contributions	1,473,348	-	-
OPEB related:			
Differences between expected and actual experience	175,584	2,406	-
Changes in assumptions	1,285	16,040	-
Current property taxes collected (October 1, 2025 Levy)	-	6,317,993	-
Current property taxes receivable (October 1, 2025 Levy)	-	11,886,595	-
Unearned Revenue:			
State grants	-	-	142,496
Local grants	-	-	24,503
Rental deposits	-	-	13,600
Totals	$ 1,650,217	$ 19,459,055	$ 180,599

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at December 31, 2025 consisted of the following:

Receivable Fund	Payable Fund	12-31-25
General Fund	Other Governmental Funds	$ 559,902
Total		$ 559,902

Interfund receivables and payables represent short-term borrowings primarily for cash flow purposes. These include short-term borrowings for reimbursement grants and short-term borrowings related to deficit fund balances.

Interfund transfers for the year ended December 31, 2025 consisted of the following individual fund transfers in and transfers out:

Transferring Fund	Receiving Fund	Amounts
General Fund	Other Governmental Funds	$ 90,000
Total		$ 90,000

The Commissioners' Court approved these transfers, as transfers of operational funds to cover planned expenditures.

NOTE 5 - CAPITAL ASSETS

Capital Transactions

	Balance 01-01-25	Additions	Retirements	Adjustments & Transfers	Balance 12-31-25
Governmental Activities:					
Capital Assets, Not Depreciated/ Amortized:					
Land	$ 3,260,342	$ 4,339	$ (28,509)	$ -	$ 3,236,172
Construction in progress	2,479,095	1,660,268	-	(4,139,363)	-
Total capital assets not being depreciated/amortized	5,739,437	1,664,607	(28,509)	(4,139,363)	3,236,172
Capital Assets, Being Depreciated/ Amortized:					
Buildings and improvements	26,294,866	23,308	(18,000)	4,139,363	30,439,537
Equipment	17,740,738	2,842,426	(1,102,015)	-	19,481,149
Right to use leased assets	-	127,335	-	-	127,335
Infrastructure	95,973,196	81,206	(3,308)	-	96,051,094
Total capital assets being depreciated/amortized	140,008,800	3,074,275	(1,123,323)	4,139,363	146,099,115

(continued)

NOTE 5 - CAPITAL ASSETS - Continued

Capital Transactions - Continued

	Balance 01-01-25	Additions	Retirements	Adjustments & Transfers	Balance 12-31-25
Governmental Activities:					
Less Accumulated Depreciation/ Amortization For:					
Buildings and improvements	$ 17,705,641	$ 1,499,550	$ (958,680)	$ -	$ 18,246,511
Equipment	12,637,224	714,952	(2,052)	-	13,350,124
Right to used leased assets	-	-	-	-	-
Infrastructure	87,480,573	810,330	(3,308)	-	88,287,595
Total accumulated depreciation/ amortization	117,823,438	3,024,832	(964,040)	-	119,884,230
Total capital assets being depreciated/amortized, net	22,185,362	49,443	(159,283)	4,139,363	26,214,885
Governmental activities capital assets, net	$ 27,924,799	$ 1,714,050	$ (187,792)	$ -	$ 29,451,057

During the year ended December 31, 2025, the County received roads and equipment totaling $ 396,100.

Depreciation expense was charged as direct expense to functional categories of the County as follows:

	12-31-25
Governmental Activities:	
General government	$ 28,562
Judicial	47,644
Public safety	897,219
Public facilities	492,299
Public transportation	1,555,678
Health and welfare	3,430
Total governmental activities	$ 3,024,832

Construction Commitments

There were no construction commitments as of December 31, 2025.

NOTE 6 - DISAGGREGATION OF ACCOUNTS AND ACCRUED LIABILITIES PAYABLE

Accounts and accrued liabilities payable as of December 31, 2025, for the government's individual governmental major and nonmajor funds in the aggregate are as follows:

	General Fund	Other Governmental Funds	Total
Accounts and accrued liabilities payable:			
Vendors	$ 442,378	$ 286,960	$ 729,338
Accrued compensation	358,794	48,035	406,829
Total	$ 801,172	$ 334,995	$ 1,136,167

NOTE 7 - LONG-TERM DEBT

Certificate of Obligation Bonded Debt

Certificates of obligations payable at December 31, 2025, are summarized as follows:

	Series Dates			Bonds
	Interest Rate %	Maturity	Callable	Outstanding 12-31-25
Limited Tax Refunding Bonds				
Series 2019	2.08	2019	2031	$ 2,320,000
Total				$ 2,320,000

Certificates of obligation bond transactions for the year ended December 31, 2025 were as follows:

Bonds outstanding, January 1, 2025	$ 2,875,000
Maturities	(555,000)
Bonds outstanding, December 31, 2025	$ 2,320,000

NOTE 7 - LONG-TERM DEBT - Continued

Certificate of Obligation Bonded Debt - Continued

The bond ordinances require that a tax be levied sufficient to pay current interest and create a sinking fund of not less than the amount to pay current principal and interest. The current year tax levy was set to utilize the excess fund balance above the bond ordinance requirement. For the year ended December 31, 2025, the amount of ad valorem taxes collected for interest and sinking were $ 627,804, while the debt service requirements for principal and interest was $ 618,387. The bond resolutions provide no express remedies in the event of default and make no provision for acceleration of maturity of the bonds.

The following is a summary of certificate of obligation bond requirements by year as of December 31, 2025:

Year Ending December 31,	Principal	Interest	Total Requirements
2026	$ 585,000	$ 51,736	$ 636,736
2027	595,000	38,690	633,690
2028	600,000	25,422	625,422
2029	180,000	12,042	192,042
2030	180,000	8,028	188,028
2031	180,000	4,014	184,014
Total	$ 2,320,000	$ 139,932	$ 2,459,932

Bonds payable are liquidated through the debt service fund. Compensated absences are liquidated through the general fund and other non-major governmental funds.

Notes Payable

In September 2023, the County was approved for a loan for $ 455,961 with an interest rate of 0.00%. The proceeds of this loan were used to purchase equipment for EMS. The County is required to make twelve monthly payments of $ 2,107 beginning in January 2024 and the remaining forty-eight payments of $ 8,973 beginning in January 2025.

Aggregate maturities of these notes payable for the years subsequent to December 31, 2025 are as follows:

Year Ended December 31,	Principal	Interest	Total Requirements
2026	$ 107,670	$ -	$ 107,670
2027	107,670	-	107,670
2028	80,755	-	80,755
Total	$ 296,095	$ -	$ 296,095

NOTE 7 - LONG-TERM DEBT - Continued

Changes in Long-Term Debt

Transactions for the year ended December 31, 2025 are summarized as follows:

	Balance 01-01-25	Issues or Additions	Payments or Expenditures	Balance 12-31-25	Due Within One Year
Governmental Activities:					
Bonds payable	$ 2,875,000	$ -	$ (555,000)	$ 2,320,000	$ 585,000
Bond discount	(2,057)	-	2,057	-	-
Notes payable	403,765	-	(107,670)	296,095	107,670
Lease liability	-	127,335	-	127,335	41,413
Compensated absences	386,543	282,967	(380,292)	289,218	259,221
Net pension liability	1,237,409	4,763,790	(6,001,199)	-	-
Total OPEB liability	409,400	44,524	(25,662)	428,262	-
Total governmental activities	$ 5,310,060	$ 5,218,616	$ (7,067,766)	$ 3,460,910	$ 993,304

Bonded debt is funded primarily by property taxes from the Debt Service Fund. Compensated absences are payable by the fund in which the individual positions are budgeted. General Fund and the various special revenue funds have been used to fund current pension and OPEB costs.

NOTE 8 - LEASES

In December 2025, the County entered into a three year lease agreement for the lease of emergency medical services equipment. Based on this agreement, the County is required to make monthly payments of $ 3,672. There are no renewal options included in this lease agreement and the County will not purchase the emergency medical services equipment at the end of the lease term. An initial lease liability was recorded in the amount of $ 127,335 using 2.445% discount rate during the current fiscal year.

The future principal and interest lease payments as of December 31, 2025 were as follows:

Year Ending December 31,	Principal	Interest	Total Requirement
2026	$ 41,413	$ 2,651	$ 44,064
2027	42,436	1,628	44,064
2028	43,486	578	44,064
Totals	$ 127,335	$ 4,857	$ 132,192

NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN

Plan Description - The County provides retirement, disability, and death benefits for all of its full-time employees through a non-traditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of more than 890 non-traditional defined benefit plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 79768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

All eligible employees of the County are required to participate in TCDRS.

The plan provisions are adopted by Commissioner’s Court of the County, within the options available in the state statutes governing TCDRS. Plan provisions for the County were as follows:

	Plan Year 2025	Plan Year 2024
Employee deposit rate	7.00%	7.00%
Employer deposit rate	13.00%	13.00%
Matching ratio (County to employee)	2 to 1	2 to 1
Years required for vesting	8	8
Service retirement eligibility (expressed as age/years of service)	60/8, 0/20	60/8, 0/20

Employees Covered by Benefit Terms:

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	110
Inactive employees entitled to but not yet receiving benefits	271
Active employees	207
	588

NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Contributions - The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee compensation, and the employer matching percentages are either 100%, 150%, 200% or 250%, both as adopted by the governing body of the employer. Under the state laws governing TCDRS, the contribution rate for each employer is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. Participating employers are required to contribute at the actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience. In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

Employees of the County were required to contribute 7.00% of their annual compensation during the fiscal year. The County's required contribution rates of 11.26% and 12.39% in calendar years 2025 and 2024, respectively. The County's contributions to TCDRS for the year ended December 31, 2025 were $ 1,473,348.

Net Pension Asset - The County's Net Pension Asset 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 that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2024 financial reporting metrics are the same as those used in the December 31, 2024 actuarial valuation analysis for the County.

Following is a description of the assumptions used in the December 31, 2024 actuarial valuation analysis for the County. This information may also be found in the Colorado County December 31, 2024 Summary Valuation Report.

NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Economic Assumptions:

TCDRS System-Wide Economic Assumptions

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

The assumed long-term investment return of 7.50% is net after investment and administrative expenses and is expected to enable the system to credit each employer's Subdivison Accumulation Fund (SAF) with a nominal annual rate of 7.50% on the combined Employee Savings Fund (ESF) and SAF funds, less the amount credited to the County's ESF. Under the TCDRS Act, the ESF is credited with a nominal annual rate of 7.00%. It is assumed interest will be credited at the nominal annual rate of 7.50% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.70% per year for a career employee.

Employer Specific Economic Assumptions

Growth in membership	0.00%
Payroll growth	3.00%

The payroll growth assumption is for the aggregate covered payroll of an employer.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers are based on January 2024 information for a 10-year time horizon.

The valuation assumption for long-term expected return is re-assessed in detail at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Asset Class	Benchmark	Target Allocation[1]	Real Rate of Return (Expected minus Inflation)[2]
US Equities	Dow Jones U.S. Total Stock Market Index	13.00%	5.35%
Global Equities	MSCI World (net) Index	4.00%	5.15%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	6.00%	4.75%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	0.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.25%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.70%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.85%
Distressed Debt	Cambridge Associates Distressed Securities Index[3]	4.00%	6.80%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.95%
Master Limited Partnerships	Alerian MLP Index	2.00%	4.95%
Commodities	Bloomberg Commodities Index	2.00%	1.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index[4]	6.00%	5.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index[5]	25.00%	8.15%
Hedge Funds	Hedge Fund Research, Inc. Fund of Funds Composite Index	6.00%	3.60%
Cash Equivalents	90-Day U.S. Treasury	2.00%	1.10%

(1) *Target asset allocation adopted at the March 2025 TCDRS Board meeting.*
(2) *Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.35%, per Cliffwater's 2025 capital market assumptions*
(3) *Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.*
(4) *Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.*
(5) *Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.*

Discount Rate - The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.

2. The actuarial present value of projected benefit payments not include in (1), calculated using the municipal bond rate.

NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balance as of December 31, 2023	$ 45,959,376	$ 44,721,967	$ 1,237,409
Changes for the Year:			
Service cost	1,231,704	-	1,231,704
Interest on total pension liability (1)	3,505,381	-	3,505,381
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	(610,665)	-	(610,665)
Effect of assumptions changes or inputs	-	-	-
Refunds of contributions	(198,469)	(198,469)	-
Employer contributions	-	1,287,410	(1,287,410)
Member contributions	-	693,222	(693,222)
Net investment income	-	4,554,512	(4,554,512)
Benefit payment,	(1,976,654)	(1,976,654)	-
Administrative expense	-	(26,705)	26,705
Other changes (3)	-	2,537	(2,537)
Balance as of December 31, 2024	$ 47,910,673	$ 49,057,820	$ (1,147,147)

(1) *Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.*
(2) *No plan changes valued.*
(3) *Relates to allocation of system-wide items.*

NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Sensitivity Analysis - The following presents the net pension liability of the county, calculated using the discount rate of 7.60%, as well as what the County's net pension liability would be if it were calculated using a discount rate of 1 percentage-point lower (6.60%) or 1 percentage-point higher (8.60%) than the current rate:

	1% Decrease In Discount Rate (6.60%)	Discount Rate (7.60%)	1% Increase In Discount Rate (8.60%)
Total pension liability	$ 53,824,605	$ 47,910,673	$ 42,958,576
Fiduciary net position	49,057,820	49,057,820	49,057,820
Net pension liability / (asset)	$ 4,766,785	$ (1,147,147)	$ (6,099,244)

Pension Expense:	Year Ended 12-31-24
Service cost	$ 1,231,704
Interest on total pension liability [(1)]	3,505,381
Administrative expenses	26,705
Member contributions	(693,222)
Expected investment return net of investment expenses	(3,390,713)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(332,418)
Recognition of investment gains or losses	(501,196)
Other [(2)]	(2,537)
Pension income	$ (156,296)

[(1)] *Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.*
[(2)] *Related to allocation of system-wide items.*

Deferred Inflows and Outflows - At December 31, 2025, the County 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
Differences between expected and actual economic experience	$ -	$ 781,252
Net difference between projected and actual investment earnings	-	454,769
Contributions subsequent to the measurement date [(3)]	1,473,348	-
Totals	$ 1,473,348	$ 1,236,021

NOTE 9 - TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PENSION PLAN - Continued

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expenses as follows:

Year Ended December 31,	
2026	$ (694,967)
2027	352,515
2028	(660,810)
2029	(232,759)
2030	-
Thereafter [4]	-

[3] *Any eligible employer contributions were made subsequent to the measurement date through the employer's fiscal year end, the employer should reflect these contributions, adjusted as outlined in GASB No. 71.*
[4] *Total remaining balance to be recognized in future years, if any. Note that additional deferred inflows and outflows of resources may impact these numbers.*

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description - The County's defined benefit OPEB plan, Colorado County Retiree Health Care Plan (CCRHCP), provides medical benefits to plan members of the County. CCRHCP is a single-employer defined benefit OPEB plan administered by the County. Local Government Code Section 157.101 assigns the authority to establish and amend benefit provisions to Commissioners Court. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided - Plan participants are full-time regular employees who, at the time they leave County employment, are:

1. Eligible for retirement benefits under Texas County and District Retirement guidelines, and
2. Have a total of 20 years of service with the County, of which at least 8 years are continuous service, and
3. Are covered under the County group health insurance program at the time of the separation, and
4. Are not Medicare eligible.

Coverage for dependents who are not Medicare eligible and who are participants in the County's group health insurance plan at the time of the employee's separation may also be continued. In the event of the retiree's death, covered dependents may continue coverage until they become Medicare eligible provided they make required premium payments on a timely basis. Dental and life insurance benefits are also available to the retiree at the retiree's cost. The life insurance benefit is a level $10,000. Any dependent coverage the retiree may have will be at the retiree's cost.

The following table provides a summary of the number of participants in the plan as of December 31, 2024:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	161
	165

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

Contributions - Local Government Code Section 157.102 assigns to Commissioners Court the authority to establish and amend contribution requirements of the plan members. The County may contribute all, part of, or none of the premium payment. The County's contribution, if any, will be determined annually by Commissioners Court during the County budget process and will be effective on a fiscal year basis. The County does not contribute toward the cost of coverage for retirees who do not meet the eligibility requirements. The County pays no more for retiree healthcare than the premium it pays for active employees for each rate tier structure (retiree only, retiree + spouse, retiree + child, retiree + children, retiree + family).

The plan is funded on a pay-as-you-go basis. For the year ended December 31, 2024, the total benefit payments made to the plan was $ 25,662.

Total OPEB Liability - The County's total OPEB liability of $ 428,262 was measured as of December 31, 2025 utilizing the actuarial valuation performed as of December 31, 2024 rolled forward to December 31, 2025.

Actuarial assumptions and other inputs - The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Individual Entry Age
Discount rate	4.28%
Inflation	2.50%
Salary increases	3.50%
Health care trend rates	Level 4.50%

The RP-2014 Total Mortality Tables are used with the ultimate rates of Scale MP-2021.

The actuarial assumptions used in the December 31, 2024 valuation were based on the experience study covering the four-year period ending December 31, 2017, as conducted for the Texas County and District Retirement System.

Discount Rate - For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on S&P municipal bond 20 year grade rate index as of the measurement date. For the purpose of this valuation, the municipal bond rate is 4.28%. The discount rate was 4.31% as of the prior measurement date.

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

Changes in Total OPEB Liability - The changes in the total OPEB liability as of December 31, 2025 are as follows:

	Total OPEB Liability
Service cost	$ 26,420
Interest on total OPEB liability	18,104
Benefit payments	(25,662)
Net change in total OPEB liability	18,862
Total OPEB liability, December 31, 2024	409,400
Total OPEB liability, December 31, 2025	$ 428,262

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the County, calculated using the discount rate of 4.28%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate of 1 percentage-point lower (3.28%) or 1 percentage-point higher (5.28%) than the current rate:

	1% Decrease In Discount Rate (3.28%)	Discount Rate (4.28%)	1% Increase In Discount Rate (5.28%)
Total OPEB liability	$ 496,537	$ 428,262	$ 373,275

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the County, calculated using the healthcare cost trend rate of 4.50%, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rate of 1 percentage-point lower (3.50%) or 1 percentage-point higher (5.50%) than the current rate:

	1% Decrease In Trend Rate (3.50%)	Trend Rate (4.50%)	1% Increase In Trend Rate (5.50%)
Total OPEB liability	$ 408,200	$ 428,262	$ 452,774

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

OPEB Expense:	Year ended 12-31-25
Service cost	$ 26,420
Interest on the total OPEB liability	18,104
Difference between expected and actual experience	31,943
Changes in assumptions or other inputs	(6,467)
OPEB expense	$ 70,000

Deferred Inflows and Outflows - At December 31, 2025, the County 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	$ 175,584	$ 2,406
Changes in assumptions	1,285	16,040
Totals	$ 176,869	$ 18,446

The County did not have any contributions subsequent to the measurement date due to the measurement date and the date of this report both ending as of December 31, 2025.

Amounts currently 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,	
2026	$ 25,947
2027	29,397
2028	29,154
2029	28,543
2030	28,543
Thereafter	16,839

NOTE 11 - CONTINGENCIES

The County is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. Such lawsuits include various civil claims that are currently between the stages of discovery and pleadings. The outcome of these lawsuits and other claims are not presently determinable and the resolutions of these matters are not expected to have a material effect on the financial condition of the County.

NOTE 12 - GRANTS, ENTITLEMENTS AND SHARED REVENUES

During the year ended December 31, 2025, the County applied for and received federal and state grants related to various activities. The operations of these grants are reported in the general fund and various special revenue funds. For the most part, these grants are reimbursement type grants, therefore, revenues equal expenditures. Grant revenues are classified as intergovernmental revenues. The federal financial assistance programs are covered by the requirements of the Single Audit Act and the Uniform Guidance.

The state financial assistance programs are covered by the State of Texas Single Audit Circular (Texas Grant Management Standards). A single audit was performed on the federal financial assistance programs as the federal financial assistance programs met the $ 1,000,000 threshold, while the state financial assistance programs did not.

NOTE 13 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, business interruption, errors and omissions, injuries to employees, employee health benefits and other claims of various natures. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (the "Pool") which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported from unsettled or incurred but not reported, are believed to be insignificant to the County's basic financial statement. For the year ended December 31, 2025, there were no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage. Any losses reported but unsettled or incurred and not reported are believed to be insignificant to the County's basic financial statements.

NOTE 14 - DEFICIT FUND BALANCE

As of December 31, 2025, the following fund had a deficit fund balance:

Colorado County Fairgrounds Fund	$ 31,963

The deficit balance will either be offset by future revenues or reimbursed by other funds.

NOTE 15 - EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through June 26, 2026, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

COLORADO COUNTY, TEXAS

Exhibit 7

Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 13,812,080	$ 13,812,080	$ 14,282,227	$ 470,147
Intergovernmental	207,200	732,200	639,850	(92,350)
Licenses and permits	40,000	40,000	32,936	(7,064)
Charges for services	3,084,470	3,151,970	3,380,124	228,154
Fines and forfeitures	603,050	605,550	726,154	120,604
Investment income	700,000	700,000	605,986	(94,014)
Miscellaneous	103,200	103,200	676,120	572,920
Total revenues	18,550,000	19,145,000	20,343,397	1,198,397
Expenditures:				
Current:				
General administration	3,536,436	3,544,936	3,689,937	(145,001)
Financial administration	938,023	942,523	882,683	59,840
Judicial	2,396,269	2,582,269	2,429,297	152,972
Public safety	10,651,807	11,001,807	11,638,307	(636,500)
Public facilities	729,920	732,420	813,161	(80,741)
Conservation	136,735	138,735	122,457	16,278
Health and welfare	616,310	617,310	495,343	121,967
Capital outlay	774,500	815,000	1,489,681	(674,681)
Debt Service:				
Principal	100,000	100,000	107,670	(7,670)
Total expenditures	19,880,000	20,475,000	21,668,536	(1,193,536)
Deficiency of revenues over expenditures	(1,330,000)	(1,330,000)	(1,325,139)	4,861
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	-	-	150,153	150,153
Issuance of leases	-	-	127,335	127,335
Transfers out	(90,000)	(90,000)	(90,000)	-
Total other financing sources (uses)	(90,000)	(90,000)	187,488	277,488
Change in fund balance	(1,420,000)	(1,420,000)	(1,137,651)	282,349
Fund balance - beginning	8,506,566	8,506,566	8,506,566	-
Fund balance - ending	$ 7,086,566	$ 7,086,566	$ 7,368,915	$ 282,349

COLORADO COUNTY, TEXAS

Texas County and District Retirement System
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios
For the Last Ten Measurement Years Ended December 31,

	2024	2023	2022	2021
Total Pension Liability:				
Service cost	$ 1,231,704	$ 1,100,390	$ 1,071,763	$ 1,003,528
Interest on total pension liability	3,505,381	3,333,940	3,156,998	2,867,237
Effect of plan changes	-	311,712	-	1,473,293
Effect of assumption changes or inputs	-	-	-	(142,685)
Effect of economic/demographic (gains) or losses	(610,665)	(574,009)	(144,998)	88,107
Benefit payments/refunds of contributions	(2,175,123)	(1,924,544)	(1,648,930)	(1,444,954)
Net Change in Total Pension Liability	1,951,297	2,247,489	2,434,833	3,844,526
Total Pension Liability - beginning	45,959,376	43,711,887	41,277,054	37,432,528
Total Pension Liability - ending (a)	$ 47,910,673	$ 45,959,376	$ 43,711,887	$ 41,277,054
Fiduciary Net Position:				
Employer contributions	$ 1,287,410	$ 1,140,942	$ 1,099,791	$ 937,164
Member contributions	693,222	614,355	583,227	546,685
Investment income net of investment expenses	4,554,512	4,445,109	(2,519,540)	7,730,337
Benefit payments/refunds of contributions	(2,175,123)	(1,924,544)	(1,648,930)	(1,444,954)
Administrative expenses	(26,705)	(23,352)	(23,711)	(23,226)
Other	2,537	7,757	40,674	10,788
Net Change in Fiduciary Net Position	4,335,853	4,260,267	(2,468,489)	7,756,794
Fiduciary Net Position - beginning	44,721,967	40,461,700	42,930,189	35,173,395
Fiduciary Net Position - ending (b)	$ 49,057,820	$ 44,721,967	$ 40,461,700	$ 42,930,189
Net Pension Liability/(Asset), ending (a)-(b)	$ (1,147,147)	$ 1,237,409	$ 3,250,187	$ (1,653,135)
Fiduciary Net Position as a Percentage of Total Pension Liability	102.39%	97.31%	92.56%	104.00%
Pensionable covered payroll	$ 9,903,171	$ 8,776,499	$ 8,331,813	$ 7,809,779
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	(11.58%)	14.10%	39.01%	(21.17%)

Exhibit 8

2020	2019	2018	2017	2016	2015
$ 892,782	$ 875,414	$ 843,016	$ 853,142	$ 836,962	$ 773,517
2,676,791	2,477,862	2,320,499	2,170,299	1,979,662	1,840,828
-	151,471	-	-	-	67,051
2,049,694	-	-	140,390	-	259,033
244,044	55,941	(184,870)	(304,240)	(5,710)	(321,956)
(1,147,271)	(1,097,969)	(1,039,762)	(952,208)	(850,145)	(704,127)
4,716,040	2,462,719	1,938,883	1,907,383	1,960,769	1,914,346
32,716,488	30,253,769	28,314,886	26,407,503	24,446,734	22,532,388
$ 37,432,528	$ 32,716,488	$ 30,253,769	$ 28,314,886	$ 26,407,503	$ 24,446,734
$ 928,353	$ 906,348	$ 857,019	$ 823,098	$ 774,297	$ 743,592
541,545	528,707	499,932	480,145	451,679	432,322
3,265,027	4,410,498	(500,431)	3,407,625	1,574,645	(144.583)
(1,147,271)	(1,097,969)	(1,039,762)	(952,208)	(850,145)	(704,127)
(25,737)	(24,079)	(21,574)	(17,990)	(17,101)	(15,190)
12,679	15,943	12,168	4,534	141,090	(14.179)
3,574,596	4,739,448	(192,648)	3,745,204	2,074,465	297,835
31,598,799	26,859,351	27,051,999	23,306,795	21,232,330	20,934,495
$ 35,173,395	$ 31,598,799	$ 26,859,351	$ 27,051,999	$ 23,306,795	$ 21,232,330
$ 2,259,133	$ 1,117,689	$ 3,394,418	$ 1,262,887	$ 3,100,708	$ 3,214,404
93.96%	96.58%	88.78%	95.54%	88.26%	86.85%
$ 7,736,362	$ 7,552,964	$ 7,141,886	$ 6,859,208	$ 6,452,554	$ 6,176,023
29.20%	14.80%	47.53%	18.41%	48.05%	52.05%

COLORADO COUNTY, TEXAS Exhibit 9

Texas County and District Retirement System
Schedule of Employer Contributions
For the Ten Years Ended December 31,

	Actuarially Determined Contribution(1)	Actual Employer Contribution(1)	Contribution Deficiency (Excess)	Pensionable Covered Payroll(2)	Actual Contribution as a % of Covered Payroll
2016	$ 766,563	$ 774,297	$ (7,734)	$ 6,452,554	12.0%
2017	790,181	823,098	(32,917)	6,859,208	12.0%
2018	812,747	857,019	(44,272)	7,141,866	12.0%
2019	824,028	906,507	(82,479)	7,552,964	12.0%
2020	849,453	928,353	(78,900)	7,736,362	12.0%
2021	857,514	937,174	(79,660)	7,809,778	12.0%
2022	1,099,799	1,099,799	-	8,331,813	13.2%
2023	1,087,408	1,140,945	(53,537)	8,776,499	13.0%
2024	1,227,003	1,287,412	(60,409)	9,903,171	13.0%
2025	1,276,146	1,473,348	(197,202)	11,333,446	13.0%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

(2) Payroll is calculated based on contributions as reported to TCDRS.

THE STATE OF TEXAS
COLORADO COUNTY

COLORADO COUNTY, TEXAS

Total OPEB Liability and Related Ratios
Colorado County Retiree Health Care Plan
For the Last Ten Measurement Years Ended December 31,

	2025	2024	2023	2022
Total OPEB liability:				
Service cost	$ 26,420	$ 12,499	$ 12,499	$ 18,447
Interest	18,104	8,495	8,541	4,120
Differences between expected and actual experiences	-	214,895	-	42,783
Changes in assumptions or other inputs	-	1,745	-	(37,048)
Benefit payments	(25,662)	(25,662)	(18,542)	(18,542)
Net change in total OPEB liability	18,862	211,972	2,498	9,760
Total OPEB liability - beginning	409,400	197,428	194,930	185,170
Total OPEB liability - ending	$ 428,262	$ 409,400	$ 197,428	$ 194,930
Covered-employee payroll	$ 8,085,362	$ 8,085,362	$ 6,752,177	$ 6,752,177
Total OPEB liability as a percentage of covered-employee payroll	5.30%	5.06%	2.92%	2.89%

There are no assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the OPEB plan.

Notes to schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

2021	2020	2019	2018
$ 18,447	$ 14,978	$ 14,978	$ 14,388
3,844	7,477	6,003	5,767
-	(18,828)	-	-
-	(8,148)	-	-
-	-	-	-
22,291	(4,521)	20,981	20,155
162,879	167,400	146,419	126,264
$ 185,170	$ 162,879	$ 167,400	$ 146,419
$ 6,199,266	$ 6,199,266	$ 5,857,109	$ 5,857,109
2.99%	2.63%	2.86%	2.50%

NOTE 1 - SCHEDULE OF CHANGES IN NET PENSION LIABILTY/(ASSET) AND RELATED RATIOS

Valuation Date	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates (December 31, 2023 valuation for 2024 contributions):

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	7.1 years (based on contribution rate calculated in 12/31/2024 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Schedule of Employer Contributions*	2015: New inflation, mortality and other assumption were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumption were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in the schedule. 2016: Employer contributions reflect that a 30% CPI COLA was adopted. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the schedule. 2019: No changes in plan provisions were reflected in the schedule. 2020: Employer contributions reflect that 2% flat COLA was adopted. 2021: No changes in plan provisions were reflected in the schedules. 2022: Employer contributions reflect that the current service matching rate was increased to 200%. 2023: No changes in plan provisions were reflected in the schedules. 2024: Employer contributions reflect that a 20% CPI COLA was adopted.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

County Attorney Forfeiture Fund - This fund is used to account for forfeitures awarded as part of Article 59.06 of the code of Criminal Procedures and may be disbursed solely for expenditures of office.

Records Preservation Fund - This fund is used to account for the records management and preservation fee received by the County Clerk. Funds generated from this fee may only be used for special records preservation and automation projects.

Airport Fund - This fund is used to account for the County's revenues (user fees and fuel commissions) and expenditures related to the maintenance of the Robert R. Wells, Jr. Airport.

Sheriff Forfeiture Fund - This fund is used to account for forfeitures awarded as part of Article 59.06 of the Texas Code of Criminal Procedures and may be disbursed solely for expenditures of law enforcement purposes.

American Rescue Plan Fund - is the County's fund used to account for federally sourced revenue used to replace County revenue lost due to the COVID-19 public health emergency.

Colorado County Fairgrounds Fund - This fund is used to account for the County's revenues and expenditures related to the operation and maintenance of the County fairgrounds.

Community Development Fund - This fund is used to account for the Community Development Block Grant received through the Texas General Land Office.

Road & Bridge Precinct Number 1 Fund - This fund is used to account for the County's revenues and expenditures related to the construction and maintenance of roads and bridges within the County's precinct #1.

Road & Bridge Precinct Number 2 Fund - This fund is used to account for the County's revenues and expenditures related to the construction and maintenance of roads and bridges within the County's precinct #2.

Road & Bridge Precinct Number 3 Fund - This fund is used to account for the County's revenues and expenditures related to the construction and maintenance of roads and bridges within the County's precinct #3.

Road & Bridge Precinct Number 4 Fund - This fund is used to account for the County's revenues and expenditures related to the construction and maintenance of roads and bridges within the County's precinct #4.

Election Services Contract Fund - This fund is used to account for revenues and expenditures related to the costs to conduct and supervise a political subdivision's election.

LEOSE Fund - This fund is used to account for revenues and expenditures related to the continuing education of licensed individuals under Chapter 1701 of the Occupations Code.

Security Fund - This fund is used to account for revenues and expenditures related to improving and maintaining courtroom and general courthouse security.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Law Library Fund - This fund is used to account for revenues and expenditures related to the maintenance of a library for use by members of the Texas Bar Association.

Justice Court Technology Fund - This fund is used to account for revenues and expenditures related to the purchase and maintenance of technology enhancements for justice courts.

County and District Court Technology Fund - This fund is used to account for revenues and expenditures related to the purchase of technology enhancements for County and District Courts.

Historical Commission Fund - This fund is used to account for programs conducted to preserve the historical heritage of the County.

Hot Check Fund - This fund is used to account for “hot check” fees received by the County Attorney and County Clerk.

County Attorney Salary Supplemental Fund - This fund is used to account for state source revenues used to supplement salaries and other expenditures of the County Attorney’s office.

Juvenile Probation Fund - This fund is used to account for Texas Juvenile Justice Division grant fund for administering the juvenile probation program and for the receipt and disbursements of fees collected by the Juvenile Probation Department.

Debt Service Funds

Debt service funds account for the accumulation of resources from governmental resources and the payments of general obligation debt principal, interest and related costs.

Debt Service Fund - This fund is used to account for and report financial resources that are restricted to the payments of principal and interest expenditures.

COLORADO COUNTY, TEXAS

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2025

	Special		
	County Attorney Forfeiture Fund	Records Preservation Fund	Airport Fund
Assets:			
Cash and temporary investments	$ 386,568	$ 602,690	$ 255,573
Receivables (net of allowance for uncollectibles):			
Taxes	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid expenditures	-	-	5,447
Total assets	$ 386,568	$ 602,690	$ 261,020
Liabilities, Deferred Inflows of Resources and Fund Balance:			
Liabilities:			
Accounts and accrued liabilities payable	$ 703	$ -	$ 989
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	703	-	989
Deferred Inflows of Resources:			
Deferred inflows of resources	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balance:			
Nonspendable	-	-	5,447
Restricted	385,865	602,690	-
Committed	-	-	254,584
Unassigned	-	-	-
Total fund balance	385,865	602,690	260,031
Total liabilities, deferred inflows of resources and fund balance	$ 386,568	$ 602,690	$ 261,020

Revenue Funds

Sheriff Forfeiture Fund	(Formerly Major) American Rescue Plan Fund	Colorado County Fairgrounds Fund	Community Development Fund	Road & Bridge Precinct Number 1 Fund	Road & Bridge Precinct Number 2 Fund
$ 23,656	$ 407,620	$ 24,888	$ 434,921	$ 2,423,353	$ 2,089,168
-	-	-	-	805,641	814,064
-	-	-	326,036	-	-
-	-	-	-	53,800	41,182
-	-	-	-	-	-
$ 23,656	$ 407,620	$ 24,888	$ 760,957	$ 3,282,794	$ 2,944,414
$ -	$ -	$ 1,451	$ 251,055	$ 17,943	$ 35,329
-	-	50,000	509,902	-	-
-	-	5,400	-	-	-
-	-	56,851	760,957	17,943	35,329
-	-	-	-	1,217,357	1,230,084
-	-	-	-	1,217,357	1,230,084
-	-	-	-	53,800	41,182
23,656	407,620	-	-	-	-
-	-	-	-	1,993,694	1,637,819
-	-	(31,963)	-	-	-
23,656	407,620	(31,963)	-	2,047,494	1,679,001
$ 23,656	$ 407,620	$ 24,888	$ 760,957	$ 3,282,794	$ 2,944,414

(Continued)

COLORADO COUNTY, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2025

	Special		
	Road & Bridge Precinct Number 3 Fund	Road & Bridge Precinct Number 4 Fund	Election Services Contract Fund
Assets:			
Cash and temporary investments	$ 3,202,345	$ 2,075,744	$ 13,033
Receivables (net of allowance for uncollectibles):			
Taxes	936,987	667,203	-
Due from other governments	-	-	-
Inventories	48,753	53,091	-
Prepaid expenditures	-	-	-
Total assets	$ 4,188,085	$ 2,796,038	$ 13,033
Liabilities, Deferred Inflows of Resources and Fund Balance:			
Liabilities:			
Accounts and accrued liabilities payable	$ 15,130	$ 11,187	$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	15,130	11,187	-
Deferred Inflows of Resources:			
Deferred inflows of resources	1,415,826	1,008,172	-
Total deferred inflows of resources	1,415,826	1,008,172	-
Fund Balance:			
Nonspendable	48,753	53,091	-
Restricted	-	-	13,033
Committed	2,708,376	1,723,588	-
Unassigned	-	-	-
Total fund balance	2,757,129	1,776,679	13,033
Total liabilities, deferred inflows of resources and fund balance	$ 4,188,085	$ 2,796,038	$ 13,033

Revenue Funds

LEOSE Fund	Security Fund	Law Library Fund	Justice Court Technology Fund	County and District Court Technology Fund	Historical Commission Fund
$ 58,098	$ 78,992	$ 172,463	$ 10,624	$ 35,356	$ 7,555
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,324	-	-
$ 58,098	$ 78,992	$ 172,463	$ 20,948	$ 35,356	$ 7,555
$ 137	$ 168	$ 166	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
137	168	166	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,324	-	-
57,961	78,824	172,297	10,624	35,356	-
-	-	-	-	-	7,555
-	-	-	-	-	-
57,961	78,824	172,297	20,948	35,356	7,555
$ 58,098	$ 78,992	$ 172,463	$ 20,948	$ 35,356	$ 7,555

(Continued)

COLORADO COUNTY, TEXAS

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2025

	Special Revenue Funds		
	Hot Check Fund	County Attorney Salary Supplemental Fund	Juvenile Probation Fund
Assets:			
Cash and temporary investments	$ 10,598	$ 4,618	$ 147,803
Receivables (net of allowance for uncollectibles):			
Taxes	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid expenditures	-	-	-
Total assets	$ 10,598	$ 4,618	$ 147,803
Liabilities, Deferred Inflows of Resources and Fund Balance:			
Liabilities:			
Accounts and accrued liabilities payable	$ -	$ 737	$ -
Due to other funds	-	-	-
Unearned revenue	-	-	76,372
Total liabilities	-	737	76,372
Deferred Inflows of Resources:			
Deferred inflows of resources	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balance:			
Nonspendable	-	-	-
Restricted	10,598	3,881	71,431
Committed	-	-	-
Unassigned	-	-	-
Total fund balance	10,598	3,881	71,431
Total liabilities, deferred inflows of resources and fund balance	$ 10,598	$ 4,618	$ 147,803

Total Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Fund
$ 12,465,666	$ 462,223	$ 12,927,889
3,223,895	423,952	3,647,847
326,036	-	326,036
196,826	-	196,826
15,771	-	15,771
$ 16,228,194	$ 886,175	$ 17,114,369
$ 334,995	$ -	$ 334,995
559,902	-	559,902
81,772	-	81,772
976,669	-	976,669
4,871,439	640,284	5,511,723
4,871,439	640,284	5,511,723
212,597	-	212,597
1,873,836	245,891	2,119,727
8,325,616	-	8,325,616
(31,963)	-	(31,963)
10,380,086	245,891	10,625,977
$ 16,228,194	$ 886,175	$ 17,114,369

COLORADO COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Change in Fund Balance - Nonmajor Governmental Funds

For the Year Ended December 31, 2025

	Special		
	County Attorney Forfeiture Fund	Records Preservation Fund	Airport Fund
Revenues:			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	89,067
Licenses and permits	-	-	-
Charges for services	-	106,426	140,721
Fines and forfeitures	22,071	-	-
Investment income	17,745	43,934	10,872
Miscellaneous	-	-	-
Total revenues	39,816	150,360	240,660
Expenditures:			
Current:			
General administration	-	578,653	-
Judicial	16,838	-	-
Public safety	-	-	-
Public transportation	-	-	94,602
Capital outlay	-	-	106,572
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	16,838	578,653	201,174
Excess (deficiency) of revenue over expenditures	22,978	(428,293)	39,486
Other Financing Sources:			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	22,978	(428,293)	39,486
Fund balance - beginning as previously reported	362,887	1,030,983	220,545
Change within financial reporting entity	-	-	-
Fund balance - beginning, as adjusted	362,887	1,030,983	220,545
Fund balance - ending	$ 385,865	$ 602,690	$ 260,031

Revenue Funds

Sheriff Forfeiture Fund	(Formerly Major) American Rescue Plan Fund	Colorado County Fairgrounds Fund	Community Development Fund	Road & Bridge Precinct Number 1 Fund	Road & Bridge Precinct Number 2 Fund
$ -	$ -	$ -	$ -	$ 1,114,050	$ 1,125,692
-	1,366,420	-	1,748,343	8,043	8,043
-	-	-	-	190,365	192,346
-	-	51,626	-	-	-
2,000	-	-	-	-	-
1,351	45,254	1,347	-	111,051	96,075
-	-	-	-	1,847	726
3,351	1,411,674	52,973	1,748,343	1,425,356	1,422,882
-	77,000	108,405	1,748,343	-	-
-	-	-	-	-	-
2,479	-	-	-	-	-
-	-	-	-	995,429	1,152,021
-	1,456,858	-	-	447,986	214,060
-	-	-	-	-	-
-	-	-	-	-	-
2,479	1,533,858	108,405	1,748,343	1,443,415	1,366,081
872	(122,184)	(55,432)	-	(18,059)	56,801
-	-	-	-	50,001	2,975
-	-	20,000	-	-	-
-	-	20,000	-	50,001	2,975
872	(122,184)	(35,432)	-	31,942	59,776
22,784	-	3,469	-	2,015,552	1,619,225
-	529,804	-	-	-	-
22,784	529,804	3,469	-	2,015,552	1,619,225
$ 23,656	$ 407,620	$ (31,963)	$ -	$ 2,047,494	$ 1,679,001

(Continued)

COLORADO COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Change in Fund Balance - Nonmajor Governmental Funds

For the Year Ended December 31, 2025

	Special		
	Road & Bridge Precinct Number 3 Fund	Road & Bridge Precinct Number 4 Fund	Election Services Contract Fund
Revenues:			
Taxes	$ 1,295,684	$ 922,609	$ -
Intergovernmental	8,043	12,077	-
Licenses and permits	221,369	157,786	-
Charges for services	-	-	36,787
Fines and forfeitures	-	-	-
Investment income	148,707	103,999	153
Miscellaneous	4,721	127,927	-
Total revenues	1,678,524	1,324,398	36,940
Expenditures:			
Current:			
General administration	-	-	29,759
Judicial	-	-	-
Public safety	-	-	-
Public transportation	1,161,741	970,251	-
Capital outlay	149,465	478,160	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	1,311,206	1,448,411	29,759
Excess (deficiency) of revenue over expenditures	367,318	(124,013)	7,181
Other Financing Sources:			
Proceeds from sale of capital assets	-	3,982	-
Transfers in	-	-	-
Total other financing sources	-	3,982	-
Net change in fund balance	367,318	(120,031)	7,181
Fund balance - beginning as previously reported	2,389,811	1,896,710	5,852
Change within financial reporting entity	-	-	-
Fund balance - beginning, as adjusted	2,389,811	1,896,710	5,852
Fund balance - ending	$ 2,757,129	$ 1,776,679	$ 13,033

Revenue Funds

LEOSE Fund	Security Fund	Law Library Fund	Justice Court Technology Fund	County and District Court Technology Fund	Historical Commission Fund
$ -	$ -	$ -	$ -	$ -	$ -
13,499	-	-	-	-	-
-	-	-	-	-	-
-	23,637	10,848	11,882	845	-
-	-	-	-	-	-
2,610	1,769	-	652	1,656	-
-	-	-	-	-	477
16,109	25,406	10,848	12,534	2,501	477
-	-	-	-	-	-
-	-	1,996	12,852	8,184	-
2,747	54,503	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,747	54,503	1,996	12,852	8,184	-
13,362	(29,097)	8,852	(318)	(5,683)	477
-	-	-	-	-	-
-	70,000	-	-	-	-
-	70,000	-	-	-	-
13,362	40,903	8,852	(318)	(5,683)	477
44,599	37,921	163,445	21,266	41,039	7,078
-	-	-	-	-	-
44,599	37,921	163,445	21,266	41,039	7,078
$ 57,961	$ 78,824	$ 172,297	$ 20,948	$ 35,356	$ 7,555

(Continued)

COLORADO COUNTY, TEXAS

Combining Statement of Revenues, Expenditures and Change in Fund Balance - Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue Funds		
	Hot Check Fund	County Attorney Salary Supplemental Fund	Juvenile Probation Fund
Revenues:			
Taxes	$ -	$ -	$ -
Intergovernmental	-	27,500	182,198
Licenses and permits	-	-	-
Charges for services	120	-	-
Fines and forfeitures	-	-	-
Investment income	-	1,075	2,089
Miscellaneous	-	-	14,440
Total revenues	120	28,575	198,727
Expenditures:			
Current:			
General administration	-	-	-
Judicial	777	30,561	-
Public safety	-	-	127,296
Public transportation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	777	30,561	127,296
Excess (deficiency) of revenue over expenditures	(657)	(1,986)	71,431
Other Financing Sources:			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	(657)	(1,986)	71,431
Fund balance - beginning as previously reported	11,255	5,867	-
Change within financial reporting entity	-	-	-
Fund balance - beginning, as adjusted	11,255	5,867	-
Fund balance - ending	$ 10,598	$ 3,881	$ 71,431

Total Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Fund
$ 4,458,035	$ 627,804	$ 5,085,839
3,463,233	-	3,463,233
761,866	-	761,866
382,892	-	382,892
24,071	-	24,071
590,339	27,258	617,597
150,138	-	150,138
9,830,574	655,062	10,485,636
2,542,160	-	2,542,160
71,208	-	71,208
187,025	-	187,025
4,374,044	-	4,374,044
2,853,101	-	2,853,101
-	555,000	555,000
-	63,387	63,387
10,027,538	618,387	10,645,925
(196,964)	36,675	(160,289)
56,958	-	56,958
90,000	-	90,000
146,958	-	146,958
(50,006)	36,675	(13,331)
9,900,288	209,216	10,109,504
529,804	-	529,804
10,430,092	209,216	10,639,308
$ 10,380,086	$ 245,891	$ 10,625,977

COLORADO COUNTY, TEXAS

Schedule of Expenditures - Budget and Actual - By Function, Department and Legal Level of Budgetary Control - General Fund

For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
General Administration:				
County Judge:				
Salaries and wages, and employee benefits	$ 233,616	$ 233,616	$ 232,500	$ 1,116
Operating expenditures	11,210	13,710	9,410	4,300
Capital outlay expenditures	2,500	-	-	-
Total County Judge	247,326	247,326	241,910	5,416
Commissioners' Court:				
Salaries and wages, and employee benefits	576,097	479,642	557,811	(78,169)
Operating expenditures	1,256,136	1,256,136	1,488,659	(232,523)
Total Commissioners' Court	1,832,233	1,735,778	2,046,470	(310,692)
Grant Administration:				
Salaries and wages, and employee benefits	-	96,455	59,543	36,912
Operating expenditures	-	4,500	4,844	(344)
Total Grant Administration	-	100,955	64,387	36,568
County Clerk:				
Salaries and wages, and employee benefits	367,581	367,581	338,914	28,667
Operating expenditures	97,000	102,000	65,885	36,115
Capital outlay expenditures	5,000	-	-	-
Total County Clerk	469,581	469,581	404,799	64,782
Elections:				
Salaries and wages, and employee benefits	136,451	136,451	136,967	(516)
Operating expenditures	91,930	91,930	134,803	(42,873)
Capital outlay expenditures	-	-	55,587	(55,587)
Total Elections	228,381	228,381	327,357	(98,976)
Veteran Service Officer:				
Salaries and wages, and employee benefits	31,620	31,620	23,805	7,815
Operating expenditures	3,000	3,000	1,176	1,824
Total Veteran Service Officer	34,620	34,620	24,981	9,639
Information Technology:				
Salaries and wages, and employee benefits	134,395	159,395	151,919	7,476
Operating expenditures	316,000	317,000	298,045	18,955
Capital outlay expenditures	1,000	-	-	-
Total Information Technology	451,395	476,395	449,964	26,431
Nondepartmental:				
Salaries and wages, and employee benefits	21,500	21,500	26,937	(5,437)
Operating expenditures	259,900	230,400	158,719	71,681
Total Nondepartmental	281,400	251,900	185,656	66,244
Total General Administration	3,544,936	3,544,936	3,745,524	(200,588)

(Continued)

COLORADO COUNTY, TEXAS

Schedule of Expenditures - Budget and Actual - By Function, Department and Legal Level of Budgetary Control - General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Financial Administration:				
County Auditor:				
Salaries and wages, and employee benefits	$ 421,800	$ 421,800	$ 364,586	$ 57,214
Operating expenditures	14,705	16,705	12,021	4,684
Capital outlay expenditures	2,000	-	-	-
Total County Auditor	438,505	438,505	376,607	61,898
County Treasurer:				
Salaries and wages, and employee benefits	92,215	92,215	92,405	(190)
Operating expenditures	8,000	9,000	8,826	174
Capital outlay expenditures	1,000	-	-	-
Total County Treasurer	101,215	101,215	101,231	(16)
Tax Assessor - Collector:				
Salaries and wages, and employee benefits	389,803	389,803	389,774	29
Operating expenditures	11,500	13,000	15,071	(2,071)
Capital outlay expenditures	1,500	-	-	-
Total Tax Assessor - Collector	402,803	402,803	404,845	(2,042)
Total Financial Administration	942,523	942,523	882,683	59,840
Judicial:				
County Court:				
Salaries and wages, and employee benefits	-	-	4,613	(4,613)
Operating expenditures	32,000	32,000	30,713	1,287
Total County Court	32,000	32,000	35,326	(3,326)
Public Defender:				
Salaries and wages, and employee benefits	262,146	262,146	262,081	65
Operating expenditures	11,500	11,500	7,763	3,737
Total Public Defender	273,646	273,646	269,844	3,802
25th Judicial District:				
Operating expenditures	26,263	26,263	26,063	200
Total 25th Judicial District	26,263	26,263	26,063	200
2nd 25th Judicial District:				
Operating expenditures	25,701	25,701	23,346	2,355
Total 2nd 25th Judicial District	25,701	25,701	23,346	2,355
District Court:				
Salaries and wages, and employee benefits	-	-	5,948	(5,948)
Operating expenditures	93,350	93,350	121,293	(27,943)
Total District Court	93,350	93,350	127,241	(33,891)

(Continued)

COLORADO COUNTY, TEXAS

Schedule of Expenditures - Budget and Actual - By Function, Department and Legal Level of Budgetary Control - General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Judicial - Continued:				
District Clerk:				
Salaries and wages, and employee benefits	$ 239,742	$ 239,742	$ 227,224	$ 12,518
Operating expenditures	291,000	296,000	244,085	51,915
Capital outlay expenditures	5,000	-	-	-
Total District Clerk	535,742	535,742	471,309	64,433
Justice of the Peace Number 1:				
Salaries and wages, and employee benefits	195,334	195,334	172,911	22,423
Operating expenditures	12,780	14,280	15,975	(1,695)
Capital outlay expenditures	1,500	-	-	-
Total Justice of the Peace Number 1	209,614	209,614	188,886	20,728
Justice of the Peace Number 2:				
Salaries and wages, and employee benefits	185,292	185,292	185,885	(593)
Operating expenditures	15,780	17,280	18,432	(1,152)
Capital outlay expenditures	1,500	-	-	-
Total Justice of the Peace Number 2	202,572	202,572	204,317	(1,745)
Justice of the Peace Number 3:				
Salaries and wages, and employee benefits	183,115	183,115	171,608	11,507
Operating expenditures	12,530	14,030	11,423	2,607
Capital outlay expenditures	1,500	-	-	-
Total Justice of the Peace Number 3	197,145	197,145	183,031	14,114
Justice of the Peace Number 4:				
Salaries and wages, and employee benefits	185,986	185,986	174,555	11,431
Operating expenditures	16,750	18,250	26,022	(7,772)
Capital outlay expenditures	1,500	-	-	-
Total Justice of the Peace Number 4	204,236	204,236	200,577	3,659
County Attorney:				
Salaries and wages, and employee benefits	567,500	567,500	652,550	(85,050)
Operating expenditures	39,500	214,500	46,807	167,693
Total County Attorney	607,000	782,000	699,357	82,643
Total Judicial	2,407,269	2,582,269	2,429,297	152,972
Public Safety:				
Emergency Management:				
Salaries and wages, and employee benefits	110,107	110,107	108,691	1,416
Operating expenditures	95,500	95,500	133,434	(37,934)
Capital outlay expenditures	25,000	25,000	74,307	(49,307)
Total Emergency Management	230,607	230,607	316,432	(85,825)

(Continued)

COLORADO COUNTY, TEXAS
Schedule of Expenditures - Budget and Actual - By Function, Department and Legal Level of Budgetary Control - General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Public Safety - Continued:				
EMS Director/Ambulance:				
Salaries and wages, and employee benefits	$ 2,824,826	$ 2,824,826	$ 3,489,085	$ (664,259)
Operating expenditures	446,500	446,500	768,414	(321,914)
Capital outlay expenditures	230,000	300,000	568,756	(268,756)
Debt service expenditures	100,000	100,000	107,670	(7,670)
Total EMS Director/Ambulance	3,601,326	3,671,326	4,933,925	(1,262,599)
Constable Precinct Number 1:				
Salaries and wages, and employee benefits	39,923	39,923	39,661	262
Operating expenditures	2,300	2,300	1,366	934
Total Constable Precinct Number 1	42,223	42,223	41,027	1,196
Constable Precinct Number 2:				
Salaries and wages, and employee benefits	39,923	39,923	38,313	1,610
Operating expenditures	3,800	3,800	3,112	688
Total Constable Precinct Number 2	43,723	43,723	41,425	2,298
Constable Precinct Number 3:				
Salaries and wages, and employee benefits	39,923	39,923	38,517	1,406
Operating expenditures	2,300	2,300	557	1,743
Total Constable Precinct Number 3	42,223	42,223	39,074	3,149
Constable Precinct Number 4:				
Salaries and wages, and employee benefits	39,923	39,923	39,455	468
Operating expenditures	1,350	1,350	-	1,350
Total Constable Precinct Number 4	41,273	41,273	39,455	1,818
911 Rural Addressing:				
Salaries and wages, and employee benefits	145,438	145,438	143,857	1,581
Operating expenditures	22,750	22,750	20,266	2,484
Total 911 Rural Addressing	168,188	168,188	164,123	4,065
County Sheriff:				
Salaries and wages, and employee benefits	3,655,822	3,802,055	3,641,194	160,861
Operating expenditures	458,250	866,168	799,513	66,655
Capital outlay expenditures	485,000	485,000	565,179	(80,179)
Total County Sheriff	4,599,072	5,153,223	5,005,886	147,337
Operation of Jail:				
Salaries and wages, and employee benefits	1,672,272	1,672,272	1,565,760	106,512
Operating expenditures	712,250	712,250	701,642	10,608
Capital outlay expenditures	5,000	5,000	110,988	(105,988)
Total Operation of Jail	2,389,522	2,389,522	2,378,390	11,132

(Continued)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Public Safety:				
Correction - Probation Juvenile:				
Salaries and wages, and employee benefits	$ 15,081	$ 15,081	$ 15,563	$ (482)
Operating expenditures	260,000	110,000	81,537	28,463
Total Correction - Probation Juvenile	275,081	125,081	97,100	27,981
Department of Public Safety:				
Salaries and wages, and employee benefits	60,569	8,861	7,814	1,047
Operating expenditures	3,000	557	556	1
Total Department of Public Safety	63,569	9,418	8,370	1,048
Total Public Safety	11,496,807	11,916,807	13,065,207	(1,148,400)
Public Facilities:				
Courthouse Building:				
Salaries and wages, and employee benefits	248,420	248,420	219,488	28,932
Operating expenditures	481,500	484,000	593,673	(109,673)
Capital outlay expenditures	2,500	-	114,864	(114,864)
Total Courthouse Building	732,420	732,420	928,025	(195,605)
Total Public Facilities	732,420	732,420	928,025	(195,605)
Conservation:				
Agriculture Extension Service:				
Salaries and wages, and employee benefits	107,685	107,685	92,640	15,045
Operating expenditures	29,050	31,050	29,817	1,233
Capital outlay expenditures	2,000	-	-	-
Total Agriculture Extension Service	138,735	138,735	122,457	16,278
Total Conservation	138,735	138,735	122,457	16,278
Health and Welfare:				
Parks and Recreation:				
Operating expenditures	2,500	2,500	4,776	(2,276)
Total Parks and Recreation	2,500	2,500	4,776	(2,276)
Septic System - Flood Plain:				
Salaries and wages, and employee benefits	37,950	37,950	40,072	(2,122)
Operating expenditures	8,750	9,250	7,205	2,045
Capital outlay expenditures	500	-	-	-
Total Septic System - Flood Plain	47,200	47,200	47,277	(77)
Mental Health and Alcohol:				
Operating expenditures	19,180	19,180	15,030	4,150
Total Mental Health and Alcohol	19,180	19,180	15,030	4,150

(Continued)

COLORADO COUNTY, TEXAS

Schedule of Expenditures - Budget and Actual - By Function, Department and Legal Level of Budgetary Control - General Fund

For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Health and Welfare - Continued:				
Contract Services:				
Operating expenditures	$ 174,630	$ 174,630	$ 272,605	$ (97,975)
Total Contract Services	174,630	174,630	272,605	(97,975)
Indigent Health Care:				
Salaries and wages, and employee benefits	21,800	21,800	19,127	2,673
Operating expenditures	351,500	352,000	136,528	215,472
Capital outlay expenditures	500	-	-	-
Total Indigent Health Care	373,800	373,800	155,655	218,145
Total Health and Welfare	617,310	617,310	495,343	121,967
Total Expenditures	$ 19,880,000	$ 20,475,000	$ 21,668,536	$ (1,193,536)

COLORADO COUNTY, TEXAS Exhibit 14

Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Debt Service Fund
Legal Level of Budgetary Control
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 610,257	$ 610,257	$ 627,804	$ 17,547
Investment income	10,000	10,000	27,258	17,258
Total revenues	620,257	620,257	655,062	34,805
Expenditures:				
Debt service:				
Principal	555,000	555,000	555,000	-
Interest and fiscal charges	65,118	65,118	63,387	1,731
Total expenditures	620,118	620,118	618,387	1,731
Change in fund balance	139	139	36,675	36,536
Fund balance - beginning	209,216	209,216	209,216	-
Fund balance - ending	$ 209,355	$ 209,355	$ 245,891	$ 36,536

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COLORADO COUNTY

COLORADO COUNTY, TEXAS

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - Special Revenue Funds (Nonmajor) By Function and Legal Level of Budgetary Control For the Year Ended December 31, 2025

	Records Preservation Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ -	$ -
Charges for services	134,300	134,300	106,426	(27,874)
Investment income	20,000	20,000	43,934	23,934
Total revenues	154,300	154,300	150,360	(3,940)
Expenditures:				
General Administration:				
Salaries and wages, and employee benefits	-	-	6,055	(6,055)
Operating expenditures	143,000	143,000	572,598	(429,598)
Public Transportation:				
Salaries and wages, and employee benefits	-	-	-	
Operating expenditures	-	-	-	-
Capital outlay expenditures	-	-	-	-
Total expenditures	143,000	143,000	578,653	(435,653)
Change in fund balance	11,300	11,300	(428,293)	(439,593)
Fund balance - beginning	1,030,983	1,030,983	1,030,983	-
Fund balance - ending	$ 1,042,283	$ 1,042,283	$ 602,690	$ (439,593)

Airport Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive
Original	Final	Amounts	(Negative)
$ 25,000	$ 100,000	$ 89,067	$ (10,933)
188,000	188,000	140,721	(47,279)
7,500	7,500	10,872	3,372
220,500	295,500	240,660	(54,840)
-	-	-	-
-	-	-	-
7,239	7,239	6,815	424
149,000	149,000	87,787	61,213
50,000	125,000	106,572	18,428
206,239	281,239	201,174	80,065
14,261	14,261	39,486	25,225
220,545	220,545	220,545	-
$ 234,806	$ 234,806	$ 260,031	$ 25,225

(Continued)

COLORADO COUNTY, TEXAS

Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Special Revenue Funds (Nonmajor)
By Function and Legal Level of Budgetary Control
For the Year Ended December 31, 2025

	Road & Bridge Precinct Number 1 Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 1,089,095	$ 1,089,095	$ 1,114,050	$ 24,955
Intergovernmental	7,447	7,447	8,043	596
Licenses and permits	200,988	200,988	190,365	(10,623)
Investment income	50,000	50,000	111,051	61,051
Miscellaneous	6,250	6,250	1,847	(4,403)
Total revenues	1,353,780	1,353,780	1,425,356	71,576
Expenditures:				
Public Transportation:				
Salaries and wages, and employee benefits	607,796	607,796	558,399	49,397
Operating expenditures	539,050	539,050	437,030	102,020
Capital outlay expenditures	105,000	105,000	447,986	(342,986)
Total expenditures	1,251,846	1,251,846	1,443,415	(191,569)
Excess (deficiency) of revenues over expenditures	101,934	101,934	(18,059)	(119,993)
Other Financing Sources:				
Proceeds from sale of capital assets	-	-	50,001	50,001
Total other financing sources	-	-	50,001	50,001
Change in fund balance	101,934	101,934	31,942	(69,992)
Fund balances - beginning	2,015,552	2,015,552	2,015,552	-
Fund balances - ending	$ 2,117,486	$ 2,117,486	$ 2,047,494	$ (69,992)

Road & Bridge Precinct Number 2 Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive
Original	Final	Amounts	(Negative)
$ 1,101,569	$ 1,101,569	$ 1,125,692	$ 24,123
7,524	7,524	8,043	519
206,300	206,300	192,346	(13,954)
25,000	25,000	96,075	71,075
8,454	8,454	726	(7,728)
1,348,847	1,348,847	1,422,882	74,035
563,658	563,658	501,324	62,334
682,260	682,260	650,697	31,563
175,000	175,000	214,060	(39,060)
1,420,918	1,420,918	1,366,081	54,837
(72,071)	(72,071)	56,801	128,872
-	-	2,975	2,975
-	-	2,975	2,975
(72,071)	(72,071)	59,776	131,847
1,619,225	1,619,225	1,619,225	-
$ 1,547,154	$ 1,547,154	$ 1,679,001	$ 131,847

(Continued)

COLORADO COUNTY, TEXAS

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - Special Revenue Funds (Nonmajor) By Function and Legal Level of Budgetary Control For the Year Ended December 31, 2025

	Road & Bridge Precinct Number 3 Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 1,264,144	$ 1,264,144	$ 1,295,684	$ 31,540
Intergovernmental	8,660	8,660	8,043	(617)
Licenses and permits	237,872	237,872	221,369	(16,503)
Investment income	30,000	30,000	148,707	118,707
Miscellaneous	3,726	3,726	4,721	995
Total revenues	1,544,402	1,544,402	1,678,524	134,122
Expenditures:				
Public Transportation:				
Salaries and wages, and employee benefits	624,904	624,904	569,887	55,017
Operating expenditures	709,950	709,950	591,854	118,096
Capital outlay expenditures	125,000	125,000	149,465	(24,465)
Total expenditures	1,459,854	1,459,854	1,311,206	148,648
Excess (deficiency) of revenues over expenditures	84,548	84,548	367,318	282,770
Other Financing Sources:				
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources	-	-	-	-
Change in fund balance	84,548	84,548	367,318	282,770
Fund balances - beginning	2,389,811	2,389,811	2,389,811	-
Fund balances - ending	$ 2,474,359	$ 2,474,359	$ 2,757,129	$ 282,770

Road & Bridge Precinct Number 4 Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive
Original	Final	Amounts	(Negative)
$ 906,221	$ 906,221	$ 922,609	$ 16,388
9,669	9,669	12,077	2,408
159,800	159,800	157,786	(2,014)
40,000	40,000	103,999	63,999
4,535	4,535	127,927	123,392
1,120,225	1,120,225	1,324,398	204,173
525,083	525,083	504,217	20,866
450,450	450,450	466,034	(15,584)
175,000	175,000	478,160	(303,160)
1,150,533	1,150,533	1,448,411	(297,878)
(30,308)	(30,308)	(124,013)	(93,705)
-	-	3,982	3,982
-	-	3,982	3,982
(30,308)	(30,308)	(120,031)	(89,723)
1,896,710	1,896,710	1,896,710	-
$ 1,866,402	$ 1,866,402	$ 1,776,679	$ (89,723)

(Continued)

COLORADO COUNTY, TEXAS

Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - Special Revenue Funds (Nonmajor) By Function and Legal Level of Budgetary Control For the Year Ended December 31, 2025

	Security Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	$ 25,500	$ 25,500	$ 23,637	$ (1,863)
Investment income	1,000	1,000	1,769	769
Total revenues	26,500	26,500	25,406	(1,094)
Expenditures:				
Judicial:				
Operating expenditures	-	-	-	-
Public Safety:				
Salaries and wages, and employee benefits	106,900	106,900	54,463	52,437
Operating expenditures	5,900	5,900	40	5,860
Total expenditures	112,800	112,800	54,503	58,297
Excess (deficiency) of revenues over expenditures	(86,300)	(86,300)	(29,097)	57,203
Other Financing Sources:				
Transfers in	70,000	70,000	70,000	-
Total other financing sources	70,000	70,000	70,000	-
Change in fund balance	(16,300)	(16,300)	40,903	57,203
Fund balance - beginning	37,921	37,921	37,921	-
Fund balance - ending	$ 21,621	$ 21,621	$ 78,824	$ 57,203

Law Library Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive
Original	Final	Amounts	(Negative)
$ 12,500	$ 12,500	$ 10,848	$ (1,652)
-	-	-	-
12,500	12,500	10,848	(1,652)
10,000	10,000	1,996	8,004
-	-	-	-
-	-	-	-
10,000	10,000	1,996	8,004
2,500	2,500	8,852	6,352
-	-	-	-
-	-	-	-
2,500	2,500	8,852	6,352
163,445	163,445	163,445	-
$ 165,945	$ 165,945	$ 172,297	$ 6,352

(Continued)

COLORADO COUNTY, TEXAS

Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget and Actual - Special Revenue Funds (Nonmajor)
By Function and Legal Level of Budgetary Control
For the Year Ended December 31, 2025

	Justice Court Technology Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 9,500	$ 9,500	$ 11,882	$ 2,382
Investment income	500	500	652	152
Total revenues	10,000	10,000	12,534	2,534
Expenditures:				
Judicial:				
Operating expenditures	11,500	11,500	12,852	(1,352)
Total expenditures	11,500	11,500	12,852	(1,352)
Change in fund balance	(1,500)	(1,500)	(318)	1,182
Fund balance - beginning	21,266	21,266	21,266	-
Fund balance - ending	$ 19,766	$ 19,766	$ 20,948	$ 1,182

County and District Court Technology Fund			
Budgeted Amounts		Actual	Variance With Final Budget Positive
Original	Final	Amounts	(Negative)
$ 4,000	$ 4,000	$ 845	$ (3,155)
1,000	1,000	1,656	656
5,000	5,000	2,501	(2,499)
5,600	5,600	8,184	(2,584)
5,600	5,600	8,184	(2,584)
(600)	(600)	(5,683)	(5,083)
41,039	41,039	41,039	-
$ 40,439	$ 40,439	$ 35,356	$ (5,083)

COLORADO COUNTY, TEXAS
Combining Statement of Net Position - Fiduciary Funds
December 31, 2025

	Custodial Funds					
	County Attorney Seizure Fund	County Clerk Fund	District Clerk Fund	Justice of the Peace #1 Fund	Justice of the Peace #2 Fund	Justice of the Peace #3 Fund
Assets:						
Cash and temporary investments	$ 60,522	$ 317,936	$ 2,144,710	$ 21,036	$ 8,263	$ 27,674
Total assets	60,522	317,936	2,144,710	21,036	8,263	27,674
Liabilities:						
Accounts payable	58,736	-	-	-	-	-
Held for others	-	171,249	2,014,920	-	-	-
Due to other governments	-	-	-	-	-	-
Total liabilities	58,736	171,249	2,014,920	-	-	-
Net Position:						
Individual, organizations and other governments	1,786	146,687	129,790	21,036	8,263	27,674
Total net position	$ 1,786	$ 146,687	$ 129,790	$ 21,036	$ 8,263	$ 27,674

Justice of the Peace #4 Fund	Sheriff Fund	County Attorney Fund	Tax Collector Fund	Total Custodial Funds
$ 15,761	$ 18,039	$ 536	$ 233,997	$ 2,848,474
15,761	18,039	536	233,997	$ 2,848,474
-	-	-	-	58,736
-	-	-	-	2,186,169
-	-	-	233,997	233,997
-	-	-	233,997	2,478,902
15,761	18,039	536	-	369,572
$ 15,761	$ 18,039	$ 536	$ -	$ 369,572

COLORADO COUNTY, TEXAS

Combining Statement of Changes in Net Position - Fiduciary Funds

For the Year Ended December 31, 2025

	Custodial Funds					
	County Attorney Seizure Fund	County Clerk Fund	District Clerk Fund	Justice of the Peace #1 Fund	Justice of the Peace #2 Fund	Justice of the Peace #3 Fund
Additions:						
Tax collections for other governments	$ -	$ -	$ -	$ -	$ -	$ -
Held for others	-	470,832	269,468	240,933	149,260	2,806,516
Investment income	1,786	1,194	4,058	536	25	1,370
Total additions	1,786	472,026	273,526	241,469	149,285	2,807,886
Deductions:						
Payments to individuals	-	446,387	275,434	220,433	141,998	2,780,212
Payments to other governments	-	-	-	-	-	-
Total deductions	-	446,387	275,434	220,433	141,998	2,780,212
Net change in net position	1,786	25,639	(1,908)	21,036	7,287	27,674
Net position - beginning	-	121,048	131,698	-	976	-
Net position - ending	$ 1,786	$ 146,687	$ 129,790	$ 21,036	$ 8,263	$ 27,674

Justice of the Peace #4 Fund	Sheriff Fund	County Attorney Fund	Tax Collector Fund	Total Custodial Funds
$ -	$ -	$ -	$ 13,716,097	$ 13,716,097
219,582	210,464	2,828	-	4,369,883
-	349	57	24,017	33,392
219,582	210,813	2,885	13,740,114	18,119,372
219,099	208,494	2,353	-	4,294,410
-	-	-	13,740,114	13,740,114
219,099	208,494	2,353	13,740,114	18,034,524
483	2,319	532	-	84,848
15,278	15,720	4	-	284,724
$ 15,761	$ 18,039	$ 536	$ -	$ 369,572

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COLORADO COUNTY

STATISTICAL SECTION

THE STATE OF TEXAS

COLORADO COUNTY

This part of the County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and additional supplementary information say about the County's overall financial health.

Content | Page

Financial Trends 110-117

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity 118-123

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity 124-127

These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Indicators 128-129

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information 130-135

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

COLORADO COUNTY, TEXAS
Net Position by Components
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Governmental Activities:					
Net investment in capital assets	$ 17,961,710	$ 17,766,705	$ 17,766,783	$ 17,942,387	$ 18,465,751
Restricted	501,883	234,767	288,311	309,155	468,245
Unrestricted	8,820,141	8,942,769	10,097,505	10,695,119	12,690,366
Total governmental activities net position	$ 27,283,734	$ 26,944,241	$ 28,152,599	$ 28,946,661	$ 31,624,362

Source: Annual Comprehensive Financial Report (Statement of Net Position)

Table 1

2021	2022	2023	2024	2025
$ 17,884,781	$ 18,504,879	$ 21,866,721	$ 24,648,091	$ 26,707,627
390,559	8,012,257	8,950,556	10,625,845	12,064,954
14,778,949	8,930,074	10,338,973	10,823,172	10,322,238
$ 33,054,289	$ 35,447,210	$ 41,156,250	$ 46,097,108	$ 49,094,819

COLORADO COUNTY, TEXAS
Changes in Net Position
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Expenses:					
Governmental Activities:					
General administration	$ 2,670,074	$ 2,519,517	$ 3,208,021	$ 2,876,697	$ 3,099,645
Financial administration	489,706	521,050	520,734	556,050	549,501
Judicial	1,495,389	1,592,174	1,542,689	1,691,833	1,640,857
Public safety	6,574,194	6,849,340	7,270,095	7,895,915	8,035,740
Public facilities	503,157	573,028	496,434	598,378	562,221
Public transportation	4,001,005	4,424,685	4,292,146	4,385,782	4,188,364
Conservation	147,488	168,526	133,475	162,403	117,195
Health and welfare	677,278	442,271	468,919	332,043	890,916
Interest and fiscal charges	229,800	225,342	212,947	265,568	108,479
Total governmental activities expenses	$ 16,788,091	$ 17,315,933	$ 18,145,460	$ 18,764,669	$ 19,192,918
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General administration	$ 182,965	$ 153,613	$ 351,557	$ 179,331	$ 232,313
Financial administration	114,636	128,200	116,060	130,054	270,355
Judicial	1,226,657	1,381,007	791,399	975,369	785,618
Public safety	1,258,792	1,323,267	1,819,034	1,875,788	1,662,070
Public facilities	60,765	52,097	-	-	2,220
Public transportation	763,911	791,585	881,732	938,398	913,264
Conservation	1,615	2,280	1,960	2,240	-
Health and welfare	54,325	39,130	37,605	60,911	55,510
Operating grants and contributions	555,741	440,769	1,406,392	1,052,443	1,688,917
Capital grants and contributions	1,116,966	119,618	136,726	31,461	490,600
Total governmental activities program revenues	5,336,373	4,431,566	5,542,465	5,245,995	6,100,867
Net (expense) revenue	$(11,451,718)	$(12,884,367)	$(12,602,995)	$(13,518,674)	$(13,092,051)
General Revenues:					
Governmental Activities:					
Property Taxes	$ 10,337,097	$ 10,921,368	$ 11,590,137	$ 11,889,285	$ 12,887,029
Other taxes	1,584,961	1,409,995	1,496,060	1,865,186	2,163,193
Investment income	149,166	169,920	325,703	390,120	244,028
Miscellaneous	239,698	187,301	158,833	158,146	475,501
Total general revenues	$ 12,310,922	$ 12,688,584	$ 13,570,733	$ 14,302,737	$ 15,769,751
Change in net position	$ 859,204	$ (195,783)	$ 967,738	$ 784,063	$ 2,677,700

Source: Annual Comprehensive Financial Report (Statement of Activities)

Table 2

2021	2022	2023	2024	2025
$ 2,859,344	$ 3,056,478	$ 3,361,644	$ 3,316,161	$ 6,116,649
543,169	688,116	608,934	700,307	687,520
1,637,670	1,801,007	1,935,311	2,243,460	2,460,417
7,932,546	9,047,632	9,840,915	11,575,683	11,732,693
569,348	862,220	1,173,158	1,150,183	1,282,890
5,467,749	4,916,894	4,334,639	5,256,584	5,698,569
105,428	119,787	121,974	116,688	115,849
371,724	381,952	379,443	460,396	493,238
111,125	105,872	89,036	79,268	60,707
$ 19,598,103	$ 20,979,958	$ 21,845,054	$ 24,898,730	$ 28,648,532
$ 286,813	$ 520,616	$ 462,181	$ 423,672	$ 468,146
385,632	484,731	508,448	486,825	463,684
940,280	1,270,931	596,732	694,393	908,689
1,469,761	1,778,166	1,934,291	2,502,023	2,758,566
2,920	-	-	-	-
913,251	934,415	938,433	964,500	902,587
-	-	-	-	-
48,685	57,750	82,395	81,300	90,055
1,559,470	827,830	456,114	1,380,721	3,364,648
107,308	748,010	3,105,928	3,224,275	1,774,587
5,714,120	6,622,449	8,084,522	9,757,709	10,730,962
$(13,883,983)	$(14,357,509)	$(13,760,532)	$(15,141,021)	$(17,917,570)
$ 13,223,334	$ 13,929,498	$ 15,009,437	$ 15,625,232	$ 16,891,479
1,792,931	2,054,911	2,715,760	2,737,774	2,580,305
260,833	562,171	1,482,939	1,603,437	1,223,583
480,258	203,850	261,436	115,436	219,914
$ 15,757,356	$ 16,750,430	$ 19,469,572	$ 20,081,879	$ 20,915,281
$ 1,873,373	$ 2,392,921	$ 5,709,040	$ 4,940,858	$ 2,997,711

COLORADO COUNTY, TEXAS

Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020
General Fund:					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Unassigned	3,145,830	2,946,851	2,674,380	3.442.134	4,889,670
Total general fund	$ 3,145,830	$ 2,946,851	$ 2,674,380	$ 3,442,134	$ 4,889,670
All Other Governmental Funds:					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	1,001,236	1,105,146	1,333,317	1,492,463	1,806,515
Committed	4,550,566	4,435,662	5,363,228	5,132,094	5,481,015
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 5,551,802	$ 5,540,808	$ 6,696,545	$ 6,624,557	$ 7,287,530
Total all governmental funds	$ 8,697,632	$ 8,487,659	$ 9,370,925	$ 10,066,691	$ 12,177,200

Source: Annual Comprehensive Financial Report (Balance Sheet - Governmental Funds)

Table 3

2021	2022	2023	2024	2025
$ -	$ 179,682	$ 242,168	$ 248,310	$ 262,946
6,707,413	7,300,634	8,126,306	8,258,256	7,105,969
$ 6,707,413	$ 7,480,316	$ 8,368,474	$ 8,506,566	$ 7,368,915
$ -	$ 351,644	$ 206,483	$ 174,719	$ 212,597
1,657,522	1,675,913	2,050,691	2,483,699	2,119,727
5,621,034	6,135,305	6,675,300	7,980,890	8,325,616
-	-	-	-	(31,963)
$ 7,278,556	$ 8,162,862	$ 8,932,474	$ 10,639,308	$ 10,625,977
$ 13,985,969	$ 15,643,178	$ 17,300,948	$ 19,145,874	$ 17,994,892

COLORADO COUNTY, TEXAS

Change in Fund Balance - Governmental Funds
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Revenues:					
Taxes	$ 11,829,605	$ 12,339,515	$ 13,086,700	$ 13,694,476	$ 15,013,243
Licenses and permits	776,322	779,022	796,996	819,765	801,241
Fines and forfeitures	860,491	884,270	734,974	716,992	552,806
Charges for services	1,864,328	2,114,052	2,156,444	2,572,332	2,443,655
Intergovernmental	1,655,649	545,713	1,548,383	1,126,799	2,084,330
Investment income	149,166	169,920	325,703	390,120	244,028
Miscellaneous	265,450	234,039	448,559	192,985	735,077
Total revenues	17,401,011	17,066,531	19,097,759	19,513,469	21,874,380
Expenditures:					
Current:					
General administration	2,158,526	1,979,267	2,702,351	2,355,767	2,672,161
Financial administration	476,793	505,090	531,261	544,800	547,252
Judicial	1,523,571	1,564,824	1,552,976	1,651,630	1,633,758
Public safety	6,183,437	6,895,670	7,305,605	7,678,837	8,185,624
Public facilities	501,833	548,013	502,101	610,528	571,305
Public transportation	4,635,513	4,386,300	4,363,972	4,841,730	4,519,627
Conservation	146,393	158,093	135,832	162,302	118,999
Health and welfare	674,149	441,075	458,339	322,118	889,904
Capital outlay	-	-	-	-	-
Debt Service:					
Principal	429,309	435,000	445,000	455,000	539,664
Interest and fiscal charges	241,418	229,463	217,216	269,042	85,582
Total expenditures	16,970,942	17,142,795	18,214,653	18,891,754	19,763,876
Excess (deficiency) of revenues over expenditures	430,069	(76,264)	883,106	621,715	2,110,504
Other Financing Sources (Uses):					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	28,473	181,587	80,000	388,000	59,000
Issuance of bonds	-	-	-	4,640,000	-
Issuance of notes payable	-	-	-	-	-
Issuance of lease	-	-	-	-	-
Transfers out	(28,473)	(181,587)	(80,000)	(388,000)	(59,000)
Payment to escrow agent	-	-	-	(4,566,049)	-
Total other financing sources (uses)	-	-	-	73,951	-
Net change in fund balances	$ 430,069	$ (76,264)	$ 883,106	$ 695,666	$ 2,110,504
Debt service as a percentage of noncapital expenditures	4.0%	3.9%	3.6%	3.8%	3.2%

Source: Annual Comprehensive Financial Report (Statement of Revenues, Expenditures, and Change in Fund Balance).

Table 4

2021	2022	2023	2024	2025
$ 15,001,604	$ 16,401,569	$ 17,720,421	$ 18,484,525	$ 19,368,066
802,717	812,315	817,422	3,512,102	794,802
664,072	677,428	528,581	849,979	750,225
2,577,603	2,619,683	2,790,177	3,634,704	3,763,016
1,786,017	799,366	774,075	605,772	4,103,083
260,833	562,171	1,482,939	1,603,437	1,223,583
484,628	304,401	264,685	358,121	826,258
21,577,474	22,176,933	24,378,300	29,048,640	30,829,033
2,403,537	2,520,271	2,980,688	3,307,635	6,232,097
559,705	674,522	628,167	752,534	882,683
1,662,834	1,770,043	1,946,132	2,251,079	2,500,505
7,711,854	8,262,954	9,429,163	10,819,125	11,825,332
575,628	855,575	869,806	613,996	813,161
5,257,062	3,733,315	3,105,820	3,733,195	4,374,044
106,975	118,292	122,074	117,630	122,457
372,848	379,682	363,524	462,113	495,343
-	1,578,172	3,157,726	4,468,582	4,342,782
525,000	525,000	535,000	597,196	662,670
103,167	101,898	90,229	80,629	63,387
19,278,610	20,519,724	23,228,329	27,203,714	32,314,461
2,298,864	1,657,209	1,149,971	1,844,926	(1,485,428)
-	-	51,838	-	207,111
200,654	221,535	14,775	88,990	90,000
-	-	-	-	-
-	-	455,961	-	-
-	-	-	-	127,335
(200,654)	(221,535)	(14,775)	(88,990)	(90,000)
-	-	-	-	-
-	-	507,799	-	334,446
$ 2,298,864	$ 1,657,209	$ 1,657,770	$ 1,844,926	$ (1,150,982)
3.3%	3.3%	3.1%	3.0%	2.6%

COLORADO COUNTY, TEXAS

Table 5

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Less Homestead, Other Exemptions	Total Taxable Assessed Value	Estimated Actual Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
2016	$ 4,242,923,782	$ 533,002,569	$(2,682,166,570)	$ 2,093,759,781	$ 2,093,759,781	$ 0.482100	100.00%
2017	4,541,376,249	578,715,164	(2,865,862,789)	2,254,228,624	2,254,228,624	0.510000	100.00%
2018	4,858,556,768	560,252,076	(3,099,201,093)	2,319,607,751	2,319,607,751	0.510000	100.00%
2019	5,056,234,489	599,411,200	(3,217,008,284)	2,438,637,405	2,438,637,405	0.520000	100.00%
2020	5,304,688,632	606,300,186	(3,389,672,016)	2,521,316,802	2,521,316,802	0.520000	100.00%
2021	5,837,402,269	827,388,942	(3,801,069,395)	2,863,721,816	2,863,721,816	0.499600	100.00%
2022	6,064,474,373	877,820,574	(3,932,279,557)	3,010,015,390	3,010,015,390	0.496951	100.00%
2023	6,450,549,349	888,857,712	(4,123,863,876)	3,215,543,185	3,215,543,185	0.482130	100.00%
2024	10,775,088,742	834,932,069	(8,062,687,485)	3,547,333,326	3,547,333,326	0.464913	100.00%
2025	11,267,995,010	837,922,972	(8,195,158,063)	3,910,759,919	3,910,759,919	0.464918	100.00%

Source: Colorado County Central Appraisal District

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COLORADO COUNTY

COLORADO COUNTY, TEXAS

Direct and Overlapping Governments

Last Ten Fiscal Years

	2016 Tax Rate	2017 Tax Rate	2018 Tax Rate	2019 Tax Rate	2020 Tax Rate
Colorado County:					
Maintenance & operations	0.4783	0.4808	0.4818	0.4935	0.4953
Interest & sinking	0.0317	0.0292	0.0282	0.0265	0.0247
Total direct rate	0.5100	0.5100	0.5100	0.5200	0.5200
Cities:					
Columbus	0.2800	0.2800	0.2850	0.2850	0.2839
Eagle Lake	0.7601	0.7366	0.6849	0.7262	0.6979
Weimer	0.2905	0.2905	0.2905	0.2905	0.2896
School Districts:					
Columbus ISD	1.1600	1.1600	1.1500	1.0800	1.0703
Rice ISD	1.2300	1.2200	1.2900	1.2050	1.1914
Weimer ISD	1.2600	1.2600	1.2600	1.1900	1.1736
Special Districts:					
Colorado County Groundwater District	0.0115	0.0100	0.0100	0.0095	0.0093
Garwood Water District	0.2785	0.2731	0.2292	0.0979	0.0965
Glidden Fresh Water Supply District #1	0.1585	0.1434	0.1238	0.1280	0.1140
Rice Hospital District	0.1750	0.1750	0.1850	0.1850	0.2200
The Falls MUD	0.4178	0.4228	0.4541	0.4842	0.5000

Source: Colorado County Central Appraisal District

Table 6

2021 Tax Rate	2022 Tax Rate	2023 Tax Rate	2024 Tax Rate	2025 Tax Rate
0.4779	0.4763	0.4629	0.4477	0.4488
0.0217	0.0207	0.0192	0.0172	0.0161
0.4996	0.4970	0.4821	0.4649	0.4649
0.2900	0.2923	0.2950	0.2950	0.2846
0.6970	0.6632	0.6220	0.6051	0.5862
0.2867	0.2820	0.2654	0.2546	0.2538
1.0375	1.0307	0.8836	0.7742	0.7631
1.0699	1.0593	0.9079	0.8702	0.8396
1.1636	1.1308	0.8792	0.8769	0.8209
0.0088	0.0083	0.0075	0.0073	0.0068
0.0926	0.0926	0.0778	0.0617	0.0600
0.0985	0.0872	0.0847	0.0750	0.0629
0.2590	0.2690	0.2690	0.2690	0.2690
0.5000	0.5000	0.5000	-	-

COLORADO COUNTY, TEXAS Table 7

Principal Property Taxpayers
Current Year and Nine Years Ago

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank	% of Total Assessed Value	Taxable Assessed Value	Rank	% of Total Assessed Value
Copano Field Services (Copano Processing)	$ 217,059,810	1	5.55%	$ 242,245,860	1	11.57%
Wink to Webster, LLC	91,603,760	2	2.34%	-	-	-
Union Pacific Railroad	60,951,011	3	1.56%	39,618,470	2	1.89%
SKY Global Power One LLC	38,093,971	4	0.97%	18,344,230	7	0.88%
LCRA Transmission Svcs Corp	35,517,745	5	0.91%	33,555,320	3	1.60%
Alleyton Resource Company	34,908,000	6	0.89%	17,610,710	8	0.84%
Texas Gulf Southern Wood LLC	34,684,258	7	0.89%	-	-	-
Heidleberg Materials Southwest Agg LLC	26,862,190	8	0.69%	16,256,460	9	0.78%
AEP Texas, Inc.	25,390,160	9	0.65%	-	-	-
Utex Industries Inc.	24,207,650	10	0.62%	19,080,940	6	0.91%
Exterran Energy Solutions LP	-	-	-	22,445,250	4	1.07%
Square Mile Energy LLC	-	-	-	19,548,698	5	0.93%
Enterprise Crude Pipeline LLC	-	-	-	15,522,240	10	0.74%
Total	$ 589,278,555		15.07%	$ 444,228,178		21.21%
Total Taxable Assessed Value	$ 3,910,759,919			$ 2,093,759,781		

Source: Colorado County Central Appraisal District

COLORADO COUNTY, TEXAS Table 8

Property Tax Levies and Collections
Last Ten Fiscal Years

		Collected Within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Tax Levy as of Fiscal Year End	Amount	Percentage of Levy	Subsequent Collections	Amount	Percentage of Levy
2016	$ 10,679,842	$ 3,579,851	33.52%	$ 7,033,842	$ 10,613,693	99.38%
2017	11,500,145	3,943,592	34.29%	7,532,307	11,475,899	99.79%
2018	11,823,056	4,231,669	35.79%	7,561,500	11,793,169	99.75%
2019	12,827,301	4,478,928	34.92%	8,312,896	12,791,824	99.72%
2020	13,112,364	4,004,976	30.54%	9,065,601	13,070,577	99.68%
2021	14,308,805	3,813,300	26.65%	10,440,584	14,253,884	99.62%
2022	14,946,394	3,678,935	24.61%	11,138,037	14,816,972	99.13%
2023	15,708,823	3,852,932	24.53%	11,670,271	15,523,203	98.82%
2024	16,553,233	5,230,344	31.60%	11,096,296	16,326,640	98.63%
2025	18,204,588	6,317,993	34.71%	-	6,317,993	34.71%

Source: Colorado County Central Appraisal District

COLORADO COUNTY, TEXAS Table 9

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds[1]	Capital Leases[2]	Notes Payable	Total Outstanding Debt	Percentage of Personal Income[3]	Population[4]	Per Capita
2016	$ 6,722,101	$ 39,284	$ -	$ 6,761,385	0.75%	21,091	$ 320.58
2017	6,299,488	30,015	-	6,329,503	0.65%	21,301	297.15
2018	5,844,488	20,747	-	5,865,235	0.59%	21,317	275.14
2019	5,525,681	10,747	-	5,536,428	0.53%	21,467	257.90
2020	4,981,874	-	-	4,981,874	0.45%	21,610	230.54
2021	4,468,067	-	-	4,468,067	0.40%	21,610	206.76
2022	3,946,359	-	-	3,946,359	0.32%	20,754	190.15
2023	3,414,651	-	455,961	3,870,612	0.30%	21,117	183.29
2024	2,872,943	-	403,765	3,276,708	0.24%	21,687	151.09
2025	2,320,000	127,335	296,095	2,743,430	0.19%	21,543	127.35

Source: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Presented net of original issuance premiums and/or discounts.
(2) Presented as lease liability subsequent to the implementation of GASB No. 87.
(3) Personal income is disclosed on page 128.
(4) Population can be found in the Schedule of Demographic and Economic Statistics on page 128.

COLORADO COUNTY, TEXAS Table 10

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds(1)	Less: Amounts Available in Debt Service Fund(2)	Net Debt	Percentage of Actual Taxable Value of Property(3)	Per Capita(4)
2016	$ 6,722,101	$ 58,850	$ 6,663,251	0.32%	315.93
2017	6,298,295	77,139	6,221,156	0.28%	292.06
2018	5,844,488	93,776	5,750,712	0.25%	269.77
2019	5,525,681	108,603	5,417,078	0.22%	252.34
2020	4,981,874	146,565	4,835,309	0.19%	223.75
2021	4,468,067	151,628	4,316,439	0.15%	199.74
2022	3,946,359	136,036	3,810,323	0.13%	183.59
2023	3,414,651	150,829	3,263,822	0.10%	154.56
2024	2,872,943	186,392	2,686,551	0.08%	123.88
2025	2,320,000	231,577	2,088,423	0.05%	96.94

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

1) This is the general bonded debt of both governmental activities, net of original issue premiums and/or discounts.
2) This is the amount restricted for debt service.
3) See the of Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 118 for property value data.
4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 128.

COLORADO COUNTY, TEXAS Table 11

Direct and Overlapping Debt
As of December 31, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Colorado County
City of Columbus	$ 3,161,103	100.00%	$ 3,161,103
City of Eagle Lake	2,825,000	100,00%	2,825,000
City of Weimar	1,150,000	100.00%	1,150,000
Columbus ISD	14,853,901	96.46%	14,328,073
Rice Consolidated ISD	21,610,420	100.00%	21,610,420
Weimar ISD	12,975,806	93.66%	12,153,140
Sub-total, Overlapping Debt			55,227,736
Colorado County, Texas direct debt			2,743,430
Total Direct and Overlapping Debt			$ 57,971,166

Source: Outstanding debt and applicable percentages provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

COLORADO COUNTY, TEXAS

Table 12

Legal Debt Margin Information
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Assessed value of real property[1]	$ 2,093,759,781	$ 2,254,228,624	$ 2,319,607,751	$ 2,438,637,405	$ 2,521,316,802
Debt limit	209,375,978	225,422,862	231,960,775	243,863,741	252,131,680
Amount of debt applicable to limit[2]					
Total bonded debt	6,722,101	6,298,295	5,844,488	5,525,681	4,981,874
Less: Assets in debt service fund	58,850	77,139	93,776	108,603	144,781
Total net debt applicable to limit	6,663,251	6,221,156	5,750,712	5,417,078	4,837,093
Legal debt margin	$ 202,712,727	$ 219,201,706	$ 226,210,063	$ 238,446,663	$ 247,294,587
Total net debt applicable to the limit as a percentage of debt limit	3.18%	2.76%	2.48%	2.22%	1.92%

	2021	2022	2023	2024	2025
Assessed value of real property[1]	$ 2,863,721,816	$ 3,010,015,390	$ 3,215,543,185	$ 3,547,333,326	$ 3,910,759,919
Debt limit	286,372,182	301,001,539	321,554,319	354,733,333	391,075,992
Amount of debt applicable to limit[2]					
Total bonded debt	4,468,067	3,946,359	3,414,651	2,872,943	2,320,000
Less: Assets in debt service fund	151,628	136,036	150,829	186,392	231,577
Total net debt applicable to limit	4,316,439	3,810,323	3,263,822	2,686,551	2,088,423
Legal debt margin	$ 282,055,743	$ 297,191,216	$ 318,290,497	$ 352,046,782	$ 388,987,569
Total net debt applicable to the limit as a percentage of debt limit	1.51%	1.27%	1.02%	0.76%	0.53%

Sources:
1 Colorado County Central Appraisal District.
2 Annual Comprehensive Financial Report Statement of Net Position

COLORADO COUNTY, TEXAS Table 13

Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2016	21,091	$ 905,426	$ 42,929	4.6%
2017	21,301	974,497	45,749	3.4%
2018	21,317	985,915	46,250	3.1%
2019	21,467	1,038,856	48,393	3.0%
2020	21,610	1,117,922	51,732	6.1%
2021	21,610	1,117,922	51,732	5.0%
2022	20,754	1,221,682	58,865	3.5%
2023	21,117	1,278,312	60,535	3.5%
2024	21,687	1,353,265	62,400	4.2%
2025	21,543	1,408,774	65,394	3.4%

Sources: (2021 and prior) Bureau of Economic Analysis
(2022 through 2024) Texas Association of Counties
(2025) US Bureau of Labor Statistics

COLORADO COUNTY, TEXAS Table 14

Principal Employers
Current Year and Nine Years Ago

Employer	2025 Number of Employees	2025 Rank	2025 % of Total County Employment	2016 Number of Employees	2016 Rank	2016 % of Total County Employment
Columbus ISD	238	1	2.56%	228	1	2.68%
Colorado County	226	2	2.43%	150	5	1.76%
Columbus Community Hospital	221	3	2.38%	207	3	2.43%
Utex Industries	200	4	2.15%	200	4	2.35%
Rice Consolidated ISD	212	5	2.28%	212	2	2.49%
Titan (formerly Exterran)	147	6	1.58%	-	-	-
Rice Medical Center	142	7	1.53%	120	7	1.41%
Drymalla Construction	135	8	1.45%	130	6	1.53%
Weimer ISD	130	9	1.40 %	85	9	1.00%
Great Southern Woods	115	10	1.24%	80	10	0.94%
Columbus Oaks Health Care Community (formerly River Oaks)	-		-	100	8	1.17%
Total	1,766		19.00%	1,512		17.76%

Source: Individual Company Human Resources Departments

COLORADO COUNTY, TEXAS

Table 15

Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General administration	9	9	14	15	15	15	13	13	12	13
Financial Administration	6	6	7	8	8	8	9	11	11	11
Judicial	17	17	24	24	24	23	22	27	30	31
Public safety	66	68	77	77	98	95	91	86	90	94
Public facilities	4	4	5	5	4	4	4	4	4	4
Public transportation	30	30	30	30	26	29	31	28	28	28
Conservation	2	2	2	2	1	1	1	3	3	3
Health and welfare	1	1	1	1	1	1	1	1	1	1
Total	135	137	160	162	177	176	172	173	179	185

Source: Auditor’s Office

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COLORADO COUNTY

COLORADO COUNTY, TEXAS

Operating Indicators By Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020
General Administration:					
Marriage license issued	120	140	121	120	151
Birth certificates	301	291	351	358	301
Death certificates	200	212	195	221	238
Judicial:					
County Court					
Probate cases filed	91	130	89	130	115
Mental health cases filed	3	2	6	3	1
Civil cases filed	82	156	90	58	50
Criminal cases filed	428	409	351	278	217
District Court:					
Civil cases filed	354	371	326	344	265
Criminal cases filed	296	337	192	141	169
Justice Court:					
Cases filed	6,475	4,662	4,291	3,834	2,821
Public Safety:					
Jail bookings	1,329	1,204	1,320	1,126	780
Jail average daily occupancy	59	67	59	48	37
Emergency responses	1,520	1,791	1,587	1,754	2,455
Emergency transfers	408	584	555	929	448
Health & Welfare:					
Septic permits issued	139	120	128	150	193
Building permits issued	138	225	255	337	437
Indigent health care active cases	16	16	11	13	9

Sources: County records

Table 16

2021	2022	2023	2024	2025
125	111	118	139	145
374	375	374	368	367
247	242	230	250	256
152	127	111	105	111
4	4	8	3	2
38	47	56	49	53
197	230	218	168	256
251	274	291	329	255
171	227	199	217	158
2,868	3,790	2.204	2.526	3,898
903	1,010	915	795	878
43	84	69	70	67
2,424	2,494	3.611	4.033	3,985
300	349	677	861	1,050
183	199	193	195	233
392	433	414	416	378
10	13	6	8	8

COLORADO COUNTY, TEXAS
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020
Public Safety:					
Stations	1	1	1	1	1
Jails	3	3	3	3	3
Patrol units	26	27	27	27	27
EMS stations	3	3	3	3	3
Ambulance units	8	8	8	10	10
Probations department	1	1	1	1	1
Public Facilities:					
Courthouse	1	1	1	1	1
Annex	1	1	1	1	1
Maintenance	1	1	1	1	1
Judicial:					
JP offices	4	4	4	4	4
Conservation:					
Agrilife	1	1	1	1	1
Public Transportation:					
Asphalt roads (miles)	449	449	452	457	458
Gravel roads (miles)	291	291	289	285	284
Bridges	88	89	92	93	93

Sources: County records

Table 17

2021	2022	2023	2024	2025
1	1	1	1	1
1	1	1	1	1
29	32	32	45	40
3	3	3	3	3
11	11	10	8	9
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
4	4	4	4	4
1	1	1	1	1
458	461	443	448	448
284	284	294	292	292
94	95	95	95	95

THE STATE OF TEXAS
COLORADO COUNTY

FEDERAL AWARDS SECTION

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KM&L
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report
On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Honorable County Judge
and Members of Commissioners Court
Colorado County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Colorado County, Texas (the "County"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 26, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

The Honorable County Judge
and Members of Commissioners' Court
Colorado County, Texas

Report on Compliance and Other Matters

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

Purpose of This Report

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

KM&L, LLC

Lake Jackson, Texas
June 26, 2026

Independent Auditor's Report
On Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Texas Grant Management Standards

To the Honorable County Judge
and Members of Commissioners Court
Colorado County, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

The Honorable County Judge
and Members of Commissioners' Court
Colorado County, Texas

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

The Honorable County Judge
and Members of Commissioners' Court
Colorado County, Texas

Report on Internal Control over Compliance

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

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

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

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

KM&L, LLC

Lake Jackson, Texas
June 26, 2026

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COLORADO COUNTY, TEXAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

I. Summary of auditor's results:

1. Type of auditor's report issued on the financial statements: Unmodified.

2. No internal control findings, required to be reported in this schedule, were disclosed in the audit of the financial statements.

3. Noncompliance, which is material to the financial statements: None.

4. No internal control findings, that are required to be reported in this schedule, was disclosed in the audit of the major programs.

5. Type of auditor's report on compliance for major programs: Unmodified.

6. Did the audit disclose findings which are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a): No

7. Major Programs Include:
   - 14.228 Community Development Block Grants/State's Program

8. Dollar threshold used to distinguish between Type A and Type B programs: $ 1,000,000

9. Low Risk Auditee: No

II. Findings related to the financial statements

The audit disclosed no findings required to be reported.

III. Findings and questioned costs related to the federal and state awards.

The audit disclosed no findings required to be reported.

THE OFFICE OF THE COUNTY AUDITOR
Colorado County Courthouse Annex
318 Spring Street, Room 104
Columbus, Texas 78934

Phone (979) 732-2791
Fax: (979) 732-2924

In accordance with Title 2 U.S. Code of Federal Regulations §200.511, the auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings. This summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs.
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

The schedule of status of prior audit findings is as follows:

None.

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In accordance with Title 2 U.S. Code of Federal Regulations §200.511, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan must be presented to address each finding included in the current year auditor's reports. The corrective action plan is as follows:

None.

COLORADO COUNTY, TEXAS Exhibit 18

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Contract/ Program Number	Expenditures or Award Amount
U.S. Department of Housing and Urban Development:			
Passed Through the Texas General Land Office:			
Community Development Block Grant/State's Program	14.228	22-130-014-D794	$ 33,930
Community Development Block Grant/State's Program	14.228	24-065-079-E734	1,748,343
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			$ 1,782,273
U.S. Department of Interior:			
Direct:			
Payment in Lieu of Taxes	15.226	--	$ 4,035
TOTAL U.S. DEPARTMENT OF INTERIOR			$ 4,035
U.S. Department of Treasury:			
Direct:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	--	$ 1,366,420
TOTAL U.S. DEPARTMENT OF TREASURY			$ 1,366,420
U.S. Department of Homeland Security:			
Passed Through the Texas Office of the Governor:			
Homeland Security Grant Program	97.067	4977601	$ 1,125
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			$ 1,125
TOTAL FEDERAL ASSISTANCE			$ 3,153,853
TOTAL MAJOR PROGRAMS			$ 1,782,273
TYPE A PROGRAM			$ 1,000,000

COLORADO COUNTY, TEXAS
Notes to the Schedules of Expenditures of Federal Awards
For the Year Ended December 31, 2025

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards (the “Schedules”) includes the federal grant activity of Colorado County, Texas (the “County”) under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Uniform Guidance (federal awards). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County accounts for all federal awards under programs of the federal and state government in the General and Special Revenue Funds. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal and state grant funds for governmental funds are considered to be earned to the extent of expenditures made under the provisions of the grant. When such funds are advanced to the County, they are recorded as unearned revenues until earned. Otherwise, federal grant funds are received on a reimbursement basis from the respective federal program agencies. Generally, unused balances are returned to the grantor at the close of specified project periods.

NOTE 3 - INDIRECT COST RATE

The County has elected not to use the 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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