Town of Alma
Financial Statements and
Independent Auditor's Report
as of
December 31, 2025

Town of Alma

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Blair and Associates, P.C.
Cedaredge, Colorado

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Alma, Colorado

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Alma, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Certified Public Accountants
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- 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 Town of Alma, Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Alma, Colorado's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages B-1 through B-7), schedules of changes in net pension asset/liability (pages E-1 and E-3), schedules of contributions to pension plans (pages E-2 and E-4), and budgetary comparison information (pages E-5 through E-8 and E-11 through E-13) 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 Town of Alma, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements (E-9 and E-10) and local highway finance report (E-13 and E-14) 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 local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
June 30, 2026

Town of Alma
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2025

As management of the Town of Alma (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by $4,415,308 (i.e. net position) as of December 31, 2025, a decrease of $47,085 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of $977,947, an increase of $56,443 in comparison with the prior year.
- The Town's fund balance for the General Fund was $946,692, an increase of $120,031 in comparison to the prior year.
- Total long-term liabilities decreased by $61,120 in comparison with the prior year. There were no new loans in 2025.
- General property tax, sales tax, and franchise tax totaled $634,593, or 91% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

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

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

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town include general government administration, public safety, public works, and culture and recreation. The Business-type Activities of the Town include the following: water, and sewer.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into two categories: Governmental Funds and Proprietary 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 *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called *modified accrual* accounting.

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 activities in the *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 short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains two major government fund, the General Fund and the Debt Service Fund. 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.

Proprietary Funds – The Town maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses a separate enterprise fund to account for each of its utility funds: Water and Sewer Fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2025, the Town's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $4,415,309. Of this amount, $1,033,580 is unrestricted and available to meet the Town's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of $3,253,760 (74% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2025 and 2024:

Assets	Governmental Activities 2025	Governmental Activities 2024	Business-Type Activities 2025	Business-Type Activities 2024	Totals 2025	Totals 2024
Current and other assets	$ 1,189,130	$ 1,180,424	$ 391,321	$ 395,482	$ 1,580,451	$ 1,575,906
Capital assets	1,854,984	1,966,718	1,645,789	1,663,009	3,500,773	3,629,727
Total assets	3,044,114	3,147,142	2,037,110	2,058,491	5,081,224	5,205,633
Deferred outflows of resources	85,276	110,874	36,548	57,344	121,824	168,218
Liabilities						
Current liabilities	62,187	79,752	29,481	10,901	91,668	90,653
Non-current liabilities	203,627	241,186	334,281	392,862	537,908	634,048
Total liabiities	265,814	320,938	363,762	403,763	629,576	724,701
Deferred inflow of resources	155,412	184,830	2,752	1,926	158,164	186,756
Net Position						
Investment in capital assets net of related debt	1,854,984	1,941,690	1,398,776	1,380,143	3,253,760	3,321,833
Restricted	59,683	55,146	68,284	68,284	127,967	123,430
Unrestricted	793,497	755,412	240,084	261,719	1,033,581	1,017,131
Total net position	$ 2,708,164	$ 2,752,248	$ 1,707,144	$ 1,710,146	$ 4,415,308	$ 4,462,394

An additional portion of net position, $127,967, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, $1,033,580 (23% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

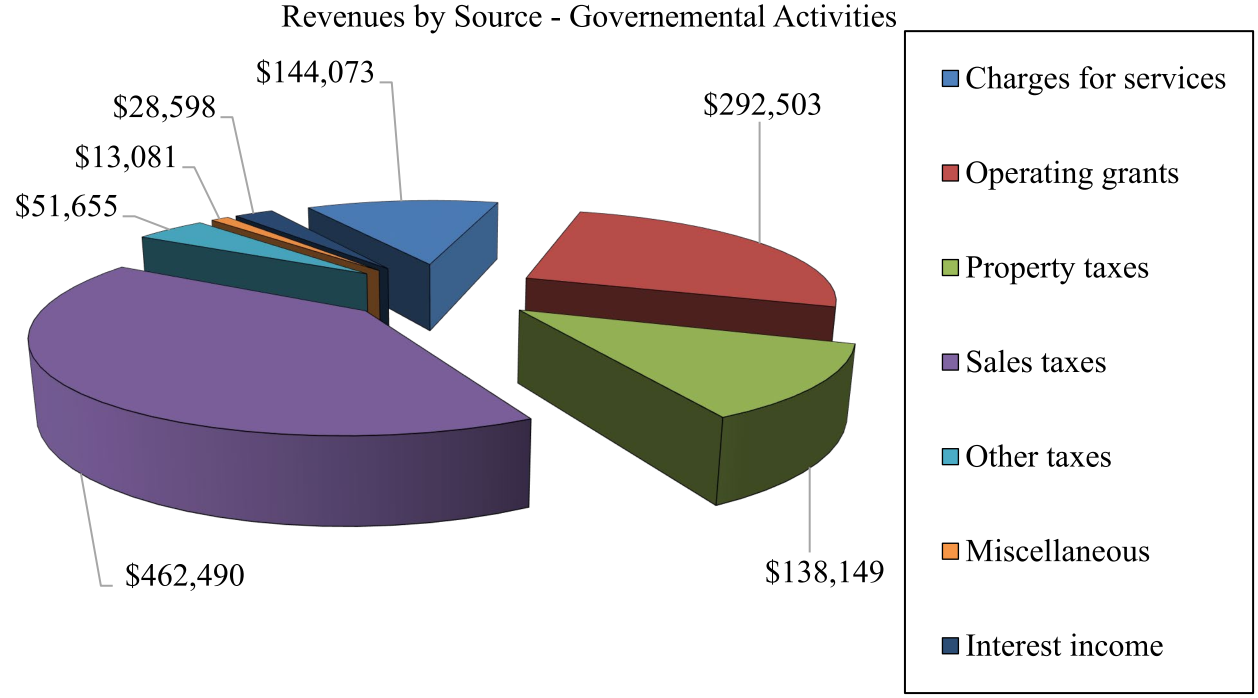
Change in Net Position

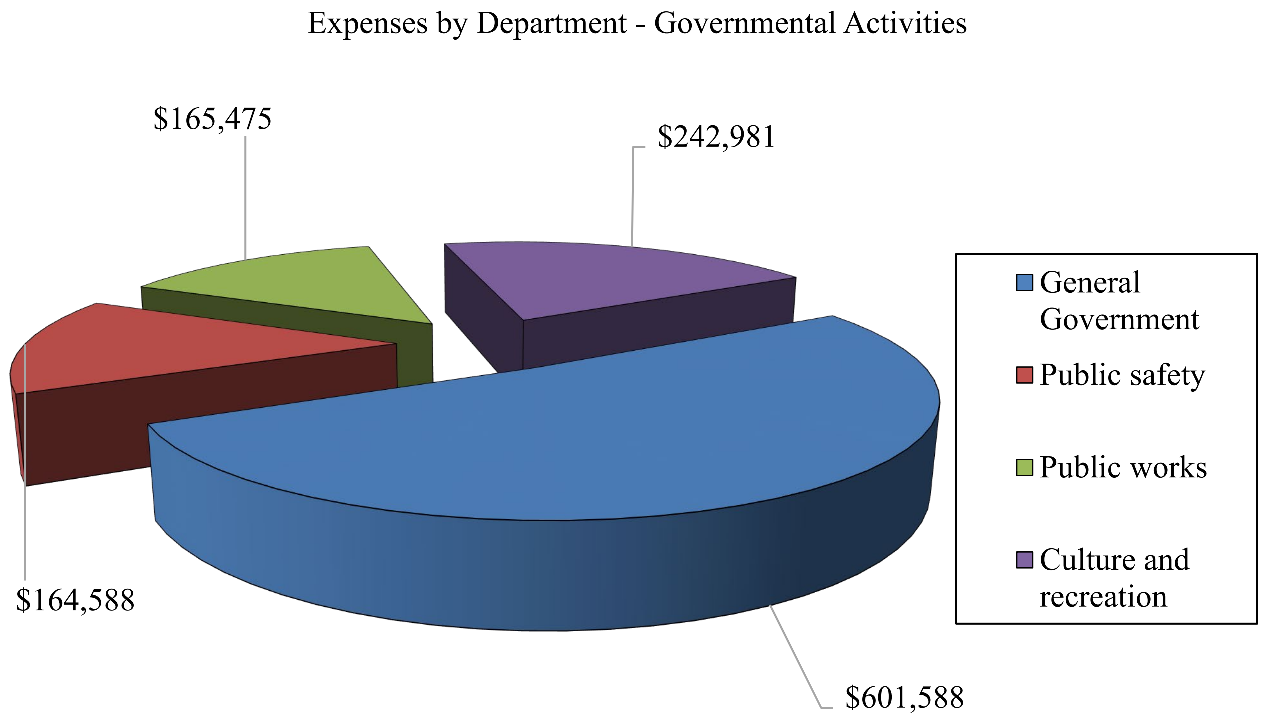
Governmental and business-type activities decreased the Town's net position by $47,085 in 2025.

Revenues	Governmental Activities 2025	Governmental Activities 2024	Business-Type Activities 2025	Business-Type Activities 2024	Totals 2025	Totals 2024
Program revenues						
Charges for services	$ 144,073	$ 131,695	$ 316,716	$ 312,664	$ 460,789	$ 444,359
Operating grants	292,503	42,141	-	-	292,503	42,141
Capital grants	-	-	58,986	3,321	58,986	3,321
General Revenues						
Property taxes	138,149	134,306	-	-	138,149	134,306
Sales taxes	462,490	426,746	-	-	462,490	426,746
Other taxes	51,655	51,919	-	-	51,655	51,919
Miscellaneous	13,081	35,729	9,461	5,932	22,542	41,661
Interest income	28,598	35,834	17,685	19,602	46,283	55,436
Sale of assets	-	1,800	-	-	-	1,800
Total revenues	1,130,549	860,170	402,848	341,519	1,533,397	1,201,689
Expenses						
General government	601,588	499,964	-	-	601,588	499,964
Public safety	164,588	130,849	-	-	164,588	130,849
Public works	165,475	126,797	405,850	424,407	571,325	551,204
Culture and recreation	242,981	23,128	-	-	242,981	23,128
Total expenses	1,174,632	780,738	405,850	424,407	1,580,482	1,205,145
Increase (decrease in net position	(44,083)	79,432	(3,002)	(82,888)	(47,085)	(3,456)
Beginning - net position	2,752,247	2,672,815	1,710,146	1,793,034	4,462,393	4,465,849
Ending - net position	$ 2,708,164	$ 2,752,247	$ 1,707,144	$ 1,710,146	$ 4,415,308	$ 4,462,393

Governmental Activities

Governmental activities decreased the Town's net position by $44,083.





Business-type Activities

Business-type activities for the year resulted in a decrease in net position of $3,002. Charges for services accounted for 78% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

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

As of the end of 2025, the Town's governmental funds reported combined ending fund balances of $977,950, an increase of $56,443 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 93% of this total amount, $912,787, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The remainder of the fund balance is reserved or is non-spendable to indicate that it is not available for new spending because it is already committed to meet a state constitution mandated emergency reserve, $28,428. Also, the town has restricted $31,255 of lottery funds. The Town's shows non-spendable fund balance of $5,480, equal to the Town's prepaid expenses.

The Town has two major governmental funds, the General Fund and the Debt Service Fund. The Geneal Fund is the primary operating fund for the Town and the Debt Service Fund is used to account for long-term debt in the governmental funds. The Debt Fund was closed and residual funds were transferred to the General Fund in 2025. At the end of 2025, unassigned fund balance of the General Fund was $912,787 while the total fund balance was $946,695. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund increased by $120,031 during 2025.

Proprietary funds. The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Town has two enterprise funds: Water Fund and Sewer Fund. At the end of 2025, these funds represented the following net position amounts:

Fund:	Water Fund	Sewer Fund
Unrestricted net position	$(173,565)	$413,649
Total net position	$812,941	$894,203
Increase or (decrease) in net position	$(59,163)	$56,161

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted $874,391 for 2025 expenditures in the General Fund. Actual expenditures were $1,074,104.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2025, was $3,500,773. As required for this year by GASB 34, the investment in capital assets includes land, buildings, building improvements, and equipment.

Capital assets activities for the year ended December 31, 2025 was as follows:

	1/1/2025	Additions	Deletions	Balance 12/31/25
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	$ 482,091	$ -	$ -	$ 482,091
Non-depreciable collection	59,000	-	-	59,000
Total capital assets not being depreciated	541,091	-	-	541,091
Capital assets being depreciated:				
Buildings and improvements	1,198,951	-	-	1,198,951
Equipment and vehicles	796,028	-	-	796,028
Streets	873,693	-	-	873,693
Total capital assets being depreciated	2,868,672	-	-	2,868,672
Accumulated depreciation				
Buildings and improvements	(374,391)	(35,913)	-	(410,304)
Equipment and vehicles	(461,173)	(40,873)	-	(502,046)
Streets	(607,481)	(34,948)	-	(642,429)
Total accumulated depreciation	(1,443,045)	(111,734)	-	(1,554,779)
Total governmental activities capital assets, net of depreciation	$ 1,966,718	$ (111,734)	$ -	$ 1,854,984

	Balance 1/1/25	Additions	Deletions	Balance 12/31/25
Business-type activities				
Capital assets not being depreciated:				
Water rights	$ 60,090	$ -	$ -	$ 60,090
Construction in progress	363,473	47,495	-	410,968
Total capital assets not being depreciated	423,563	47,495	-	471,058
Capital assets being depreciated:				
Water plant and lines	2,353,048	-	-	2,353,048
Sewer plant and lines	684,287	-	-	684,287
Water equipment	23,653	-	-	23,653
Sewer equipment	24,908	-	-	24,908
Total capital assets being depreciated	3,085,896	-	-	3,085,896
Accumulated depreciation				
Water plant and lines	(1,241,578)	(50,155)	-	(1,291,733)
Sewer plant and lines	(560,091)	(13,480)	-	(573,571)
Water equipment	(19,873)	(1,080)	-	(20,953)
Sewer equipment	(24,908)	-	-	(24,908)
Total accumulated depreciation	(1,846,450)	(64,715)	-	(1,911,165)
Total governmental activities capital assets, net of depreciation	$ 1,663,009	$ (17,220)	$ -	$ 1,645,789

Long-term Debt

As of December 31, 2025, the Town had long-term debt as follows:

	Balance 1/1/25	Additions	Deletions	Balance 12/31/25	Current Portion
Governmental activities:					
2016 TBK Bank Lease	$ 25,028	$ -	$ 25,028	$ -	$ -
Business-type activities					
1992 Water/Sewer Revenue Bonds	129,300	-	13,740	115,800	14,200
2011 CWRPDA Water Loan	153,566	-	22,352	131,213	22,801
Total Business-type activities debt	$ 282,866	$ -	$ 36,092	$ 247,013	$ 37,001

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Town Administrator Gary Goettelman

gary.goettelman@townofalma.com

719-836-2712

BASIC FINANCIAL STATEMENTS

Town of Alma
Statement of Net Position
December 31, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**Governmental Activities**	**Business- Type Activities**	**Total**
ASSETS			
Current Assets			
Cash and Investments	$ 896,534	$ 277,690	$ 1,174,224
Restricted Cash and Investments	30,710	68,284	98,994
Property Tax Receivable	148,993	-	148,993
Utility Receivable	-	40,927	40,927
Cash with Fiscal Agent	7,785	-	7,785
Accounts Receivable	99,628	-	99,628
Prepaid Expenses	5,480	4,420	9,900
Total Current Assets	1,189,130	391,321	1,580,451
Noncurrent Assets			
Capital Assets not being Depreciated	541,091	471,058	1,012,149
Capital Assets being Depreciated	2,868,672	3,085,896	5,954,568
Accumulated Depreciated	(1,554,779)	(1,911,165)	(3,465,944)
Total Noncurrent Assets	1,854,984	1,645,789	3,500,773
TOTAL ASSETS	3,044,114	2,037,110	5,081,224
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows- Pension	81,805	35,060	116,865
Deferred Outflows- OPEB	3,471	1,488	4,959
TOTAL DEFERRED OUTFLOWS OF RESOURCES	85,276	36,548	121,824
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 3,129,390	$ 2,073,658	$ 5,203,048
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 52,072	$ 22,793	$ 74,865
Accrued Liabilites	7,929	3,356	11,285
Deposits and Escrow	2,186	-	2,186
Accured Interest Payable	-	3,332	3,332
Total Current Payable	62,187	29,481	91,668
Noncurrent liabilities:			
Due within one year	-	37,001	37,001
Due more than one year:	-	210,012	210,012
Net OPEB liability	11,882	5,092	16,974
Net pension liability	191,745	82,176	273,921
Total Noncurrent Liabilites	203,627	334,281	537,908
TOTAL LIABILITIES	265,814	363,762	629,576
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	148,993	-	148,993
Deferred Inflows Pension	-	-	-
Deferred Inflows- OPEB	6,419	2,752	9,171
Total Deferred Inflows of Resources	155,412	2,752	158,164
NET POSITION			
Invested in capital assets	1,854,984	1,398,776	3,253,760
Restricted Net Position	59,683	68,284	127,967
Unrestricted	793,497	240,084	1,033,580
TOTAL NET POSITION	2,708,164	1,707,144	4,415,308
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 3,129,390	$ 2,073,658	$ 5,203,048

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

Town of Alma
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues			Primary Government		
Functions/Programs	**Expenses**	**Charges for Service and Fees**	**Operating Grants and Contributions**	**Capital Grants**	**Governmental Activities**	**Business-Type Activities**	**Total**
Primary government:							
Governmental activities:							
General government	$ 601,588	$ 71,982	$ 267,518	$ -	$ (262,088)	$ -	$ (262,088)
Public Safety	164,588	8,237	-	-	(156,351)	-	(156,351)
Public Works	165,475	63,854	23,109	-	(78,512)	-	(78,512)
Culture and Recreation	242,981	-	1,876	-	(241,105)	-	(241,105)
Total governmental activities	1,174,632	144,073	292,503	-	(738,056)	-	(738,056)
Business-type activities:							
Water	243,335	138,970	-	29,325	-	(75,040)	(75,040)
Sewer	162,515	177,746	-	29,661	-	44,892	44,892
Total business- type activities	405,850	316,716	-	58,986	-	(30,148)	(30,148)
Total primary government	$ 1,580,482	$ 460,789	$ 292,503	$ 58,986	(738,056)	(30,148)	(768,203)
		General Revenues					
		Taxes:					
		Property Taxes			138,149	-	138,149
		Specific Ownership Taxes			12,484	-	12,484
		Sales Taxes			462,490	-	462,490
		Franchise Taxes			33,954	-	33,954
		Other Taxes			5,217	-	5,217
		Interest Income			28,598	17,685	46,283
		Other Revenues			13,081	9,461	22,542
		Total General Revenues and Transfers			693,973	27,146	721,119
		Changes in Net Position			(44,083)	(3,002)	(47,085)
		Net Position-January 1			2,752,247	1,710,146	4,462,393
		NET POSITION- ENDING			$ 2,708,164	$ 1,707,144	$ 4,415,308

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

Town of Alma
Governmental Funds
Balance Sheet
December 31, 2025

	General Fund	Debt Service Fund	Other Funds	Total
Assets				
Cash and Investments	$ 896,534	$ -	$ -	$ 896,534
Restricted Cash and Investments	-	-	30,710	30,710
Property Tax Receivables	148,993	-	-	148,993
Cash with Fiscal Agent	7,785	-	-	7,785
Accounts Receivable	99,083	-	545	99,628
Prepaid Expenses	5,480	-	-	5,480
Total assets	$ 1,157,875	$ -	$ 31,255	$ 1,189,130
Liabilities				
Accounts Payable	$ 52,072	$ -	$ -	$ 52,072
Accrued Liabilities	7,929	-	-	7,929
Deposits and Escrow	2,186	-	-	2,186
Total Liabilities	62,187	-	-	62,187
Deferred inflows of resources				
Deferred property taxes	148,993	-	-	148,993
Total Deferred inflows of resources	148,993	-	-	148,993
Fund Balance				
Restricted				
Nonspendable Fund Balance	5,480	-	-	5,480
Restricted Fund Balance	28,428	-	31,255	59,683
Unassigned Fund Balance	912,787	-	-	912,787
Total Fund Balance	946,695	-	31,255	977,950
Total Liabilities, Deferred Inflows and Fund Balance	$ 1,157,875	$ -	$ 31,255	$ 1,189,130

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

Town of Alma
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2025

Total fund balance, governmental funds		$ 977,950
Amounts reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Capital assets, not being depreciated	$ 541,091	
Capital assets, being depreciated	2,868,672	
Accumulated Depreciation	(1,554,779)	
		1,854,984
Certain Long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
PERA Pension Liabiltiy		
Net deferred PERA pension outflows	81,805	
Net pension liability	(191,745)	
Net deferred PERA pension outflows	-	
		(109,940)
OPEB Liability		
Net Deferred OPEB outflows	3,471	
Net OPEB liability	(11,882)	
Net deferred OPEB outflows	(6,419)	
		(14,830)
Total Net Position - Governmental Activities		$ 2,708,164

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

Town of Alma
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

REVENUES	General Fund	Debt Service Fund	Other Fund	Total
Taxes	$ 652,292	$ -	$ -	$ 652,292
Intergovernmental Revenues	290,627	-	1,876	292,503
Licenses and Permits	34,510	-	-	34,510
Fines and Forfeits	8,237	-	-	8,237
Charges for Services	101,326	-	-	101,326
Investment Earnings	27,345	-	1,253	28,598
Other Revenues	13,081	-	-	13,081
Total revenues	1,127,418	-	3,129	1,130,547
EXPENDITURES				
Current:				
General Government	571,597	-	-	571,597
Public Safety	163,388	-	-	163,388
Public Works/Building	75,369	-	-	75,369
Parks, Recreation and Other	234,020	-	-	234,020
Capital Outlay	4,700	-	-	4,700
Debt Service	25,030	-	-	25,030
Total expenditures	1,074,104	-	-	1,074,104
Revenues in Excess (Deficiency) (under) Expenditures	53,314	-	3,129	56,443
Fund Balnce, beginning	826,661	66,717	28,126	921,504
Residual Transfer	66,717	(66,717)	-	-
Fund Balance, Ending	$ 946,692	$ -	$ 31,255	$ 977,947

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

Town of Alma
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2025

Change in fund balances - governmental funds		$ 56,443
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capital Asset Purchaces	$ -	
Depreciation expense	(111,734)	
Excess of capital outlay over depreciation		(111,734)
Pension and OPEB expense at the fun level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the acturial cost of the benefits for the fiscal year.		
PERA Pension Liabiltiy		
Change in deferred pension outflows	(24,902)	
Change in net pension liability	6,861	
Change in deferred pension inflows	204	
		(17,837)
OPEB Liabiltiy		
Change in deferred OPEB outflows	(696)	
Change in net OPEB liability	5,670	
Change in deferred OPEB inflows	(961)	
		4,013
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilites at the activity level. In addition, proceeds from long-term debt issances are reported as revenues in the funds and increase liabilities at the activity level		
Principal payments on notes payable	$ 25,030	
		25,030
Change in net position- governmental activities		$ (44,085)

Town of Alma
Statement of Net Position
Proprietary Funds
December 31, 2025

	Water Fund	Sewer Fund	Total
ASSETS AND DEFERRED OUTFLOWS			
ASSETS			
Current Assets:			
Cash	$ (156,086)	$ 433,776	$ 277,690
Restricted Cash and Investments	62,565	5,719	68,284
Utility Receivable	15,436	25,491	40,927
Prepaid Expenses	2,210	2,210	4,420
Total current assets	(75,875)	467,196	391,321
Noncurrent assets:			
Capital Assets not being depreciated	60,090	410,968	471,058
Capital Assets being depreciated	2,376,701	709,195	3,085,896
Accumulated Depreciated	(1,312,686)	(598,479)	(1,911,165)
Total noncurrent assets	1,124,105	521,684	1,645,789
TOTAL ASSETS	1,048,230	988,880	2,037,110
DEFERRED OUTFLOWS			
Deferred Outflows of Financial Resources			
Defereed Outflows- Pension	17,530	17,530	35,060
Deferred Outflows- OPEB	744	744	1,488
Total Deferred Outflows	18,274	18,274	36,548
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 1,066,504	$ 1,007,154	$ 2,073,658
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION			
LIABILITIES			
Current liabilities:			
Accounts payable	$ 4,537	$ 18,256	$ 22,793
Accrued payroll liabilties	1,678	1,678	3,356
Accrued Interest payable	2,174	1,158	3,332
Total current liabilities	8,389	21,092	29,481
Noncurrent Liabilities			
Due within one year	31,256	5,745	37,001
Due in more than one year	168,908	41,104	210,012
Net OPEB liability	2,546	2,546	5,092
Net Pension liability	41,088	41,088	82,176
Total noncurrent liabilities	243,798	90,483	334,281
TOTAL LIABILITIES	252,187	111,575	363,762
DEFERRED INFLOWS			
Deferred Inflows Pension	-	-	-
Deferred Inflows-OPEB	1,376	1,376	2,752
TOTAL DEFERRED INFLOWS	1,376	1,376	2,752
NET POSITION			
Net Investment in Capital Assets	923,941	474,835	1,398,776
Restricted Net Position	62,565	5,719	68,284
Unrestricted	(173,565)	413,649	240,084
TOTAL NET POSITION	812,941	894,203	1,707,144
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	$ 1,066,504	$ 1,007,154	$ 2,073,658

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

Town of Alma
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2025

	Water Fund	Sewer Fund	Total
Operating Revenues			
Utility Charges	$ 138,970	$ 177,746	$ 316,716
Operating Expenses			
Personel Services	105,798	104,676	210,474
Administrative /Office Expenses	226	206	432
Insurance	11,612	11,612	23,224
Professional Fees	12,605	8,331	20,936
Repairs and Maintenance	32,286	5,203	37,489
Travel and Training	1,819	25	1,844
Treatment	2,900	660	3,560
Telephone and Utilities	10,658	6,940	17,598
Other Operating Expenses	7,087	8,470	15,557
Depreciation Expenses	51,235	13,479	64,714
Other Capital Outlay	425	-	425
Total Expenditures	236,651	159,602	396,253
Operating income (loss)	(97,681)	18,144	(79,537)
Other Income (expenses)			
Investment Earnings	8,078	9,607	17,685
Other Revenue	7,799	1,662	9,461
Interest expense	(6,684)	(2,913)	(9,597)
Total nonoperating revenues (expenses)	9,193	8,356	17,549
Net Income (Loss)	(88,488)	26,500	(61,988)
Contribution Capital			
Plant Investment Fees	29,325	29,661	58,986
Change in net position	(59,163)	56,161	(3,002)
Net Position, Beginning	872,104	838,042	1,710,146
Net Position, Ending	$ 812,941	$ 894,203	$ 1,707,144

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

Town of Alma
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2025

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities			
Cash received from customer and others	$ 150,065	$ 177,489	$ 327,554
Cash paid to Suppliers	(74,813)	(28,122)	(102,935)
Cash Paid to Employees	(104,673)	(103,551)	(208,224)
Net cash provided (used) by operating activities	(29,421)	45,816	16,395
Cash Flows from Noncapital Financing Activities			
Other Revenues (Expenses)	7,799	1,662	9,461
Net cash provided (used) by noncapital financing activities	7,799	1,662	9,461
Cash Flows from Capital and Related Financing Activities			
Tap Fees Received	29,325	29,661	58,986
Debt Principal Payments	(30,584)	(5,269)	(35,853)
Interest Payments	(6,684)	(2,913)	(9,597)
Acquisition of Capital Assets	-	(47,495)	(47,495)
Cash Flows Used by Capital and related financing activities	(7,943)	(26,016)	(33,959)
Cash Flows from Investing Activities			
Interest Received	8,078	9,607	17,685
Net Cash provided by Investing Activities	8,078	9,607	17,685
Net increase (decrease) in cash and equivalents	(21,487)	31,069	9,582
Cash beginning	(72,034)	408,426	336,392
Cash Ending	(93,521)	439,495	345,974
Cash	(156,086)	433,776	277,690
Restricted Cash and Investments	62,565	5,719	68,284
Total	$ (93,521)	$ 439,495	$ 345,974
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (97,681)	$ 18,144	$ (79,537)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	51,235	13,479	64,714
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Assets and Deferred Outflows (Increase) Decrease			
Utility Receivables	11,095	(257)	10,838
Prepaid Expenses	1,767	1,138	2,905
Pension and OPEB Deferred Outflows	10,398	10,398	20,796
Liabilities and Deferred Inflows Increase (Decrease)			
Accounts Payable	2,715	12,328	15,043
Accrued Liabilities	1,678	1,678	3,356
Interest Payable	323	(141)	182
Net Pension Liability	(10,985)	(10,985)	(21,970)
Net OPEB Liability	(379)	(379)	(758)
Pension and OPEB Deferred Inflows	413	413	826
Total adjustments	68,260	27,672	95,932
Net cash provided (used) by operating activities	$ (29,421)	$ 45,816	$ 16,395

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Alma (the Town) conform to generally accepted accounting principles as applicable to governmental entities. Following is a summary of the more significant policies.

Reporting Entity

In evaluating how to define the government for financial reporting purposes, the Town's 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 Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity including subsequent amendments.

Based upon the application of these criteria, no governmental organizations are includable within the Town's reporting entity.

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. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Grant and entitlement revenues are recognized to the extent of the related expenditures or when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts; a deferred revenue account is established when receipts exceed the related expenditures.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Governmental Fund Types:

General Fund: This fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds: These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The Town's special revenue fund, Conservation Trust, is not considered to be a major fund.

Debt Service Fund: This fund was established to account for the repayment of general obligation bonds related to the Town's curb and gutter project. This fund was closed in 2025 and the remaining funds were transferred to the General Fund.

In November 1998, the Town's citizens passed a ballot measure allowing the issuance of up to $120,000 in bonds for the completion of the project. This fund is shown as a major governmental fund. With the bonds fully repaid, these amounts are no longer considered restricted.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund Type These funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Funds.

Enterprise Funds (Water and Sewer Funds): These funds were established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges.

Budgets and Budgetary Accounting

Budgets are adopted on a modified accrual basis (except for the Enterprise Funds, which budget on a cash basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at the end of the fiscal year.

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements listed below.

- Budgets are required by state law for all funds. By October 15, the Town Clerk submits to the Board of Trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year's end.
- Public hearings are conducted by the Board of Trustees to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- Budgeted amounts reported in the accompanying financial statements are as adopted or amended by the Board of Trustees.
- The Town does not use encumbrance accounting.

For the fiscal year ended December 31, 2025, expenditures in the General Fund exceeded authorized appropriations by $199,713. This overage was primarily driven by a $225,000 pass-through grant to Mosquito Range Heritage Initiative. The over-budget expenditures were covered by grant revenues of $225,000 received from Great Outdoors Colorado.

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

Cash - The Town pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest-bearing accounts comprised of certificates of deposit, savings accounts, and money market accounts, which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

Cash and Cash Equivalents - For the purpose of the statement of cash flows, cash consists of demand deposits and certificates of deposit held by the bank.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be collectable. Based on a review of outstanding balances at year end, the Town does not believe an allowance for doubtful accounts is necessary.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment - Capital assets used in governmental activities operations are accounted for in the government-wide financial statements. Public domain (infrastructure) capital assets consisting of certain improvements other than buildings, such as sidewalks, and parking lots, are capitalized. Property, plant, and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and capitalized at cost. Depreciation has been provided over the estimated useful lives of the governmental activities' capital assets of the Town, using the straight-line method of depreciation.

The Town's policy is to capitalize and inventory annually all capital assets with a unit value of greater than $5,000 and an estimated useful life of greater than one year.

Property, plant, and equipment acquired for proprietary funds are capitalized in the respective fund to which they apply. Property, plant, and equipment are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Donated are recorded at their fair market value at the date of transfer.

Depreciation of exhaustible fixed assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds' balance sheets. Depreciation has been provided over the estimated useful lives of five to forty years using the straight-line method of depreciation.

Property Taxes Property - taxes for the Town are levied by the Town Board of Trustees and certified for collection to Park County by December 15 of each year. These taxes become due January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. Property taxes levied in the current year for collection in the subsequent year by the General Fund are included in receivables and deferred inflows at year end. These taxes are classified as deferred inflows since they were levied for and are not available to the Town until the subsequent year.

Deferred Outflows and inflows of Resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has pension and OPEB related items that qualify for reporting in this category.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred property taxes, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. In addition, the Town also has pension and OPEB related deferred inflows that are reported at the activity level.

Net Position/Fund Balance - Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The board of trustees is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The board of trustees may authorize the Town Administrator to assign fund balance.

The board of trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

Net Position/Fund Balance Flow Assumptions - Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Revenues and expenses of proprietary funds are recognized in essentially the same manner as in business accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: CASH AND INVESTMENTS

The Town is governed by the deposit and investment limitations of state law. The deposits and investments held at December 31, 2025, and reported at fair value, are shown below.

Cash	$	160,178
Investments		1,120,825
Total Cash and Investments	$	1,281,003

These balances are allocated in the financial statements as follows:

Governmental Activities - Unrestricted	$	904,319
Governmental Activities - Restricted		30,710
Business-type Activities - Unrestricted		277,690
Business-type Activities - Restricted		68,284
Total Cash and Investments	$	1,281,003

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Town's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2025, all of the Town's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

Deposits at December 31, 2025 were as follows:

	Bank Balances		Carrying Amount	
FDIC Insured	$	177,787	$	160,178
PDPA Insured		-		-
Total Cash Deposits	$	177,787	$	160,178

During the year ended December 31, 2025, the Town invested funds in the Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation.

NOTE 2: CASH AND INVESTMENTS (Continued)

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

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

The Town does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Town places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in the statutes. The Town's investment portfolio contains no investments that exceed that limitation.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2025, the Town's investments consisted of the investment pool.

The Town has restricted cash as follows:

Restricted Cash		
Conservation Trust Fund	$	30,710
Water Fund		
1992 Water/Sewer Revenue Bonds		8,403
2011 CWRPDA Loan		54,162
Total Water Fund		62,565
Sewer Fund		
1992 Water/Sewer Revenue Bonds		5,719
Total Business-type Activities		68,284
Total Restricted Cash	$	98,994

NOTE 3: CAPITAL ASSETS

Depreciation has been allocated to the various operating departments as follows:

General Government	$	16,838
Public Safety		1,200
Public Works		85,034
Parks and Recreation		8,662
Total Depreciation	$	111,734

The following is a summary of the changes in governmental capital assets during the year:

	1/1/2025	Additions	Deletions	Balance 12/31/25
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	$ 482,091	$ -	$ -	$ 482,091
Non-depreciable collection	59,000	-	-	59,000
Total capital assets not being depreciated	541,091	-	-	541,091
Capital assets being depreciated:				
Buildings and improvements	1,198,951	-	-	1,198,951
Equipment and vehicles	796,028	-	-	796,028
Streets	873,693	-	-	873,693
Total capital assets being depreciated	2,868,672	-	-	2,868,672
Accumulated depreciation				
Buildings and improvements	(374,391)	(35,913)	-	(410,304)
Equipment and vehicles	(461,173)	(40,873)	-	(502,046)
Streets	(607,481)	(34,948)	-	(642,429)
Total accumulated depreciation	(1,443,045)	(111,734)	-	(1,554,779)
Total governmental activities capital assets, net of depreciation	$ 1,966,718	$ (111,734)	$ -	$ 1,854,984

	Balance 1/1/25	Additions	Deletions	Balance 12/31/25
Business-type activities				
Capital assets not being depreciated:				
Water rights	$ 60,090	$ -	$ -	$ 60,090
Construction in progress	363,473	47,495	-	410,968
Total capital assets not being depreciated	423,563	47,495	-	471,058
Capital assets being depreciated:				
Water plant and lines	2,353,048	-	-	2,353,048
Sewer plant and lines	684,287	-	-	684,287
Water equipment	23,653	-	-	23,653
Sewer equipment	24,908	-	-	24,908
Total capital assets being depreciated	3,085,896	-	-	3,085,896
Accumulated depreciation				
Water plant and lines	(1,241,578)	(50,155)	-	(1,291,733)
Sewer plant and lines	(560,091)	(13,480)	-	(573,571)
Water equipment	(19,873)	(1,080)	-	(20,953)
Sewer equipment	(24,908)	-	-	(24,908)
Total accumulated depreciation	(1,846,450)	(64,715)	-	(1,911,165)
Total governmental activities capital assets, net of depreciation	$ 1,663,009	$ (17,220)	$ -	$ 1,645,789

NOTE 4: LONG-TERM DEBT

The following is a summary of changes in long-term debt during the year:

	Balance 1/1/25	Additions	Deletions	Balance 12/31/25	Current Portion
Governmental activities:					
2016 TBK Bank Lease	$ 25,028	$ -	$ 25,028	$ -	$ -
Business-type activities					
1992 Water/Sewer Revenue Bonds	129,300	-	13,740	115,800	14,200
2011 CWRPDA Water Loan	153,566	-	22,352	131,213	22,801
Total Business-type activities debt	$ 282,866	$ -	$ 36,092	$ 247,013	$ 37,001

Governmental Activities

During 2016, the Town entered into a $200,000 lease agreement for the construction of a maintenance shop. The lease requires ten annual lease payments of $25,028 commencing October 2016 and bears no interest. The lease was set up as a one year lease with nine annual renewals subject to annual appropriation. In the event of a default the lessor may take one or any combination of the following remedial steps: terminate the lease term and give notice to the Town to immediately vacate the ground leased property and the improvements, lease all or any portion of the leased property, recover from the Town the portion of base rentals and additional rentals payable as well as portions of base rentals and additional rentals for the then current fiscal year that has been specified appropriated by the Board, enforcement of any provisions of the lease by equitable remedy and the right to take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the leased property under the lease contract.

Business-type Activities

The $341,100 Water and Sewer Revenue Bonds (FMHA) were dated September 10, 1992. This issue bears interest at five (5) percent. Original principal was allocated at $203,100 to the Water Fund and $138,000 to the Sewer Fund. Principal and interest are payable January 1 and July 1 of each year. The bonds also require the maintenance of a reserve fund in the amount of $14,122. This has been jointly funded by the Water and Sewer Funds proportional to the outstanding balance of the bonds and is shown as restricted cash in the financial statements as outlined in Note 2. Payments are allocated between the Water and Sewer Funds. Payments to maturity are as follows:

	Water Fund		Sewer Fund		Total		
Year	Principal	Interest	Principal	Interest	Principal	Interest	Total
2026	8,455	3,343	5,745	2,272	14,200	5,615	19,815
2027	8,872	2,915	6,028	1,980	14,900	4,895	19,795
2028	9,348	2,465	6,352	1,675	15,700	4,140	19,840
2029	9,765	1,994	6,635	1,354	16,400	3,348	19,748
2030	10,301	1,497	6,999	1,018	17,300	2,515	19,815
2031-2032	22,210	1,405	15,090	955	37,300	2,360	39,660
	$ 68,951	$ 13,619	$ 46,849	$ 9,254	$ 115,800	$ 22,873	$ 138,673

NOTE 4: LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

In April 2011, the Town entered into a loan agreement with the Colorado Water Resource and Power Development Authority in the amount of $616,385. The proceeds are to be used to complete upgrades to the water system. The loan requires semi-annual principal and interest payments on May 1 and November 1 of each year through 2031. The loan bears interest at 2.0% per annum. Pursuant to the loan agreement, the Town was required to establish a 3-month operations and maintenance reserve based on the subsequent years budgeted expenditures, or $23,718. The Town has funded this reserve through the restriction of its cash balances in the Water Fund. The Town believes it is in compliance with all required covenants and obligations called for by the loan agreement.

The 2011 CWRPDA loan matures as follows:

Year	Principal	Interest	Total
2026	22,801	2,511	25,312
2027	23,260	2,053	25,313
2028	23,727	1,585	25,312
2029	24,204	1,108	25,312
2030	24,690	622	25,312
2031	12,531	125	12,656
Total	$ 131,213	$ 8,004	$ 139,217

NOTE 5: PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

NOTE 5: PENSION PLAN (Continued)

Defined Benefit Pension Plan (Continued)

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

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

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

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

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

	January 1, 2024 Through December 31, 2024	January 1, 2025 Through December 31, 2025
Employee contribution	9.00%	9.00%

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

NOTE 5: PENSION PLAN (Continued)

Defined Benefit Pension Plan (Continued)

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

	January 1, 2024 Through December 31, 2024	January 1, 2025 Through December 31, 2025
Employer contribution rate	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(0%)	(0%)
Amount apportioned to the LGDTF	11.0%	11.0%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.08%	0.11%
Total employer contribution rate to the LGDTF	**14.78%**	**14.81%**

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Town of Alma is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town of Alma were $58,946 for the year ended December 31, 2024 and $62,333 for the year ended December 31, 2025.

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

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

At December 31, 2025, the Town of Alma reported a liability of $273,921 for its proportionate share of the net pension liability.

At December 31, 2024, the Town of Alam's proportion was 0.044642%, which was an increase of 0.003397% from its proportion measured as of December 31, 2023.

NOTE 5: PENSION PLAN (Continued)

Defined Benefit Pension Plan (Continued)

For the year ended December 31, 2025, the Town of Alma recognized pension expense of $16,656. At December 31, 2025, the Town of Alma reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows		Deferred Inflows	
Difference between expected and actual experience	$	20,670	$	-
Changes of assumptions or other inputs	$	8,084	$	-
Net difference between projected and actual earnings on pension plan investments	$	25,777	$	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$	-	$	-
Contributions subsequent to the measurement date	$	62,334	$	-
Total	**$**	**116,865**	**$**	**-**

$62,333 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total	
2025	$	50,124
2026		65,311
2027		(43,631)
2028		(17,273)
Total	**$**	**54,531**

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salarie increases, including wage inflation	3.20%-11.30%
Long-term investment rate of return, net of pension plan investment expense, including prise inflation	7.25%
Discount rate	7.25%
Post-retirment benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06	Financed by the AIR

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

NOTE 5: PENSION PLAN (Continued)

Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

NOTE 5: PENSION PLAN (Continued)

Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

NOTE 5: PENSION PLAN (Continued)

Defined Benefit Pension Plan (Continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were $0.486 million and $0.020 million, respectively.

NOTE 5: PENSION PLAN (Continued)

Defined Benefit Pension Plan (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	$ (599,559)	$ (273,921)	$ (349)

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

2024 Changes in Plan Provisions Since 2023

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

2024 Changes in Assumptions or Other Inputs Since 2023

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

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYEMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

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

PERA Benefit Structure

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

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYEMENT BENEFIT (OPEB) PLAN (Continued)

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Town of Alma is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from The Town of Alma were $4,707 for the year ended December 31, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2025, the Town of Alma reported a liability of $16,974 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The Town of Alma's proportion of the net OPEB liability was based on the Town of Alma's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the Town of Alma's proportion was 0.003550%, which was an increase of 0.000127% from its proportion measured as of December 31, 2023.

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYEMENT BENEFIT (OPEB) PLAN (Continued)

For the year ended December 31, 2025, the Town of Alma recognized OPEB expense of $3,942. At December 31, 2025, the Town of Alma reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ -	$ -
Changes of assumptions or other inputs	$ 195	$ 5,427
Net difference between projected and actual earnings on pension plan investments	$ 58	$ 3,744
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ -	$ -
Contributions subsequent to the measurement date	$ 4,706	$ -
Total	**$ 4,959**	**$ 9,171**

$4,706 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Fiscal year Total
2025	$ 2,608
2026	1,537
2027	2,099
2028	1,296
2029	894
Thereafter	483
Total	**$ 8,917**

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salarie increases, including wage inflation	3.20%-11.30%
Long-term investment rate of return, net of OPEB plan investment expense, including prise inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
Service-based premium subsity	0.00%
PERA Care Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYEMENT BENEFIT (OPEB) PLAN (Continued)

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

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

Age-Related Morbidity Assumptions

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

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

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

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

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYEMENT BENEFIT (OPEB) PLAN (Continued)

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

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

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

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

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

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

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

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYEMENT BENEFIT (OPEB) PLAN (Continued)

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

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

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

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

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

	Local Government Division
Salary increases, including wage inflation:	
Members other than Safety Officers	3.40%-13.00%

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYEMENT BENEFIT (OPEB) PLAN (Continued)

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

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

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

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

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

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

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

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

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYEMENT BENEFIT (OPEB) PLAN (Continued)

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate[1]	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$16,517	$16,974	$17,491

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

NOTE 6: DEFINED BENEFIT OTHER POST EMPLOYEMENT BENEFIT (OPEB) PLAN (Continued)

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$20,802	$16,974	$13,674

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

2024 Changes in Plan Provisions Since 2023

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

2024 Changes in Assumptions or Other Inputs Since 2023

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

NOTE 7: RISK MANAGEMENT

The Town is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town carries commercial insurance. The amounts of settlements have not exceeded insurance coverage the past three years, nor were there any significant changes in insurance coverage.

NOTE 8: CONTINGENCIES, COMMITMENTS AND COMPLIANCE

Grants

The Town receives revenues from various federal and state grant programs, which are subject to final review and approval as to allowability by the respective grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 8: CONTINGENCIES, COMMITMENTS AND COMPLIANCE (Continued)

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The Town is subject to the Tabor Amendment. Fiscal year 1993 provides the basis for limits in future years to assessed valuation. Revenue received in excess of the limitations may be required to be refunded unless the Town's electorate vote to retain the revenue. The Tabor Amendment is subject to many interpretations, but the Town feels it is in substantial compliance with the Amendment. On April 5, 1994, the Town passed the following exemption to the Tabor Amendment:

Shall the Town of Alma, Colorado, be authorized to collect and expend the full revenues generated, including without limitation any reduction in debt service, beginning May 1, 1994 and for each subsequent year thereafter without any increase in such tax rates, and to spend such revenues for debt service, municipal operations, capital projects and any other lawful municipal purpose? Nothing in this question can be construed to remove the remaining restrictions of Article X, Section 20 of the Colorado Constitution with is commonly known as Amendment One and/or the TABOR Amendment.

The Town has reserved $28,428 in the General Fund to meet the three (3) percent emergency reserve required by the Tabor Amendment.

Town of Alma
Schedule of Town's Proportionate Share of Net Pension Asset/Liability
PERA Pension Plan
Year Ended December 31, 2025

Fiscal Year	Town's proportion of the net pension asset (liability	Town's proportionate share of the net pension asset (liability)	Town's covered payroll	Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.044642%	$ (273,921.00)	$ 428,388	-63.94%	90.45%
2024	0.041245%	$ (302,752)	$ 362,353	-83.55%	88.03%
2023	0.042447%	$ (425,557)	$ 347,344	-122.52%	82.99%
2022	0.033814%	$ 28,991	$ 261,924	11.07%	101.49%
2021	0.031489%	$ (164,096)	$ 226,688	-72.39%	90.88%
2020	0.030316%	$ (223,549)	$ 208,770	-107.08%	86.26%
2019	0.027124%	$ (341,009)	$ 177,902	-191.68%	75.96%
2018	0.023765%	$ (264,608)	$ 149,921	-176.50%	79.37%
2017	0.022775%	$ (307,535)	$ 138,044	-222.78%	73.65%
2016	0.030277%	$ (333,524)	$ 171,948	-193.97%	76.87%

Note to Schedule

This schedule is presented to illustrate the requirement to show information for 10 years.

All amounts are as of plan calculation dates which are one fiscal year priot to the date shown.

See the accompanying Independent Auditors' Report.

Town of Alma
Schedule of Town's Proportionate Share of Net Pension Asset/Liability
PERA Pension Plan
Year Ended December 31, 2025

Fiscal Year	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	Town's covered payroll	Contributions as a percentage of covered payroll
2025	$ 58,946	$ 58,946	$ -	$ 428,388	13.76%
2024	$ 49,786	$ 49,786	$ -	$ 362,353	13.74%
2023	$ 46,779	$ 46,779	$ -	$ 347,344	13.47%
2022	$ 33,212	$ 33,212	$ -	$ 261,924	12.68%
2021	$ 28,744	$ 28,744	$ -	$ 226,688	12.68%
2020	$ 26,472	$ 26,472	$ -	$ 208,770	12.68%
2019	$ 22,558	$ 22,558	$ -	$ 177,902	12.68%
2018	$ 19,010	$ 19,010	$ -	$ 149,921	12.68%
2017	$ 17,504	$ 17,504	$ -	$ 138,044	12.68%
2016	$ 21,803	$ 21,803	$ -	$ 171,948	12.68%

Note to Schedule

This schedule is presented to illustrate the requirement to show information for 10 years.

All amounts are as of plan calculation dates which are one fiscal year priot to the date shown.

See the accompanying Independent Auditors' Report.

Town of Alma
Schedule of Town's Proportionate Share of Net Pension Asset/Liability
PERA Health Care Trust Fund
Year Ended December 31, 2025

Fiscal Year	Town's proportion of the net pension asset (liability	Town's proportionate share of the net pension asset (liability)	Town's covered payroll	Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.003550%	$ (16,974)	$ 428,388	-3.96%	59.83%
2024	0.003279%	$ (23,402)	$ 362,353	-6.46%	46.16%
2023	0.003423%	$ (27,947)	$ 347,344	-8.05%	38.57%
2022	0.002629%	$ (22,667)	$ 251,569	-9.01%	39.40%
2021	0.002403%	$ (22,829)	$ 222,157	-10.28%	32.78%
2020	0.002322%	$ (26,098)	$ 208,725	-12.50%	24.49%
2019	0.002104%	$ (28,619)	$ 177,941	-16.08%	17.03%
2018	0.001847%	$ (23,999)	$ 149,902	-16.01%	17.53%
2017	0.001748%	$ (22,667)	$ 276,275	-8.20%	16.70%

Note to Schedule

This schedule is presented to illustrate the requirement to show information for 10 years.

All amounts are as of plan calculation dates which are one fiscal year priot to the date shown.

See the accompanying Independent Auditors' Report.

Town of Alma

Schedule of Town's Proportionate Share of Net Pension Asset/Liability

PERA Health Care Trust Fund

Year Ended December 31, 2025

Fiscal Year	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	Town's covered payroll	Contributions as a percentage of covered payroll
2025	$ 4,370	$ 4,370	$ -	$ 428,388	1.02%
2024	$ 3,696	$ 3,696	$ -	$ 362,353	1.02%
2023	$ 3,543	$ 3,543	$ -	$ 347,344	1.02%
2022	$ 2,566	$ 2,566	$ -	$ 251,569	1.02%
2021	$ 2,266	$ 2,266	$ -	$ 222,157	1.02%
2020	$ 2,129	$ 2,129	$ -	$ 208,725	1.02%
2019	$ 1,815	$ 1,815	$ -	$ 177,941	1.02%
2018	$ 1,529	$ 1,529	$ -	$ 149,902	1.02%
2017	$ 2,818	$ 2,818	$ -	$ 276,275	1.02%

Note to Schedule

This schedule is presented to illustrate the requirement to show information for 10 years.

All amounts are as of plan calculation dates which are one fiscal year priot to the date shown.

See the accompanying Independent Auditors' Report.

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

	Budgeted Amounts			Variance
REVENUES	**Original**	**Final**	**Actual**	**With Final Budget**
Taxes				
Property Tax	$ 132,332	$ 132,332	**$ 137,564**	$ 5,232
Specific Ownership Taxes	16,000	16,000	**12,484**	(3,516)
Sales Taxes	425,000	425,000	**461,980**	36,980
Franchise Taxes	28,000	28,000	**33,954**	5,954
Other Tax	4,000	4,000	**6,310**	2,310
Total Taxes	605,332	605,332	**652,292**	46,960
Intergovernmental Revenues				
Cigarett Taxes	600	600	**889**	289
Highway Users	15,551	15,551	**20,668**	5,117
Road and Bridge	3,000	3,000	**2,441**	(559)
Clerk/Motor Vehicle Fees	1,400	1,400	**1,804**	404
Mineral Lease	145	145	**164**	19
Severance Tax	4,830	4,830	**225**	(4,605)
American Rescue Plan Funds	-	-	**39,336**	39,336
State Grants	-	-	**225,100**	225,100
Total Intergovernmental Revenue	25,526	25,526	**290,627**	265,101
Licenses and Permits				
Building Permits	3,000	3,000	**21,950**	18,950
Other Licenses and Permits	9,000	9,000	**12,560**	3,560
Total Licenses and Permits	12,000	12,000	**34,510**	22,510
Fines and Forfeits	14,750	14,750	**8,237**	(6,513)
Charges for Services				
Utility Charges	40,512	40,512	**37,472**	(3,040)
Rents	23,920	23,920	**17,402**	(6,518)
Other Charges for Services	57,500	57,500	**46,452**	(11,048)
Total Charges for Services	121,932	121,932	**101,326**	(20,606)
Investment Earnings	4,500	4,500	**27,345**	22,845
Other Revenues				
Donations	-	-	**400**	400
Sale of Capital Assets	1,000	1,000	**-**	(1,000)
Other Miscellaneous Revenue	17,000	17,000	**12,681**	(4,319)
Total Other Revenue	18,000	18,000	**13,081**	(4,919)
TOTAL REVENUES	802,040	802,040	**1,127,418**	325,378

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

	Budgeted Amounts			Variance With Final
EXPENDITURES	**Original**	**Final**	**Actual**	**Budget**
General Government				
Personnel Services	350,140	350,140	**383,886**	(33,746)
Insurance	21,000	21,000	**23,223**	(2,223)
Professional Fees	60,100	60,100	**67,344**	(7,244)
Repairs and Maintenance	7,000	7,000	**304**	6,696
Supplies	12,500	12,500	**28,720**	(16,220)
Telephone and Utilities	42,500	42,500	**41,588**	912
Travel and Training	5,000	5,000	**2,441**	2,559
Other Expenses	9,600	9,600	**24,091**	(14,491)
Total General Government	507,840	507,840	**571,597**	(63,757)
Public Safety				
Personnel Services	120,000	120,000	**163,029**	(43,029)
Fuel and Automotive	-	-	**359**	(359)
Professional Fees	9,000	9,000	**-**	9,000
Total Public Safety	129,000	129,000	**163,388**	(34,388)
Public Works/Building				
Personnel Services	115,343	115,343	**19,477**	95,866
Fuel and Automotive	7,000	7,000	**2,964**	4,036
Professional Fees	10,000	10,000	**32,856**	(22,856)
Repairs and Maintenance	20,000	20,000	**14,302**	5,698
Supplies	1,120	1,120	**1,899**	(779)
Telephone and Utilities	2,600	2,600	**2,724**	(124)
Travel and Training	2,000	2,000	**1,147**	853
Total Public Works/Building	158,063	158,063	**75,369**	82,694
Parks, Recreation, and Other				
Personnel Services	28,350	28,350	**-**	28,350
Repairs and Maintenance	9,500	9,500	**6,318**	3,182
Telephone and Utilities	4,050	4,050	**2,702**	1,348
Donations to other	-	-	**225,000**	(225,000)
Other Expenses	500	500	**-**	500
Total Parks, Recreation & Other	42,400	42,400	**234,020**	(191,620)

Town of Alma

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

General Fund

For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With Final
	Original	**Final**	**Actual**	**Budget**
Capital Outlay				
General Government Capital Outlay	-	-	**4,700**	(4,700)
Public Works Capital Outlay	5,000	5,000	**-**	5,000
Parks, Recreation and Other Capital Outlay	7,088	7,088	**-**	7,088
Total Capital Outlay	12,088	12,088	**4,700**	7,388
Debt Service				
Principal	25,000	25,000	**25,030**	(30)
TOTAL EXPENDITURES	874,391	874,391	**1,074,104**	(199,713)
Revenues in Excess (Deficiency) of Expenditures				
Trasnfers In (Out)	100,000	100,000	**-**	(100,000)
Net Change in Fund Balance- Budget Basis	$ 27,649	$ 27,649	**53,314**	$ 25,665
Fund Balance, Beginning			**826,661**	
Residual Transfer			**$ 66,717**	
Fund Balance, Ending			**$ 946,692**	

Town of Alma
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With Final Budget
REVENUES	**Original**	**Final**	**Actual**	
Taxes				
Tax Revenue	$ -	$ -	**$ -**	**$ -**
TOTAL REVENUES	-	-	**-**	**-**
EXPENDITURES				
Debt Service	-	-	**-**	**-**
TOTAL EXPENDITURES	-	-	**-**	**-**
Net Change In Fund Balance- Budget Basis	$ -	$ -	**-**	$ -
Change in available resources				
Fund Balance, Beginning			**66,717**	
Residual Transfer			**(66,717)**	
Fund Balance, Ending			**$ -**	

Town of Alma
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Conservation Trust Fund	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS		
ASSETS		
Current Assets		
Restricted Cash and Investments	$ 30,710	$ 30,710
Accounts Receivable	545	545
TOTAL ASSETS	$ 31,255	$ 31,255
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
FUND BALANCE		
Restricted Fund Balance	$ 31,255	$ 31,255
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 31,255	$ 31,255

Town of Alma
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Conservation Trust Fund	Total
REVENUES		
Intergonvernmental Revenues	$ 1,876	$ 1,876
Investment Earnings	1,253	1,253
TOTAL REVENUES	3,129	3,129
EXPENDITURES		
Capital Outlay	-	-
TOTAL EXPENDITURES	-	-
Net Change in Fund Balance- GAAP Basis	3,129	3,129
Fund Balance, Beginning	28,126	28,126
Fund balance, Ending	$ 31,255	$ 31,255

Town of Alma
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With Final
REVENUES	**Original**	**Final**	**Actual**	**Budget**
Intergovernmental Revenues				
Conservation Trust Fund Revenue	$ -	$ -	**$ 1,876**	$ 1,876
Investment Earnings	-	-	**1,253**	1,253
TOTAL REVENUES	-	-	**3,129**	3,129
EXPENDITURES				
Capital Outlay				
Parks, Recreation and Other Capital Outlay	-	-	**-**	-
Net Change In Fund Balance- Budget Basis	$ -	$ -	**3,129**	$ 3,129
Fund Balance, Beginning			**28,126**	
Fund Balance, Ending			**$ 31,255**	

Town of Alma
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
Operating Revenues				
Utility Charges	$ 154,250	$ 154,250	**$ 138,970**	$ (15,280)
Operating Expenses				
Personnel Services	78,000	78,000	**105,798**	(27,798)
Administrative/ Office Expenses	3,500	3,500	**226**	3,274
Insurance	10,000	10,000	**11,612**	(1,612)
Professional Fees	8,000	8,000	**12,605**	(4,605)
Repairs and Maintenance	23,102	23,102	**32,286**	(9,184)
Travel and Training	200	200	**1,819**	(1,619)
Treatment	8,000	8,000	**2,900**	5,100
Telephone and Utilities	12,040	12,040	**10,658**	1,382
Other Operating Expenses	32,333	32,333	**7,087**	25,246
Other Capital Outlay	34,500	34,500	**425**	34,075
Total Expenditures	209,675	209,675	**185,416**	24,259
Operating Income (Loss)	(55,425)	(55,425)	**(46,446)**	8,979
Other Income (Expense)				
Intergovernmental Revenue	40,000	40,000	**-**	(40,000)
Investment Earnings	750	750	**8,078**	7,328
Other Revenue	6,600	6,600	**7,799**	1,199
Debt Service	(11,925)	(11,925)	**(37,268)**	(25,343)
Total Other Income (Expense)	35,425	35,425	**(21,391)**	(56,816)
Net Income (Loss) Before Transfers	(20,000)	(20,000)	**(67,837)**	(47,837)
Contributed Capital				
Plant Investment Fees	37,500	37,500	**29,325**	(8,175)
Change in Net Position (Budget Basis)	$ 17,500	$ 17,500	**(38,512)**	$ (56,012)
Budget to GAAP Reconiliation				
Principal Paid			**30,584**	
Depreciation Expense			**(51,235)**	
Change in Net Position- GAAP Basis			**(59,163)**	
Net Position, Beginning			**872,104**	
Net Position, Ending			**$ 812,941**	

Town of Alma
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Sewer Fund
For the Year Ended December 31, 2025

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
Operating Revenues				
Utility Charges	$ 157,380	$ 157,380	**$ 177,746**	$ 20,366
Operating Expenses				
Personnel Services	84,435	84,435	**104,676**	(20,241)
Administrative /Office Expenses	4,300	4,300	**206**	4,094
Insurance	10,000	10,000	**11,612**	(1,612)
Professional Fees	8,500	8,500	**8,331**	169
Repairs and Maintenance	22,000	22,000	**5,203**	16,797
Travel and Training	2,000	2,000	**25**	1,975
Treatment	8,000	8,000	**660**	7,340
Telephone and Utilities	10,000	10,000	**6,940**	3,060
Other Operating Expenses	5,600	5,600	**8,470**	(2,870)
Other Capital Outlay	1,495,350	1,495,350	**47,495**	1,447,855
Total Operating Expenditures	1,650,185	1,650,185	**193,618**	1,456,567
Operating Income (loss)	(1,492,805)	(1,492,805)	**(15,872)**	1,476,933
Other Income (Expense)				
Intergovermental Revenue	1,500,000	1,500,000	**-**	(1,500,000)
Investment Earnings	850	850	**9,607**	8,757
Other Revenue	-	-	**1,662**	1,662
Debt Service	(8,045)	(8,045)	**(8,182)**	(137)
Total Other Income	1,492,805	1,492,805	**3,087**	(1,489,718)
Contributed Capital				
Plant Investment Fees	37,500	37,500	**29,661**	(7,839)
Change In Net Position(Budget Basis)	$ 37,500	$ 37,500	**16,876**	$ (20,624)
Budget to GAAP Reconciliation				
Principal Paid			**5,269**	
Depreciation Expense			**(13,479)**	
Capital Outlay			**47,495**	
Change in Net Position GAAP Basis			**56,161**	
Net Position, Beginning			**838,042**	
Net Position, Ending			**$ 894,203**	

LOCAL HIGHWAY FINANCE REPORT

THIS INFORMATION FROM THE RECORDS OF:	**PREPARED BY:**		**STATE:** COLORADO
Town of Alma	Gary Goettelman	gary.goettelman@townofalma.com	**REPORT YEAR ENDING DATE(mm/yyyy):** 12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments	2,814.37	a. Interest on investments	0.00
b. Non-property Taxes and Assessments Imposts	1,400.00	b. Other Misc. Local Receipts	0.00
c. Total (a + b)	$ 4,214.37	**c. Total (a + b)**	$ -

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	20,667.95	1. FHWA (from Item I.D.5.)	0.00
2. State General Funds		2. Other Federal Agencies:	0.00
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	0.00		
c. Total (a + b)	$ -		
4. Total (1 + 2 + 3c)	$ 20,667.95	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	0.00
b. Engineering Costs	0.00
c. Construction Costs	0.00
d. Total Capital Outlay (a+ b + c)	$ -

Form FHWA-536 (Rev. 02-2025) Page2

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO

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

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	0.00
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 4,214.37
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ -
5. Transfers from Toll Facilities	0.00
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	0.00
b. Bonds - Refunding Issues	0.00
c. Notes	
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 4,214.37
B. Private Contributions	0.00
C. Receipts from State government (from page 1, Item II.C.4)	$ 20,667.95
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 24,882.32

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ -
2. Maintenance:	8,000.00
3. Road and Street Services:	
a. Snow and Ice Removal	10,000.00
b. Other & Traffic Control Operations	
c. Total (a + b)	$ 10,000.00
4. General Administration & Miscellaneous	1,000.00
5. Highway Law Enforcement and Safety	5,882.32
6. Total (1 through 5)	$ 24,882.32
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
2. Notes:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	0.00
D. Payments to Toll Facilities	0.00
E. Total Expenditures (A6 + B3 + C + D)	$ 24,882.32

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	0	$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)	0	$ -	$ -	$ -