Annual Comprehensive Financial Report

for the year ended
December 31, 2025

Prepared by Finance Department

Town of Avon
100 Mikaela Way ▪ Avon, CO ▪ 81620 ▪ www.avon.org

TOWN OF AVON, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

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LIST OF ELECTED AND APPOINTED OFFICIALS
December 31, 2025

TOWN COUNCIL

Tamra N. Underwood, Mayor
Rich Carroll, Mayor Pro Tem
Gary Brooks
Lindsay Hardy
Kevin Hyatt
Ruth Stanley
Chico Thuon

MANAGEMENT

Eric Heil, Town Manager
Patty McKenny, Deputy Town Manager
Michael LaBagh, Recreation Director
Greg Daly, Police Chief
Matt Pielsticker, Community Development Director
Mike Jackson, Public Works Director
Paul Redmond, Chief Finance Officer

AVON
COLORADO

Post Office Box 975
100 Mikaela Way
Avon, CO 81620

June 23, 2026

To the Honorable Mayor, Members of the Town Council and Citizens of the Town of Avon:

Town Charter and State statutes require that the Town of Avon (Town) issue a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants. Pursuant to these requirements, we hereby issue the annual comprehensive financial report of the Town of Avon for the fiscal year ended December 31, 2025.

This report consists of management's representations concerning the finances of the Town of Avon. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Avon has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Avon's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the Town of Avon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Avon's financial statements have been audited by McMahan and Associates, L.L.C., a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town of Avon for the fiscal year ended December 31, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Avon's financial statements for the fiscal year ended December 31, 2025 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Avon's MD&A can be found immediately following the report of the independent auditors.

Letter of Transmittal
Town of Avon, Colorado
June 23, 2026

Profile of the Town

The Town of Avon was incorporated in 1978 and is located in Eagle County, eight miles west of the Town of Vail and seventeen miles east of the Town of Eagle. The Town sits north of U.S. Highway 6, directly adjacent to the Beaver Creek Resort and is bisected by Interstate Highway 70 from east to west. The primary transportation route to and from Avon is I-70. Aviation services and transportation are available at the Eagle County Airport, 24 miles west of the Town. The Town provides bus transportation services within the Town and offers, in funding partnership with the Beaver Creek Resort Company, a high-speed gondola that provides direct access to Beaver Creek Resort. Avon is also served by the CORE Transit formally known as the Eagle County Regional Transit Authority which provides bus service throughout Eagle County. Eagle County encompasses approximately 1,694 square miles and spans from the summit of Vail Pass to Glenwood Canyon. Approximately 80% of Eagle County's land is public – comprised of National Forests, wilderness areas, Bureau of Land Management properties, and state and local public lands.

The Town of Avon currently encompasses approximately 8¼ square miles. The Census Bureau's population estimate as of April 2020 was 6,072. This figure represents the permanent resident population. Total population increases significantly during the winter tourist ski season.

The Town operates under the council/manager form of government. Policy-making and legislative authority are vested in the Town Council, which consists of a mayor and a six-member council. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing a Town Manager, Town Attorney, Town Prosecutor and Municipal Judge. The Town Manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments.

The Council is elected on a non-partisan basis. Council members are elected to four-year staggered terms with three council members elected in November 2024, and the remaining four to be elected in November 2026. The mayor and mayor pro-tem are elected from amongst the elected council members by a majority vote. The mayor presides at meetings of council and shall not vote until all other Council members present who are eligible to vote have had reasonable opportunity to vote. The affirmative concurring vote of four (4) Council members is required for the adoption of an ordinance, resolution, order for appropriation, approval of a contract or approval of an intergovernmental agreement.

The Town is a home-rule community empowered to levy a property tax on the assessed value of real property located within the Town. The Town collects a 4% sales tax on all retail sales, and a 4% accommodations tax on the lease or rental of hotel rooms, condominium units and other accommodation within the Town. Beginning January 1, 2022, with voter approval, the Town began levying a 2% short-term rental tax on all residential short-term rentals. These funds are earmarked for community housing purposes. Effective January 1, 2019, with voter approval, the Town began levying a $3 per pack excise tax on the sale of cigarettes and a 40% tax on other nicotine and tobacco products. The Town also collects a 2% real estate transfer tax on all sales of real property located within the Town. The Town has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Town Council.

Effective January 1, 2025, the Avon voters approved a 4% use tax on construction materials. The revenue from the construction use tax will be dedicated to Community Housing. The construction use tax is a form of use tax levied on building materials. The use tax is collected at the time a building permit is issued. The use tax amount is determined by multiplying the use tax rate by the cost of the building materials using a predetermined formula. A common method is to determine that the cost of building materials to be fifty percent (50%) of the total valuation of the construction project. The builder then provides the building permit to the materials supplier to prove that use tax has already been paid and then is exempt from paying a corresponding municipal sales tax in other locations.

The Town provides a full range of municipal services including general administrative services; community planning and zoning and building permitting and inspection services; municipal law enforcement; public works including management and maintenance of Town parks and landscaping, Nottingham Lake, bridges, streets and roads, trails, buildings, facilities and infrastructure; operation and management of the Avon Recreation Center and other youth, adult and senior recreation programs; and, special events and cultural activities.

The annual budget serves as the foundation for the Town of Avon's financial planning and control. No later than October 15th, the Town Manager submits to the Mayor and Town Council a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, department, program, and project and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal, or specialized division (e.g. the department of public works).

Expenditures may not legally exceed budgeted appropriations at the fund level. Budget to actual comparison are provided in this report for all funds and are presented at a lower-than-required level of control to facilitate detailed financial analysis.

Budgetary comparisons for the Town's General Fund and its major special revenue fund, the Avon Urban Renewal Authority, the Avon Downtown Development Authority are presented as required supplemental information in this report. Budget to actual comparisons for all other Town funds are included as other supplemental information in this report.

Letter of Transmittal
Town of Avon, Colorado
June 23, 2026
Factors Affecting Financial Condition

The information presented in the financial statements is best understood when considered from a broader perspective rather than just the specific environment in which the Town operates.

Local Economy. Year-round tourism and winter recreation-related businesses account for a significant portion of the employment and earned income of area residents. Skier and snowboarder visits at Vail and Beaver Creek Resort account for almost 20% of the total such visits in Colorado. Both resorts are perennially ranked among the top ten ski resorts in the country.
In addition to skiing and associated winter-time activities, the area promotes a number of summer activities. The Town of Avon sponsors numerous special events throughout the year to area residents and visitors including Avon's Salute to the USA - a July 4th fireworks display typically held on July 3rd, and Avon LIVE!, a free Wednesday evening live music series; and family-friendly activities like the Avon Easter Egg Hunt. The Avon Recreation Center is a spacious 40,000 sq. ft. multi-use facility featuring a large aquatics area with a 5-lane lap pool, lazy river, kid's pool, 140 foot water slide, Aquaclimb climbing wall and diving well; a 2,560 sq. ft. advanced weight training room; a fitness room with treadmills, elliptical motion trainers, upright and recumbent bikes; and, separate Yoga/Tai Chi and multi-purpose training studios. Nottingham Park and Nottingham Lake serve as the Town's central headquarters for summer activities including standup paddleboard, pedal boat, and kayak rentals; fishing, beach volleyball, Fitness Court, and Destination Jump, Splash, Learn. Avon's Whitewater Park, with three distinct water features, is open all summer for rafters and kayakers to enjoy. The West Avon Preserve offers more than 11 miles of mountain bike trails accessible from the Town's paved bike paths with a variety of terrain for all ability levels. Offering several championship golf courses, Eagle County has earned a rating by Golf Digest Magazine as one of the top 40 golf communities in which to live. Other summer activities include hiking, horseback riding, bicycling, kayaking, and rafting, as well as other recreational sports.

Property Values. Property tax, which is based on assessed property values and a mill rate, represents approximately fifteen percent of the Town's total tax revenues. Assessed values are dependent upon real property growth and market values of property, along with assessment ratios established by the State legislature.

Current Initiatives

Council continues to prioritize maintaining existing service levels. For the purpose of supporting community stability and the local economy, new initiatives include rejoining Destimetrics to expand lodging data, increasing marketing through a shift from "Avon Community Values" to "Come Visit Avon," and hosting a three-day fall bluegrass festival projected to attract 2,500–3,000 visitors during a low-occupancy period.

Community Housing. In 2026, the Avon Town Council continues to fund the buyer assistance, deed restriction purchase program originally began in 2020 called Mi Casa Avon! which has been very successful. In 2025, the Town of Avon partnered with the Eagle County Good Deeds program, as the Town will now help buyers purchase properties in the Avon area. Now with the 2% short-term rental tax on all residential short-term rentals earmarked for community housing purposes, the Town has begun feasibility studies and preliminary design on employee rental housing on certain town-owned properties.

The Town is currently reviewing and ordering schematic designs for future construction of Community Housing within the Town. Avon has recently purchased two properties within the Town limits for the development of future community housing.

Capital Improvement Projects

The Town updates its capital improvements long-range plan annually. Substantial expenditures are planned in 2026 from the Capital Projects Fund. A significant portion of the expenditures are planned for road and street maintenance, a public works garage and repairs and multi-modal / alternative mobility projects including a $4.6 million project for the US Hwy 6 & Stonebridge Road, which is proposed to be funded through various federal, state and local grants. The previously approved $5.5 million H.A. Nottingham Park East Improvement project has received grant funding and began construction in 2025. The original project included landscaping upgrades, recreation path repairs, and the construction of additional public restrooms on the north and east side of the park.

The dedication of real estate transfer tax revenues to capital improvements is unique to Avon and has created a stable Capital Projects Fund with adequate fund balances to continue with street resurfacing, facility replacements, and implementation of community projects identified in the Town's Comprehensive Plan documents.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Avon for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2024. This was the thirty-second consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized ACFR. This report satisfies both GAAP and applicable legal requirements.

The preparation of this report could not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. Due credit should also be given to the Mayor, Town Council, and Town Manager for their interest, support and leadership in planning and conducting the operations of the Town in a responsible and progressive manner.

Respectfully Submitted,

Paul Redmond
Chief Finance Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Avon
Colorado

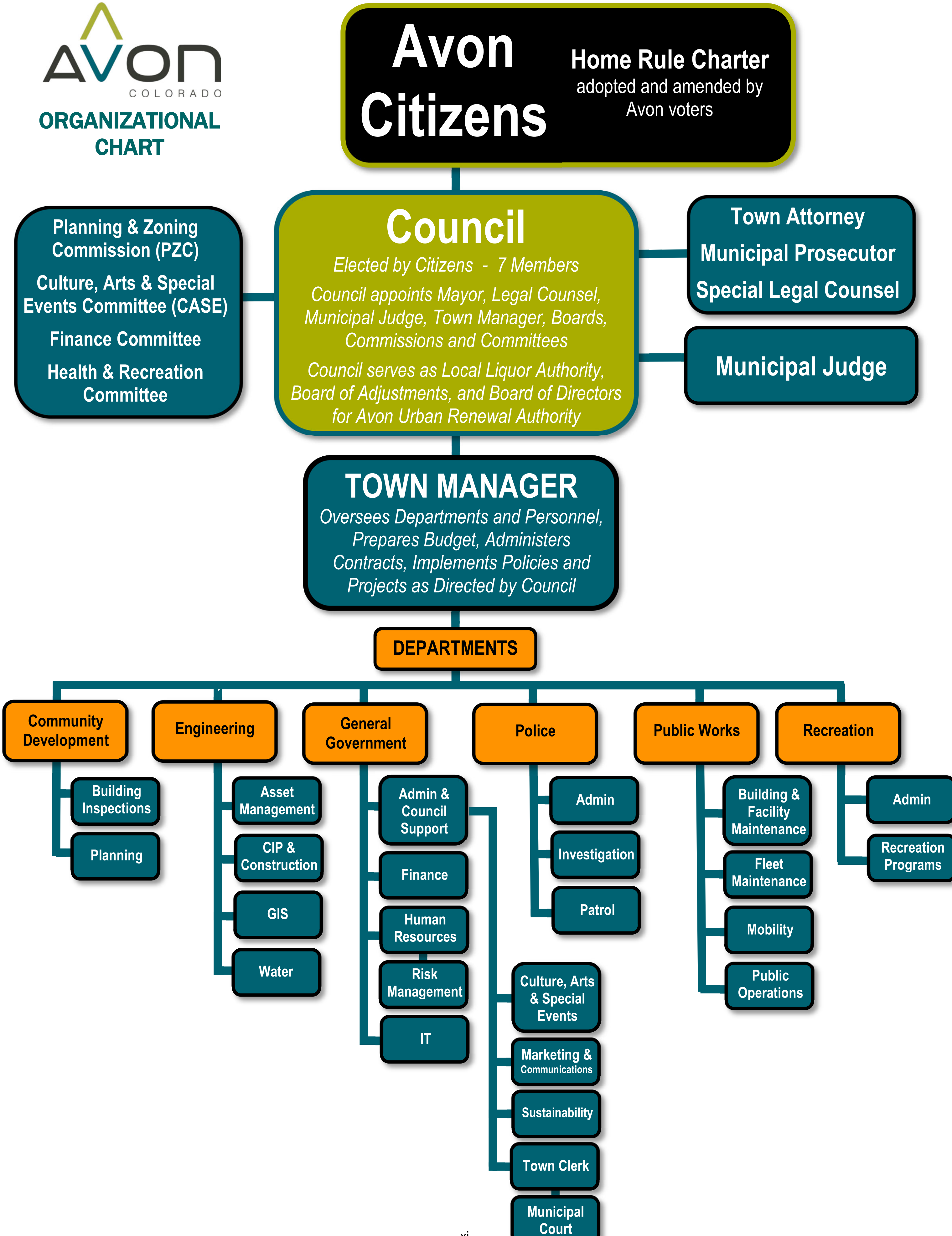
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

ORGANIZATIONAL CHART



M & A

McMahan and Associates, L.L.C.

Certified Public Accountants and Consultants

Web Site: www.McMahanCPA.com Main Office: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Council
Town of Avon, Colorado

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements 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 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Town 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

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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'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

U.S. GAAP require that the Management's Discussion and Analysis in section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in section B in accordance with U.S. GAAS, 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.

Required Supplementary Information (continued)

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining non-major fund financial statements, individual fund budgetary comparison information, and the *Local Highway Finance Report* in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining non-major fund financial statements, individual fund budgetary comparison information, and the *Local Highway Finance Report* in Section F is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 23, 2026

Management's Discussion and Analysis

As management of the Town of Avon, we offer readers of the Town of Avon's financial statements this narrative overview and analysis of the financial activities of the Town of Avon for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the Town exceeded its liabilities and deferred inflows at the close of its fiscal year ended December 31, 2025 by $147,072,687 (net position). Of this amount, $42,993,376 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies as more fully described below.

- The Town's total net position increased by $4,584,032.

- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of $38,302,243, an decrease of $8,035,321 from the prior year. Approximately 49.54% of this total amount, $18,975,197, is available for spending at the Town's discretion (unassigned fund balance).

- The unassigned fund balance for the General Fund was $18,975,197, or 48.83% of current year General Fund expenditures and other financing uses.

- The Town of Avon's long-term liabilities increased by a net $4,547,515 during the current fiscal year. Regular principal payments were made on bonded debt, leases, and subscription liabilities. The Town issued new certificates of participation in 2025.

Overview of the Financial Statements

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

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

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

The s*tatement 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the Town of Avon 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 of Avon include general government, community development, public safety, public works and utilities, and recreation and culture. The business-type activities of the Town include mobility and fleet maintenance operations.

The government-wide financial statements include not only the Town of Avon itself (known as the *primary government*), but also two component units. The first, Avon Urban Renewal Authority ("AURA"), a legally separate entity, was established in August 2007 to undertake urban renewal plans and projects with the Town. All members of the governing body are Town Council members. For financial reporting purposes, AURA is blended into the Town's financial statements and is reported as a major fund in the basic financial statements. The second, Avon Downtown Development Authority ("ADDA"), a legally separate entity, was established in 2023 to undertake downtown development plans and projects within the Town. All members of the governing body are Town Council members. For financial reporting purposes, ADDA is blended into the Town's financial statements and is reported as a non-major fund in the basic financial statements.

The government-wide financial statements can be found on pages C1-C2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Avon, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town 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 *near-term inflow 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 near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-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 of Avon maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Avon Urban Renewal Authority Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other six nonmajor governmental funds (Water Fund, Community Enhancement Fund, Downtown Development Authority Fund, Affordable Housing Fund, Exterior Energy Offset Fund, and Disposable Paper Bag Fee Fund) are combined into a single, aggregate presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages C3-C6 of this report.

Proprietary funds. The Town of Avon maintains two different types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The Town of Avon uses enterprise funds to account for its mobility operations and its fleet maintenance operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town of Avon uses an internal service fund to account for the rental of vehicles and equipment to Town departments for the accumulation of funds for future replacement. Because this service predominately benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the mobility fund and the fleet maintenance fund operations. Separate information is also provided for the Town's internal service fund. The basic proprietary fund financial statements can be found on pages C7-C9 of this report.

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

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The Town of Avon adopts an annual appropriated budget for its General Fund and major special revenue fund. Budgetary comparison statements have been provided for the General Fund and the Avon Urban Renewal Authority Fund to demonstrate compliance with these budgets and can be found on pages E1 and E2 of this report.

Other Supplementary Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented under other supplemental information immediately following the required supplemental information. Individual fund statements and schedules and other miscellaneous schedules can also be found in sections F and G of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Avon, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $147,072,687 as of December 31, 2025.

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, utilities, machinery and equipment, infrastructure, and right-to-use lease assets), net of any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Condensed Net Position

A summary of the Town's statement of net position as of December 31, 2025 and 2024 for governmental and business-type activities is as follows:

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Current Assets	58,453,571	61,217,878	3,013,238	2,843,734	61,466,809	64,061,612
Restricted Assets	505,630	503,442	-	-	505,630	503,442
Capital Assets, net	100,953,309	83,313,203	13,350,341	13,953,818	114,303,650	97,267,021
Total Assets	159,912,510	145,034,523	16,363,579	16,797,552	176,276,089	161,832,075
Deferred Outflow of Resources	67,294	80,097	9,132	10,873	76,426	90,970
Current Liabilities	4,751,214	3,498,549	642,721	617,433	5,393,935	4,115,982
Current Portion of Long-Term Liabilities	1,932,041	1,695,112	218,436	273,258	2,150,477	1,968,370
Noncurrent Liabilities	13,874,084	9,427,985	863,309	944,000	14,737,393	10,371,985
Total Liabilities	20,557,339	14,621,646	1,724,466	1,834,691	22,281,805	16,456,337
Deferred Inflows of Resources	6,925,583	2,908,568	72,440	69,485	6,998,023	2,978,053
Net Position:						
Net Investment in Capital Assets	84,966,850	72,826,656	12,406,341	12,789,095	97,373,191	85,615,751
Restricted	6,621,120	6,259,643	85,000	-	6,706,120	6,259,643
Unrestricted	40,908,912	48,498,107	2,084,464	2,115,154	42,993,376	50,613,261
Total Net Position	132,496,882	127,584,406	14,575,805	14,904,249	147,072,687	142,488,655

Change in Net Position

A summary of the Town's changes in net position for 2025 and 2024 for governmental and business-type activities is as follows:

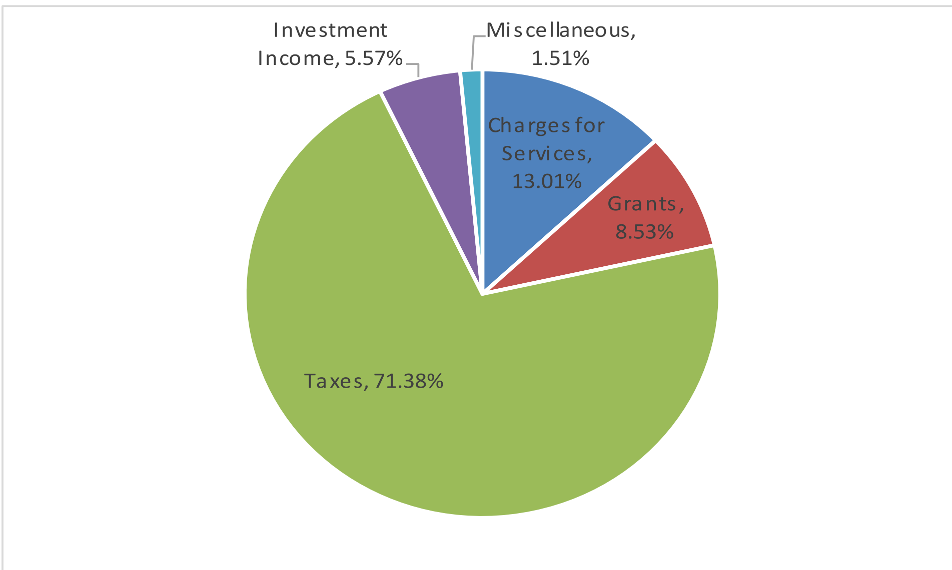
	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program Revenues:						
Charges for Services	5,430,240	5,281,635	3,315,338	3,337,993	8,745,578	8,619,628
Operating Grants and Contributions	837,010	1,785,449	-	338,398	837,010	2,123,847
Capital Grants and Contributions	949,518	925,584	481,536	-	1,431,054	925,584
General Revenues:						
Taxes:						
Property Taxes	6,094,795	5,659,627	70,353	73,037	6,165,148	5,732,664
Real Estate Transfer Tax	5,297,273	7,980,409	-	-	5,297,273	7,980,409
Sales and Accommodation Taxes	15,960,802	15,592,383	-	-	15,960,802	15,592,383
Other Taxes	2,445,483	2,019,273	-	-	2,445,483	2,019,273
Investment Earnings (Loss)	2,326,828	2,663,857	-	-	2,326,828	2,663,857
Unrestricted Grants & Contributions	1,773,196	2,164,618	-	-	1,773,196	2,164,618
Miscellaneous	629,692	690,082	8,586	38,673	638,278	728,755
Total Revenues	41,744,837	44,762,917	3,875,813	3,788,101	45,620,650	48,551,018
EXPENSES						
Governmental Activities:						
General Government	9,065,691	9,206,664	-	-	9,065,691	9,206,664
Community Development	1,387,311	1,270,522	-	-	1,387,311	1,270,522
Public Safety	7,121,416	6,416,591	-	-	7,121,416	6,416,591
Public Works and Utilities	13,029,436	11,834,149	-	-	13,029,436	11,834,149
Recreation	3,794,326	3,427,244	-	-	3,794,326	3,427,244
Interest on Long-term Debt	300,356	303,666	-	-	300,356	303,666
Business-type Activities:						
Mobility	-	-	3,591,610	3,465,348	3,591,610	3,465,348
Fleet Maintenance	-	-	2,746,472	2,675,263	2,746,472	2,675,263
Total Expenses	34,698,536	32,458,836	6,338,082	6,140,611	41,036,618	38,599,447
Excess (Deficiency) Before Contributions and Transfers	7,046,301	12,304,081	(2,462,269)	(2,352,510)	4,584,032	9,951,571
Transfers	(2,133,825)	(2,048,002)	2,133,825	2,048,002	-	-
Increase (Decrease) in Net Position	4,912,476	10,256,079	(328,444)	(304,508)	4,584,032	9,951,571
Net Position, Beginning of Year	127,584,406	117,328,327	14,904,249	15,208,757	142,488,655	132,537,084
Net Position, Ending	132,496,882	127,584,406	14,575,805	14,904,249	147,072,687	142,488,655

Analysis of the Town's Operations

Overall, the Town's net position increased by $4,584,032 for 2025. Governmental activities increased net position by $4,912,476, while business-type activities decreased net position by $328,444. The largest contributor to the overall increase was increased tax revenues (excluding real estate transfer taxes, which significantly declined from 2024) while expenses increased year-over-year for both governmental and business-type activities.

Revenues by Source – Governmental Activities

	2025	Percent of Total	2024	Amount of Increase (Decrease)	Percent Increase (Decrease)
Charges for Services	5,430,240	13.01%	5,281,635	148,605	2.81%
Grants	3,559,724	8.53%	4,875,651	(1,315,927)	-26.99%
Taxes	29,798,353	71.38%	31,251,692	(1,453,339)	-4.65%
Investment Income	2,326,828	5.57%	2,663,857	(337,029)	-12.65%
Miscellaneous	629,692	1.51%	690,082	(60,390)	-8.75%
Total	**41,744,837**	**100.00%**	**44,762,917**	(3,018,080)	



The Town's governmental revenues decreased by $3.0mm year-over-year. Grant revenues decreased by 27% year-over-year as the Town expended its final allocation of ARPA funds in 2024. Tax revenues decreased by 4.65%, chiefly driven by a multi-million drop in Real Estate transfer taxes, which vary annually and are tied to home purchases within the Town. Investment income decreased by 12.65% year-over-year as market rates decreased and the Town had lower cash available to invest compared to previous years.

Expenses by Source – Governmental Activities

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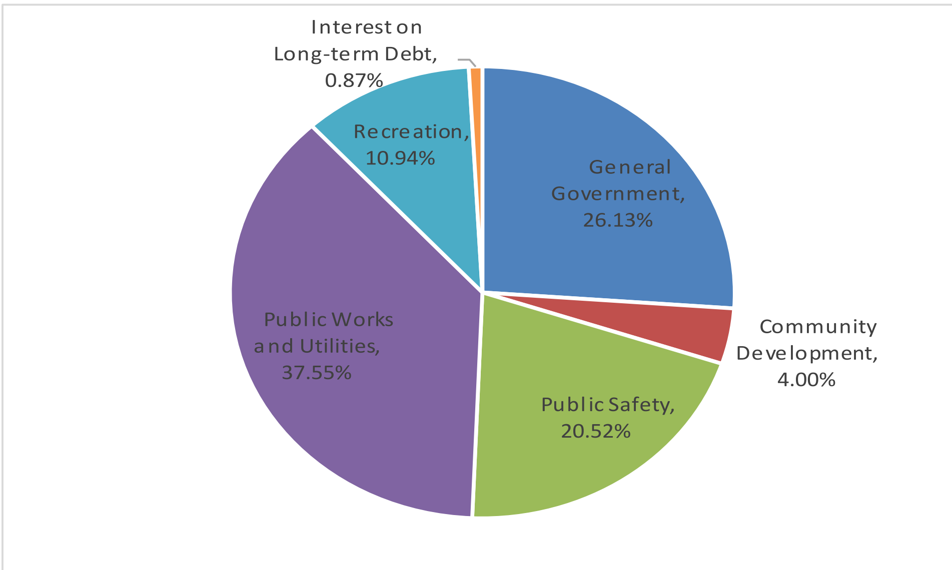
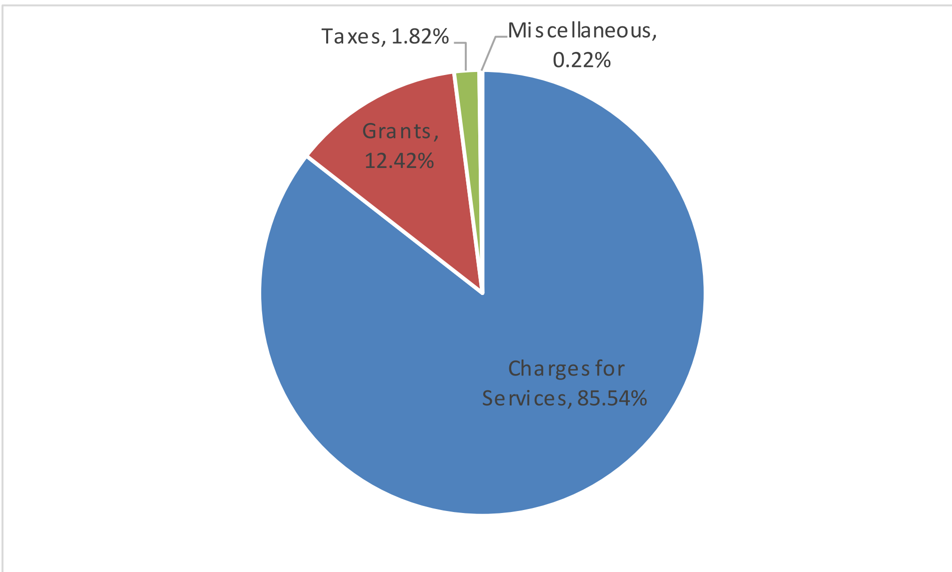
	2025	Percent of Total	2024	Amount of Increase (Decrease)	Percent Increase (Decrease)
General Government	9,065,691	26.13%	9,206,664	(140,973)	-1.53%
Community Development	1,387,311	4.00%	1,270,522	116,789	9.19%
Public Safety	7,121,416	20.52%	6,416,591	704,825	10.98%
Public Works and Utilities	13,029,436	37.55%	11,834,149	1,195,287	10.10%
Recreation	3,794,326	10.94%	3,427,244	367,082	10.71%
Interest on Long-term Debt	300,356	0.87%	303,666	(3,310)	-1.09%
Total	**34,698,536**	**100.00%**	**32,458,836**	**2,239,700**	



The Town's governmental expenses increased by $2.2mm year-over-year. The majority of the expense increase was attributed to public safety and public works government functions as the Town continues to expand its operations, provide services to residents and visitors, maintain and repair its infrastructure, and compensate employees. Other functions saw increases due to general inflationary activity and increased activities.

Revenues by Source – Business-Type Activities

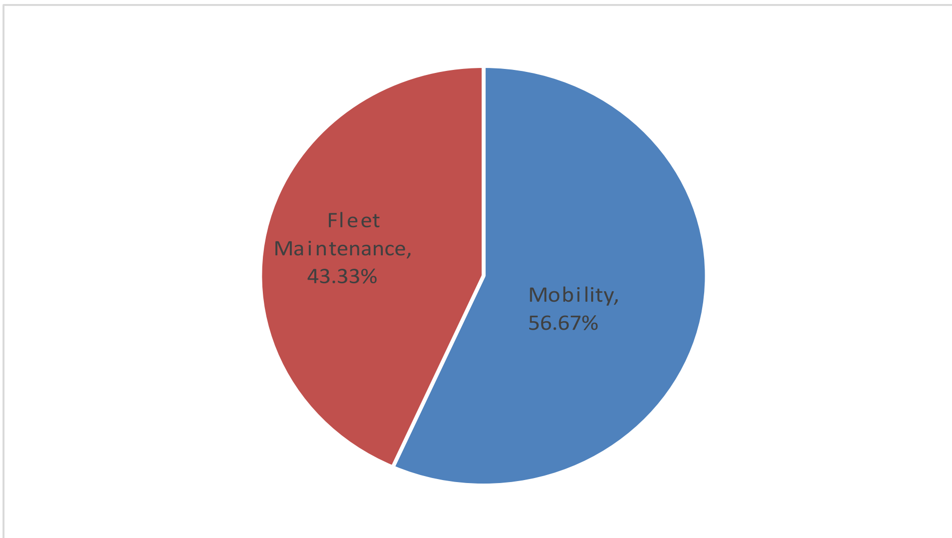
	2025	Percent of Total	2024	Amount of Increase (Decrease)	Percent Increase (Decrease)
Charges for Services	3,315,338	85.54%	3,337,993	(22,655)	-0.68%
Grants	481,536	12.42%	338,398	143,138	42.30%
Taxes	70,353	1.82%	73,037	(2,684)	-3.67%
Miscellaneous	8,586	0.22%	38,673	(30,087)	-77.80%
Total	**3,875,813**	**100.00%**	**3,788,101**	**87,712**	



The Town's business-type revenues increased by $87k year-over-year. Increased grant revenues in 2025 occurred as the Town received one-time capital grants for capital projects at the Town's transportation facility.

Expenses by Source – Business-type Activities

	2025	Percent of Total	2024	Amount of Increase (Decrease)	Percent Increase (Decrease)
Mobility	3,591,610	56.67%	3,465,348	126,262	3.64%
Fleet Maintenance	2,746,472	43.33%	2,675,263	71,209	2.66%
Total	**6,338,082**	**100.00%**	**6,140,611**	**197,471**	



The Town's business-type expenses increased by $197k year-over-year due to increased operations and general inflationary activity.

Financial Analysis of the Town's Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2025 and the amount and percentage of increases and decreases in relation to the prior year.

	2025	Percent of Total	2024	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	30,960,229	77.44%	32,334,856	(1,374,627)	-4.25%
Licenses and Permits	676,102	1.69%	1,270,081	(593,979)	-46.77%
Intergovernmental	2,658,811	6.65%	3,133,422	(474,611)	-15.15%
Charges for Services	2,646,246	6.62%	2,898,758	(252,512)	-8.71%
Fines and Forfeitures	90,000	0.23%	86,854	3,146	3.62%
Investment Earnings	2,173,566	5.44%	2,490,368	(316,802)	-12.72%
Leases	74,838	0.19%	-	74,838	100.00%
Other Revenues	697,551	1.74%	710,432	(12,881)	-1.81%
Total	**39,977,343**	**100.00%**	**42,924,771**	**(2,947,428)**	**-6.87%**

Overall governmental fund revenues decreased by $2.95mm in 2025. Tax revenues decreased by 4.25% from the prior year due to decreased Real Estate Transfer Tax revenues due to a slower real estate market. The general operating mill rate for the Town remained the same at 8.956 mills. License and permit revenues decreased by 46.77% from last year as last year saw major development activity in the Town that did not occur at the same level in 2025. Intergovernmental revenues decreased 15.15% from last year as the Town expended its remaining ARPA funds in 2024. The Town continues to prioritize investment earnings, which decreased 12.72% from 2024 due to a decrease in cash and reduced yields.

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2025, and the amount and percentage of increases and decreases in relation to the prior year.

	2025	Percent of Total	2024	Amount of Increase (Decrease)	Percent Increase (Decrease)
Current:					
General Government	17,917,980	34.48%	8,600,002	9,317,978	108.35%
Community Development	1,087,731	2.09%	1,248,629	(160,898)	-12.89%
Public Safety	6,591,686	12.68%	6,341,901	249,785	3.94%
Public Works and Utilities	8,304,585	15.98%	7,186,986	1,117,599	15.55%
Recreation	3,037,376	5.84%	2,707,393	329,983	12.19%
Capital Improvements	13,207,393	25.41%	7,963,093	5,244,300	65.86%
Debt Service:					
Principal	1,505,699	2.90%	1,453,215	52,484	3.61%
Interest	270,098	0.52%	305,096	(34,998)	-11.47%
Fiscal Charges	44,685	0.09%	4,156	40,529	975.19%
Total	**51,967,233**	**100.00%**	**35,810,471**	**16,156,762**	**45.12%**

Overall, total governmental fund expenditures increased by $16.3mm in 2025. These increases are chiefly due to major capital expenditures in 2025, as the Town had major building purchases. Additionally, the Town continues to invest heavily in attracting, retaining, and compensating personnel across all functions and expects to see personnel costs increase in future periods.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $38,302,243, a decrease of $8,035,321 from the prior year. Of this total, $2,414,341 is restricted due to external limitations on its use such as legal restrictions, or intention of grantors, donors, or trustees. A total of $12,595,482 for Capital Improvements, $153,281 for Exterior Energy Offset Programs, $193,542 for Waste Reduction Programs, $47,463 for Debt Service, and $3,660,144 for Community Housing Projects have been committed or assigned meaning there are limitations resulting from its intended use, such as construction of capital assets, community housing, and for other purposes. The remaining $18,975,197 is unassigned and can be used for any lawful purpose.

General Fund. The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the General Fund is $18,975,197, while total fund balance is $20,519,990. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance and total fund balance to total fund expenditures and other financing uses. Unassigned fund balance represents 48.83% of total fund expenditures and other financing uses, while total fund balance represents 52.81% of that same amount. The Town has felt it necessary to retain this level of fund balance because of its heavy reliance on sales tax revenues which can fluctuate significantly in times of economic turmoil.

The Town's position as a resort community also places a heavy reliance upon several other factors including weather, the national economy, and tourism in general. The Town's fund balance provides the resources necessary to be more adaptable to the short-term financial environment and limits the need for capital financing.

The fund balance of the General Fund decreased by $4,320,847, in 2025. This decrease is due primarily to the Town's purchase of the Walgreens building in 2025, which was a major General Fund expenditure.

Avon Urban Renewal Fund. At the end of the current fiscal year, the Avon Urban Renewal Fund had an ending fund balance of $309,021. This amount is restricted for use for urban renewal projects within the Town Center West Urban Renewal Plan Area. Fund balances increased by $118,764 in 2025 due to property tax receipts exceeding continued payments on tax increment revenue bonds.

Debt Service Fund. The Debt Service Fund has a fund balance at the end of the fiscal year of $47,463, all of which is assigned for the payment of debt service. Fund balances increased by $151 in 2025 due to fiscal charges.

Capital Projects Fund. The Capital Project Fund has an ending fund balance at the end of the fiscal year of $13,044,712, a decrease of $3,880,369 from the prior year. Restricted fund balances represent escrowed monies for future asphalt repairs pursuant to a lawsuit settlement in the amount of $449,230. The remaining amount of $12,595,482 is committed entirely to capital improvement projects.

Non-major Funds. The aggregate non-major funds have a combined fund balance of $4,381,057. Fund balances in the aggregate non-major funds increased by $46,980. This increase was due to receipts of community enhancement funds, water tap fees, short-term rental taxes, and exterior energy offset fees that remained largely unspent by the end of the fiscal year.

General Fund Budgetary Highlights

Salary Cost Increases: In 2022 the Town transitioned from a step salary system to merit-based salary increases which will follow annual performance evaluations. The Town shifted performance evaluations from the anniversary of an employee's hiring date to a unified schedule in the fall. This common schedule allows for training of directors and supervisors to conduct performance evaluations and the ability to include the cost of salary increase recommendations into the budget before final adoption in December of each year. Generally, the range will be 0-6 percent with the ability to consider increases above 6%.

The 2025 budget provided for a merit-based salary increase of 5% in order to establish an adequate budget for salary adjustments. An additional 4% salary adjustment was provided for in order to remain competitive due to lagging behind the Town's peer communities in ending the COVID-19 based salary freezes.

General fund revenues exceeded budgeted amounts by $858,892 in 2025. The chief driver of this variance was conservative budgeting of significant revenue sources.

General fund expenditures were over budget by $7,876,123 in 2025 due to a large unexpected capital outlay expenditure associated with the Town's purchase of the Walgreens building.

A detailed schedule of General Fund revenues and expenditures compared to budget can be found in pages G2-G5 of this report.

Capital Assets and Debt Administration

Capital assets. The Town of Avon's investment in capital assets for its governmental and business-type activities as of December, 31, 2025, amounts to $97,373,191 (net of accumulated depreciation and outstanding capital-related debt). This investment in capital assets includes land and land improvements, public art, water rights, deed restrictions, construction in progress, buildings, utilities, machinery and equipment, infrastructure, and right-to-use assets (see table below). The total increase in the Town's investment in capital assets for the current fiscal year was $11,757,440.

The Town continued to prioritize Capital improvement projects during 2025. Notable capital asset events during the fiscal year are as follows:

- The Town upgraded significant portions of its vehicle fleet
- The Town continued to expend funds on improvements and upgrades at the Avon Recreation Center, Nottingham Park upgrades, and reconstruction and upgrades of pedestrian trails
- The Town continued to expend funds on roads and general infrastructure, including asphalt overlay projects, reconstruction and upgrades of roundabouts, manhole repairs, and utility undergrounding
- The Town purchased a large building to support its overall long-term development strategy
- The Town completed construction of a new Public Works garage
- A total of fifty three projects were included in Construction in Progress at the end of the fiscal year.

Town of Avon's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Land	11,953,790	11,953,790	411,834	411,834	12,365,624	12,365,624
Public Art	1,391,400	1,391,400	-	-	1,391,400	1,391,400
Water Rights	1,792,959	1,792,959	-	-	1,792,959	1,792,959
Deed Restrictions	5,502,105	3,339,670	-	-	5,502,105	3,339,670
Construction in Progress	15,567,133	9,601,846	-	-	15,567,133	9,601,846
Depreciable Land Improv.	250,186	265,905	-	-	250,186	265,905
Buildings	27,998,630	15,716,352	9,423,787	9,860,424	37,422,417	25,576,776
Utilities	1,551,228	1,781,639	-	-	1,551,228	1,781,639
Mach & Equip	5,894,683	5,583,057	3,514,720	3,681,560	9,409,403	9,264,617
Infrastructure	28,981,434	31,744,218	-	-	28,981,434	31,744,218
Lease Assets - Equipment	69,761	126,110	-	-	69,761	126,110
Subscription Assets	-	16,257	-	-	-	16,257
Total	**100,953,309**	**83,313,203**	**13,350,341**	**13,953,818**	**114,303,650**	**97,267,021**

Additional information on the Town of Avon's capital assets can be found in Note 4 in section D of this report.

Long-term debt. At the end of the current fiscal year, the Town of Avon had total long-term debt outstanding related to Certificates of Participation, Revenue Bonds, Leases and Subscription liabilities, and Accrued Compensated Absences.

Town of Avon's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Revenue Bonds	2,795,528	3,460,256	-	-	2,795,528	3,460,256
Certificates of Participation	11,752,000	6,632,000	944,000	1,124,000	12,696,000	7,756,000
Unamortized Bond Discounts	(91,606)	-	-	-	(91,606)	-
Unamortized Bond Premiums	180,363	195,712	-	-	180,363	195,712
Leases Payable	61,092	119,989	-	40,723	61,092	160,712
Subscriptions Payable	-	12,074	-	-	-	12,074
Accrued Compensated Absences	1,108,748	703,066	137,745	52,535	1,246,493	755,601
Total	**15,806,125**	**11,123,097**	**1,081,745**	**1,217,258**	**16,887,870**	**12,340,355**

All regular principal payments were made on debt, lease, and subscription liabilities. A new Certificate of Participation was issued in 2025 to support the Town's purchase of the Walgreens building.

The Avon Town Charter limits the amount of general obligation debt the Town may issue to 25% of assessed valuation of all taxable property within the Town, or $15 million, whichever is greater. The current legal debt margin for the Town is $79,858,505. The Town has no outstanding general obligation bonds outstanding as of December 31, 2025. Additional information on the Town's long-term debt can be found in Note 5 on Section D of this report.

Economic Factors and Next Year's Budget and Rates

Next Year's Budget Highlights

Compensation:
The Town has transitioned from a step salary system to merit-based salary increases with annual performance evaluations. Performance evaluations are now given on a unified basis in late fall. This common schedule allows us to train supervisors on conducting effective evaluations and gives us the ability to include the cost of salary increase recommendations into the budget before final adoption in December of each year. This 2026 budget provides for an average of 3% merit-based salary increase. Actual salary increases are determined individually based on performance evaluations. The increase is an overall budgetary amount that is estimated to cover the cumulative cost of all salary increases not an indication of individual salary increases.

Economic Development: Specific near term activities include: **(1)** rejoining Destimetrics to have more lodging data (occupancy, room rates, booking forecasts), **(2)** increased marketing and shifting from "Avon's Community Values" to "Come Visit Avon", and **(3)** exploring a potential spring and fall 3 day bluegrass festival projected to bring in 5,000 to 6,000 people when our occupancy rates are low.

2026 Landscape Strategy: The Town of Avon is planning to increase maintaining our landscaping beds in 2026. This includes streetscape plantings, parks, and miscellaneous planting beds like in front of Avon Town Hall. The Town is investing an additional $86k, which increases the landscaping budget from $193,633 to $280,000. This includes an increase in plant materials of $49,000 and an increase in seasonal employees from three to nine. The seasonal employees will also help with general park maintenance, special events support, and miscellaneous projects such as removing the barbed wire along the Union Pacific railroad track.

Special Events:
The Council's focus for 2026 is to focus on community events that will attract more modest attendance. Town staff will continue to work with CASE and Town Council to develop a strategic plan that provides event programing that is robust, provides community and economic benefits and meets budgetary constraints.

Capital Improvements:
The Capital Improvements Plan presents the projects staff believe are appropriate for maintenance of existing infrastructure and implements projects identified by Council. However, several major potential capital improvements, such as Community Housing projects, are not included in the Capital Projects Long-Range Plan because cost estimates are not yet available and Council and community priorities still need to be determined. Avon's maintains a minimum CIP fund balance of $1 million and holds an additional $9 million General Fund unrestricted reserves. These funding limits drove the creation of the Downtown Development Authority, as additional revenue is needed to address even a portion of the community's housing needs.

GENERAL FUND:
General Fund appropriated expenditures ($31,886,676) are estimated to exceed revenues ($29,323,426) by $2,563,248. The Town is planning to use a $2,500,000 contribution from the undesignated, unreserved fund balance for the Avon Recreation Center Aquatics Refurbishment. Estimated beginning-of-year fund balances are $19,345,817 and end-of-year fund balances are projected at $16,782,569. Town budget policies require maintaining reserves equal to 22% of operating expenditures plus an additional 3% for TABOR emergencies.

General Fund Revenues: Tax revenues for 2026 are projected to remain relatively flat. Sales tax is projected to increase with the rate of inflation, while intergovernmental revenues are expected to remain unchanged. Charges for services are projected to grow by $256,740, primarily due to continued growth in Avon Recreation Center admissions and programs. Other Revenues are projected to increase as the Town will receive additional lease revenues from the purchase of 15 Sun Road and the addition of speed cameras.

General Fund Expenditures:
2026 personnel cost highlights include a merit-based overall salary cost increase of 3% on January 1. Overall personnel costs in the General Fund are budgeted to increase by 8.16% over the final revised 2025 budget. Furthermore, there is a one-time contribution in the 2026 budget for the Recreation Centers Aquatics area.

General Fund Reserves: Reserves remained stable in the 2025 budget with a 3% Emergency Reserve required by TABOR ($866,525); a 22% Minimum Operating Reserve per Budget Policies ($9,561,525) and a remaining Undesignated amount ($8,944,205), resulting in a total fund balance of $16,782,569 a 13% decrease from the original 2025 budget. For 2025, the Minimum Operating Reserves were reduced from 27% to 22% as we strive to find more affordable housing for locals.

Requests for Information

This financial report is designed to provide a general overview of the Town of Avon's finances for all those with an interest in the Town's fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Finance Officer, Town of Avon, Colorado, PO Box 975, Avon, CO 81620.

Paul Redmond
Chief Finance Officer

TOWN OF AVON, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	23,805,837	1,834,677	25,640,514
Investments	20,323,933	-	20,323,933
Receivables	13,961,008	566,877	14,527,885
Internal Balances	100,000	(100,000)	-
Prepaid Expenses	262,793	-	262,793
Inventory	-	711,684	711,684
Restricted Assets - Cash and Cash Equivalents	505,630	-	505,630
Capital Assets Not Being Depreciated	36,207,387	411,834	36,619,221
Capital Assets, Net of Accumulated Depreciation	64,745,922	12,938,507	77,684,429
Total Assets	159,912,510	16,363,579	176,276,089
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charge on Refunding of Debt	67,294	9,132	76,426
LIABILITIES			
Accounts Payable	1,052,948	114,870	1,167,818
Accrued Liabilities	577,998	526,334	1,104,332
Retainages Payable	744,231	-	744,231
Accrued Interest Payable	55,486	1,517	57,003
Deposits and Reserves	1,933,666	-	1,933,666
Unearned Revenues	386,885	-	386,885
Noncurrent Liabilities:			
Due Within One Year	1,932,041	218,436	2,150,477
Due In More Than One Year	13,874,084	863,309	14,737,393
Total Liabilities	20,557,339	1,724,466	22,281,805
DEFERRED INFLOWS OF RESOURCES			
Lease-Related	3,761,854	-	3,761,854
Property Taxes	3,163,729	72,440	3,236,169
Total Deferred Inflows of Resources	6,925,583	72,440	6,998,023
NET POSITION			
Net Investment in Capital Assets	84,966,850	12,406,341	97,373,191
Restricted For:			
Emergencies	1,282,000	85,000	1,367,000
Capital Improvements	449,230	-	449,230
Urban Renewal	309,021	-	309,021
Downtown Development	152,349	-	152,349
Purposes of Grantors	4,428,520	-	4,428,520
Unrestricted	40,908,912	2,084,464	42,993,376
Total Net Position	132,496,882	14,575,805	147,072,687

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

TOWN OF AVON, COLORADO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Total
Governmental Activities:							
General Government	9,065,691	1,341,398	143,668	-	(7,580,625)	-	(7,580,625)
Community Development	1,387,311	181,347	660,743	-	(545,221)	-	(545,221)
Public Safety	7,121,416	60,925	32,599	-	(7,027,892)	-	(7,027,892)
Public Works and Utilities	13,029,436	1,827,880	-	876,882	(10,324,674)	-	(10,324,674)
Recreation	3,794,326	2,018,690	-	72,636	(1,703,000)	-	(1,703,000)
Interest on Long-term Debt	300,356	-	-	-	(300,356)	-	(300,356)
Total Governmental Activities	34,698,536	5,430,240	837,010	949,518	(27,481,768)	-	(27,481,768)
Business-type Activities:							
Mobility	3,591,610	621,392	-	481,536	-	(2,488,682)	(2,488,682)
Fleet Maintenance	2,746,472	2,693,946	-	-	-	(52,526)	(52,526)
Total Business-type Activities	6,338,082	3,315,338	-	481,536	-	(2,541,208)	(2,541,208)
Total Primary Government	41,036,618	8,745,578	837,010	1,431,054	(27,481,768)	(2,541,208)	(30,022,976)
		General Revenues and Transfers:					
		General Revenues:					
		Property Taxes			6,094,795	70,353	6,165,148
		Real Estate Transfer Taxes			5,297,273	-	5,297,273
		Sales and Accommodation Taxes			15,960,802	-	15,960,802
		Other Taxes			2,445,483	-	2,445,483
		Unrestricted Investment Earnings			2,326,828	-	2,326,828
		Grants and Contributions Not Restricted to Specific Programs			1,773,196	-	1,773,196
		Miscellaneous			629,692	8,586	638,278
		Transfers			(2,133,825)	2,133,825	-
		Total General Revenues and Transfers			32,394,244	2,212,764	34,607,008
		Increase (Decrease) in Net Position			4,912,476	(328,444)	4,584,032
		Net Position - Beginning of Year			127,584,406	14,904,249	142,488,655
		Net Position - End of Year			132,496,882	14,575,805	147,072,687

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

TOWN OF AVON, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund	Total Nonmajor Funds	Total
ASSETS						
Cash and Cash Equivalents	12,910,868	255,315	45,061	4,387,480	4,220,690	21,819,414
Investments	7,410,360	-	-	9,384,835	-	16,795,195
Receivables:						
- Interest	15,010	-	-	7,722	-	22,732
- Accounts	15,431	-	-	-	-	15,431
- Taxes	6,137,582	-	-	217,509	246,204	6,601,295
- Intergovernmental	21,258	1,959	-	-	14,171	37,388
- Leases	3,761,854	-	-	-	-	3,761,854
Prepaid Items	262,793	-	-	-	-	262,793
Internal balances	100,000	-	-	-	-	100,000
Restricted Assets - Cash and Equivalents	-	51,747	4,653	449,230	-	505,630
Total Assets	30,635,156	309,021	49,714	14,446,776	4,481,065	49,921,732
LIABILITIES						
Accounts Payable	345,947	-	2,251	612,147	90,781	1,051,126
Accrued Liabilities	570,371	-	-	-	7,627	577,998
Retainages Payable	-	-	-	744,231	-	744,231
Unearned Revenue	341,199	-	-	45,686	-	386,885
Deposits and Reserves	1,932,066	-	-	-	1,600	1,933,666
Total Liabilities	3,189,583	-	2,251	1,402,064	100,008	4,693,906
DEFERRED INFLOWS OF RESOURCES						
Lease-Related	3,761,854	-	-	-	-	3,761,854
Unavailable Revenue - Property Taxes	3,163,729	-	-	-	-	3,163,729
Total Deferred Inflows of Resources	6,925,583	-	-	-	-	6,925,583
FUND BALANCES						
Nonspendable	262,793	-	-	-	-	262,793
Restricted For:						
Emergencies	1,282,000	-	-	-	-	1,282,000
Water Projects	-	-	-	-	187,759	187,759
Community Enhancement	-	-	-	-	33,982	33,982
Capital Improvements	-	-	-	449,230	-	449,230
Urban Renewal Projects	-	309,021	-	-	-	309,021
Downtown Development Projects	-	-	-	-	152,349	152,349
Committed For:						
Capital Improvements	-	-	-	12,595,482	-	12,595,482
Exterior Energy Offset Programs	-	-	-	-	153,281	153,281
Waste Reduction Programs	-	-	-	-	193,542	193,542
Assigned For:						
Debt Service	-	-	47,463	-	-	47,463
Community Housing	-	-	-	-	3,660,144	3,660,144
Unassigned	18,975,197	-	-	-	-	18,975,197
Total Fund Balances	20,519,990	309,021	47,463	13,044,712	4,381,057	38,302,243
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	30,635,156	309,021	49,714	14,446,776	4,481,065	49,921,732

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2025

Total Governmental Fund Balances		38,302,243
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as an asset in the governmental funds.		
- Capital assets		184,958,790
- Accumulated depreciation / amortization		(89,900,160)
		95,058,630
Some liabilities, including bonds, notes and leases payable, and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.		
- Tax Increment Revenue Bonds payable		(2,795,528)
- Certificates of Participation payable		(11,752,000)
- Unamortized bond discount		91,606
- Unamortized bond premium		(180,363)
- Lease liability		(61,092)
- Compensated absences payable		(1,108,748)
		(15,806,125)
Long-term receivables which are not available to pay for current period expenditures and are not reported in the governmental funds.		3,522,309
Deferred outflows of resources are not available to pay for current period expenditures and therefore are deferred in the funds.		
- Deferred Charge on Refunding of Debt		67,294
Accrued interest payable is recognized for governmental activities but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.		(55,486)
The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.		11,408,017
Net Position of Governmental Activities		132,496,882

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Avon Urban Renewal Fund	Debt Service Fund	Capital Projects Fund	Total Nonmajor Funds	Total
Revenues						
Taxes	21,201,133	2,697,003	-	5,297,273	1,764,820	30,960,229
Licenses and Permits	659,540	-	-	-	16,562	676,102
Intergovernmental	1,577,839	-	-	937,304	143,668	2,658,811
Charges for Services	2,265,658	-	-	-	380,588	2,646,246
Fines and Forfeitures	90,000	-	-	-	-	90,000
Investment Earnings	1,699,607	2,188	-	471,771	-	2,173,566
Leases	74,838	-	-	-	-	74,838
Other Revenues	512,292	-	-	3,330	181,929	697,551
Total Revenues	28,080,907	2,699,191	-	6,709,678	2,487,567	39,977,343
Expenditures						
Current:						
General Government	15,722,486	80,833	-	-	2,114,661	17,917,980
Community Development	1,027,304		-	-	60,427	1,087,731
Public Safety	6,591,686	-	-	-	-	6,591,686
Public Works and Utilities	8,178,760	-	-	-	125,825	8,304,585
Recreation	3,037,376	-	-	-	-	3,037,376
Capital Improvements	-	-	-	12,646,758	560,635	13,207,393
Debt Service:						
Principal	70,971	664,728	770,000	-	-	1,505,699
Interest	1,027	84,466	184,605	-	-	270,098
Fiscal Charges	38,285	400	6,000	-	-	44,685
Total Expenditures	34,667,895	830,427	960,605	12,646,758	2,861,548	51,967,233
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,586,988)	1,868,764	(960,605)	(5,937,080)	(373,981)	(11,989,890)
Other Financing Sources (Uses)						
Debt issuance	5,890,000	-	-	-	-	5,890,000
Discount on debt issuance	(91,606)	-	-	-	-	(91,606)
Transfers In	657,747	-	960,756	5,226,000	781,961	7,626,464
Transfers Out	(4,190,000)	(1,750,000)	-	(3,169,289)	(361,000)	(9,470,289)
Total Other Financing Sources (Uses)	2,266,141	(1,750,000)	960,756	2,056,711	420,961	3,954,569
Net Change in Fund Balances	(4,320,847)	118,764	151	(3,880,369)	46,980	(8,035,321)
Fund Balances, Beginning of Year	24,840,837	190,257	47,312	16,925,081	4,334,077	46,337,564
Fund Balances, End of year	20,519,990	309,021	47,463	13,044,712	4,381,057	38,302,243

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - Total Governmental Funds	(8,035,321)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than noncapitalizable items are shown in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
- Capital outlay	21,682,339
- Depreciation / Amortization	(4,353,858)
	17,328,481
Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	
- Change in compensated absences payable	(405,682)
- Change in accrued interest payable	(32,405)
- Amortization of bond premiums and deferred charges on refunding	2,546
	(435,541)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
- Proceeds from issuance of Certificates of Participation	(5,890,000)
- Discount on issuance of Certificates of Participation	91,606
- Repayment of Tax Increment Revenue Bonds	664,728
- Repayment of Certificates of Participation	770,000
- Repayment of Lease liability	58,897
- Repayment of SBITA liability	12,074
	(4,292,695)
The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The change in net position of the internal service fund is included in governmental activities.	347,552
Change in Net Position of Governmental Activities	4,912,476

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

TOWN OF AVON, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	1,079,370	755,307	1,834,677	1,986,423
Investments	-	-	-	3,528,738
Receivables:				
- Taxes	72,440	-	72,440	-
- Accounts	-	494,437	494,437	-
Internal balances	-	(100,000)	(100,000)	-
Inventory	-	711,684	711,684	-
Total Current Assets	1,151,810	1,861,428	3,013,238	5,515,161
Noncurrent Assets:				
Capital Assets:				
- Land	281,450	130,384	411,834	-
- Buildings	11,720,946	5,639,286	17,360,232	-
- Machinery and Equipment	6,325,736	648,070	6,973,806	12,429,572
- Accumulated Depreciation	(7,293,496)	(4,102,035)	(11,395,531)	(6,534,894)
Total Noncurrent Assets	11,034,636	2,315,705	13,350,341	5,894,678
Total Assets	12,186,446	4,177,133	16,363,579	11,409,839
DEFERRED OUTFLOW OF RESOURCES				
Deferred Charge on Refunding of Debt	-	9,132	9,132	-
Total Deferred Outflow of Resources	-	9,132	9,132	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	23,436	91,434	114,870	1,822
Accrued Liabilities	228,924	297,410	526,334	-
Accrued Interest Payable	-	1,517	1,517	-
Compensated Absences Payable	15,679	18,758	34,436	-
Certificates of Participation - Current	-	184,000	184,000	-
Total Current Liabilities	268,039	593,119	861,157	1,822
Noncurrent Liabilities:				
Certificates of Participation	-	760,000	760,000	-
Compensated Absences Payable	47,036	56,273	103,309	-
Total Noncurrent Liabilities	47,036	816,273	863,309	-
Total Liabilities	315,075	1,409,391	1,724,466	1,822
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	72,440	-	72,440	-
Total Deferred Inflows of Resources	72,440	-	72,440	-
NET POSITION				
Net Investment in Capital Assets	11,034,635	1,371,706	12,406,341	5,894,678
Restricted for Emergencies	85,000	-	85,000	-
Unrestricted	679,296	1,405,168	2,084,464	5,513,339
Total Net Position	11,798,931	2,776,874	14,575,805	11,408,017

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

TOWN OF AVON, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
Operating Revenues:				
Charges for Services	505,506	2,693,944	3,199,450	1,448,022
Other Operating Revenues	121,109	3,364	124,473	-
Total Operating Revenues	626,615	2,697,308	3,323,923	1,448,022
Operating Expenses:				
Cost of Operations	2,874,297	2,582,350	5,456,647	-
Depreciation and Amortization	717,312	148,556	865,868	1,129,944
Total Operating Expenses	3,591,609	2,730,906	6,322,515	1,129,944
Operating Income (Loss)	(2,964,994)	(33,598)	(2,998,592)	318,078
Nonoperating Revenues (Expenses):				
Taxes	70,353	-	70,353	-
Grants	481,536	-	481,536	-
Investment Earnings	-	-	-	153,263
Gain (Loss) on Disposal of Capital Assets	-	-	-	31,400
Interest Expense	-	(15,566)	(15,566)	-
Total Nonoperating Revenues (Expenses)	551,889	(15,566)	536,323	184,663
Income (Loss) Before Contributions and Transfers	(2,413,105)	(49,164)	(2,462,269)	502,741
Capital Contributions and Transfers				
Contributed Capital In (Out)	-	-	-	134,811
Transfers In (Out)	1,700,000	433,825	2,133,825	(290,000)
Total Capital Contributions and Transfers	1,700,000	433,825	2,133,825	(155,189)
Change in Net Position	(713,105)	384,661	(328,444)	347,552
Net Position, Beginning of Year	12,512,036	2,392,213	14,904,249	11,060,465
Net Position, End of Year	11,798,931	2,776,874	14,575,805	11,408,017

TOWN OF AVON, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
Cash Flows From Operating Activities				
Cash Received from Customers and Users	595,374	2,583,140	3,178,514	-
Cash Received from Interfund Services Provided	-	-	-	1,448,022
Cash Payments to Suppliers	(1,403,512)	(1,529,419)	(2,932,931)	-
Cash Payments to Employees	(1,274,122)	(993,923)	(2,268,045)	-
Cash Received from Other Operating Activities	121,109	3,364	124,473	-
Net Cash Provided by (Used in) Operating Activities	(1,961,151)	63,162	(1,897,989)	1,448,022
Cash Flows From Noncapital Financing Activities				
Taxes Received	70,667	-	70,667	-
Grants Received	481,536	-	481,536	-
Transfers In (Out) from Other Funds	1,700,000	433,825	2,133,825	(290,000)
Net Cash Provided by Noncapital Financing Activities	2,252,203	433,825	2,686,028	(290,000)
Cash Flows From Capital Financing Activities				
Acquisition and Construction of Capital Assets	-	(262,388)	(262,388)	(1,312,428)
Sales of Capital Assets	-	-	-	38,500
Interest Paid on long-term debt and leases	-	(13,825)	(13,825)	-
Principal Paid on long-term debt and leases	(40,723)	(180,000)	(220,723)	-
Net Cash Used in Capital Financing Activities	(40,723)	(456,213)	(496,936)	(1,273,928)
Cash Flows From Investing Activities				
Acquisition of Securities, Net of Maturities	-	-	-	(153,263)
Investment Earnings	-	-	-	153,263
Net Cash Used in Investing Activities	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	250,329	40,774	291,103	(115,906)
Cash and Cash Equivalents, Beginning of Year	829,041	714,533	1,543,574	2,102,329
Cash and Cash Equivalents, End of Year	1,079,370	755,307	1,834,677	1,986,423

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

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Mobility Fund	Fleet Maintenance Fund	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Income (Loss)	(2,964,994)	(33,598)	(2,998,592)	318,078
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	717,312	148,556	865,868	1,129,944
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	89,868	(110,804)	(20,936)	-
(Increase) Decrease in Deferred Expense	172,904	2,830	175,734	-
(Increase) Decrease in Inventory	-	(30,560)	(30,560)	-
Increase (Decrease) in Accounts Payable	(234,714)	(134,505)	(369,219)	-
Increase (Decrease) in Accrued Liabilities	217,685	176,821	394,506	-
Increase (Decrease) in Compensated Absences	40,788	44,422	85,210	-
Total Adjustments	1,003,843	96,760	1,100,603	1,129,944
Net Cash Provided by (Used in) Operating Activities	(1,961,151)	63,162	(1,897,989)	1,448,022
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Noncash Transactions Affecting Financial Position				
Contributions of Capital Assets from Governmental Activities	-	-	-	134,811
Total	-	-	-	134,811

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

The financial statements of the Town of Avon have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental entities. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the Town's Annual Comprehensive Financial Report.

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

Primary Government. The Town of Avon, Colorado, was incorporated as a Town on April 24, 1978. On June 13, 1978, the citizenry voted to become a Home Rule City, as authorized by Article 20 of the Colorado State Constitution. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, culture-recreation, public improvements, community development, planning and zoning, transportation, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Town of Avon (the primary government) and its component unit for which the Town is considered financially accountable. Financial accountability exists if the Town appoints a voting majority of an organization's governing board and is able to impose its will on the organization, or if the organization provided benefits to, or imposes financial burdens upon the Town. Blended component units, although legally separate entities, are, in substance, part of the Town's operations, so data from these units are combined with data of the Town.

The Town's blended component units are –

Avon Urban Renewal Authority – The Avon Urban Renewal Authority (AURA) was created pursuant to Urban Renewal Law of the State of Colorado on June 26, 2007 by Town Resolution No. 07-20 for the purpose of undertaking certain urban renewal activities within the Town. The boundaries of the AURA are coterminous with the boundaries of the Town. The bylaws of the AURA provide that the members of the Avon Town Council shall constitute the Commissioners of the AURA and the Town Manager serves as the Executive Director and Secretary. While the AURA is a separate legal entity, for financial reporting purposes it is blended with the Town's financial statements and is reported in a special revenue fund as a blended component unit. The Town has a "moral obligation" for the repayment of urban renewal authority bonds. The Town accounts for the collection of tax increment property tax revenues and maintains all accounting records. A separate budget is adopted by the AURA Commissioners.

Avon General Improvement District No. 1 – The Town of Avon General Improvement District No. 1 was organized on August 28, 2007, by adoption of Ordinance No. 07-07. The services to be provided within and for the District include transportation and recreation services and include the property known as Lots 1 and 2 of the final plat of the Chateau St. Claire subdivision, now commonly known as the Ascent. The members of the Avon Town Council constitute the Board of the District. The District levies a property tax to be used for transportation operations. Because the governing body of the District is substantively the same as the Town and there is a financial benefit between the District and the Town, for financial reporting purposes the District is blended into the Town's financial statements and is reported in the Mobility enterprise fund as a blended component unit. Separate budgets and financial statements of the District are not adopted or issued.

Avon Downtown Development Authority – The Town of Avon Downtown Development Authority ("DDA") was organized on September 26, 2023, by adoption of Ordinance No. 23-02, for the purpose of undertaking community housing projects and additional public improvements. The boundaries of the DDA encompass the West Town Center, East Town Center, and the valley floor area of the Village at Avon. The bylaws of the DDA provide that at least one member of the Avon Town Council must be a board member and that the Town Manager serves as the Executive Director. While the DDA is a separate legal entity, for financial reporting purposes it is blended with the Town's financial statements and is reported in a special revenue fund as a blended component unit. The Town accounts for the collection of tax increment property tax revenues and maintains all accounting records. A separate budget is adopted by the DDA Commissioners.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town (the primary government) and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Generally, interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the Town. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or business segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. Fund financial statements report detailed information about the Town with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

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

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are susceptible to accrual are property taxes, accommodations and sales taxes, and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The Town uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The Town's funds are classified into two broad fund categories and six generic fund types for financial reporting purposes: Governmental funds include the general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise funds and an internal service fund.

The Town's major governmental funds are:

- *General Fund* – This is the Town's primary operating fund. It is used to account for all activities of the Town not required to be accounted for in some other fund.
- *Avon Urban Renewal Fund* – This fund is used to account for the receipt of tax increment revenues and the activities of redevelopment that are undertaken by the Avon Urban Renewal Authority, including issuing debt and constructing public improvements.
- *Debt Service Fund* – This fund is used to account for the accumulation of resources and payment of principal and interest on the Town's general obligation and sales tax revenue bonds.
- *Capital Projects Fund* – This fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

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

The Town's major proprietary funds are:

- *Mobility Fund* – This fund is used to account for the activities involved in operating the Town's transportation system.
- *Fleet Maintenance Fund* – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third-party governmental entities.

The Town's only internal service fund is the Equipment Replacement Fund. This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

D. Budget Information

Budgets are adopted on a basis consistent with generally accepted accounting principles for all funds, except for proprietary funds which are budgeted on the modified accrual basis of accounting. According to the Town's Charter, all appropriations except for capital projects or special revenue funds lapse at fiscal year-end. However, as a matter of practice, the Town adopts annual budgets for all funds. During the year, changes may be made to budgets by adoption of supplemental amendments by resolution of the Town Council.

E. Assets, Liabilities, and Deferred Outflow/Inflows of Resources

Cash, Cash Equivalents, and Investments. The Town concentrates the cash resources of its various funds to facilitate the management of cash. The balance in this concentration account is available to meet the Town's current operating requirements. Cash resources more than current requirements are invested in various interest-bearing securities and disclosed as part of the Town's investments. Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

Town Charter and Colorado State statutes authorize the Town to invest its excess funds in direct U.S. Government treasury and agency securities, bonds and other obligations of states and political subdivisions, corporate bonds, and local government investment pools. Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Inventories. Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of any governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Items. Payments made to vendors for services that will benefit periods beyond December 31, 2025 are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which the services are consumed. At the fund reporting level, an equal amount of fund balance is reported as non-spendable as this amount is not available for general appropriation.

Restricted Assets. Restricted assets in the amount of $505,630 are reported in the Capital Projects Fund, Urban Renewal Fund, and Debt Service Fund. This consists of an escrow account with FirstBank for accumulating funds for asphalt overlay in the Village at Avon pursuant to the Town's lawsuit settlement agreement with Traer Creek Metropolitan District and the developer, as well as restricted accounts for Urban Renewal projects and Debt Service payments.

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

Capital Assets. Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. It is the Town's policy to capitalize expenditures with a cost greater than $5,000 and an estimated useful life of more than one year. All purchased capital assets are stated at cost or estimated historical cost if actual historical records are not available. Donated capital assets and donated works of art and similar items are recorded at acquisition value at the date of contribution. Major outlays for capital improvement projects are capitalized as projects are completed.

Land, public art, water rights, deed restrictions and construction in progress are not depreciated/amortized. Infrastructure consists of streets and roads, bridges, storm drainage, water rights and storage, heat recovery system, irrigation ditches, bike paths, and public parking. The costs of normal maintenance and repair that do not add to the value of the asset or extend the estimated useful life are not capitalized but charged to operations as incurred. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings	10-50 years
Utilities	10-50 years
Machinery and Equipment	3-15 years
Infrastructure	10-100 years
Right-to-Use Leased and Subscription Assets	3-6 years

Deferred Outflow/Inflows of Resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods that will not be recognized as an outflow of the resources (expenditure) until the future period. At the end of the current fiscal year, the Town had a deferred outflow of resources for unamortized deferred refunding losses. In the government-wide and proprietary funds statement of net position *deferred charge on refunding of debt* is the result of the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding bonds.

Deferred inflows of resources represent an acquisition of net assets that applies to future periods that will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category: unavailable revenue. *Unavailable revenue* is reported in the government-wide and proprietary fund statement of net position and in the governmental funds balance sheet. The Town reports *unavailable revenue* from one source: property taxes: *unavailable revenue – property taxes* is reported in the government-wide and proprietary funds statement of net position and in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
Deferred outflows of resources are presented below the total assets on the government-wide, proprietary, and governmental fund statements. Deferred inflows of resources are presented below the total liabilities on the government-wide, proprietary, and governmental fund statements.

Long-term Obligations. In the government-wide and proprietary fund statement of net position long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

F. Property Taxes

Property taxes are levied by the Town Council. The levy is based on the assessed valuation of property located within the Town as determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners. The County Treasurer collects the property taxes during the ensuing calendar year and remits the taxes collected to the Town on a monthly basis.

Property taxes are payable in full by April 30, or if in two equal installments, by February 28 and June 15. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. Property taxes, net of estimated uncollectible taxes, are recorded as receivable in the year levied and offset to deferred inflows of resources as unavailable revenue since they typically do not meet the availability criterion.

G. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused personal time off (a combination of vacation and holidays) and sick pay benefits. The Town estimates how much of accrued live is more likely than not to be used or paid out in future periods and recognizes that portion as a liability for compensated absences. The liability for compensated absences is reported as a non-current liability in the government-wide financial statements. The current portion of this liability is estimated based on historical trends. Proprietary funds report the total compensated absence liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only if it has matured, for example, as a result of employee resignations and retirements.

H. Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid charges) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. In Avon's case this is an ordinance adopted by the Town Council. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority. As a general rule, assigned fund balances are established through the budget adoption process by the Town Council.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Town establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Town Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Town considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

I. Statements of Cash Flows

For purposes of the statement of cash flows, the Town considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

J. Debt Costs

Unamortized premiums and discounts of $88,757 are reflected in noncurrent liabilities. Premiums and discounts are amortized over the remaining lives of the related debt issues using the effective interest method.

Note 2. Legal Compliance – Budgets

No later than October 15th, the Town Manager submits to the Mayor and Town Council a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, department, program and project and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal, or specialized division (e.g., the Department of Public Works).

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented at a lower-than-required level of control to facilitate detailed financial analysis. The General Fund expenditures exceeded budgeted appropriations during 2025. This may be a violation of Colorado budget law.

Note 3. Cash and Investments

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

Cash and cash equivalents - unrestricted	25,640,514
Investments	20,323,933
Restricted assets - cash and cash equivalents	505,630
Total	**46,470,077**

Cash and investments as of December 31, 2025, are classified as follows:

Petty cash	5,525
Demand deposits	2,443,798
Other deposits with financial institutions	505,630
Local government investment pools	38,482,389
Investments	5,032,735
Total	**46,470,077**

Investments Authorized by the Town of Avon Investment Policy

The table below identifies the investment types that are authorized for the Town by the Town's investment policy. The table also identifies certain provision of the Town's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Government Treasury Securities	5 years	None	None
U.S. Government Agency Securities	5 years	None	None
Repurchase Agreements	180 days	None	None
Commercial Paper	270 days	20%	5%
General Obligation Debt	5 years	None	None
Revenue Obligation Debt	5 years	None	None
Local Government Investment Pools	N/A	None	None

Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2025, the Town had the following recurring fair value measurements:

		Fair Value Measurements Using		
Investments Measured at Fair Value	Total	Level 1	Level 2	Level 3
U.S. Government Treasury Securities	5,032,735	5,032,735	-	-
Colotrust Edge	15,291,198	15,291,198	-	-
Total	**20,323,933**	**20,323,933**	**-**	**-**

Investments Measured at Net Asset Value	Total
Colotrust Plus	23,191,191

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

At December 31, 2025 unrealized gains were $47,682 which reflects changes in the fair market value of investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The investment policy of the Town states that, to the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the Town will not invest in securities maturing more than five years from the date of purchase. In addition, the Town shall maintain at least 15% of its total investment portfolio in investments maturing in 120 days or less. At least 10% of the portfolio shall be invested in overnight investments or securities that can be sold to raise cash on one day’s notice.

Information about the sensitivity of the fair values of the Town’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town’s investments by maturity:

		Weighted Average Maturity (in years)
U.S. Government Treasury Securities	5,032,735	1.315
Colotrust Edge	15,291,198	N/A
	20,323,933	

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating, as required by the Town’s investment policy, for investments of the Town as of December 31, 2025.

Ratings Standard & Poor's	Investment
AAAm	Colotrust
AA+	US Treasury
AA+	Government National Mortgage Assoc.
AA+	Federal Farm Credit Bank
AA+	Federal Home Loan Bank
AA+	Federal Home Loan Mortgage Corporation
AA+	Federal National Mortgage Corporation

Concentration of Credit Risk

Except for commercial paper investments, the investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. Commercial paper issuers are limited to no more than 5% of the Town's portfolio. The Town had no direct investments in commercial paper at December 31, 2025.

The Town did not have any investments in any one issuer (other than U.S. Treasury obligations and local government investment pools) that represented 5% or more of total Town investments.

Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the Town's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA. The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the Town being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA. The carrying amount of the Town's demand deposits was $3,911,017 at year end.

Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Town would not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town's investment policy provides that all investment securities, except certificates of deposit, local government investment pools, and money market funds purchased by the Town shall be settled on a delivery versus payment basis and will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by the Town's approved custodian bank, its correspondent bank or the Depository Trust Company. An approved Safekeeping Agreement must be executed with each custodian bank prior to utilizing that bank's safekeeping services.

Local Government Investment Pools

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

The Town of Avon invests its surplus funds in the Colorado Local Government Liquid Asset Trust's Colotrust Plus+ and Colotrust Edge funds. The Plus+ fund may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. The Plus+ fund is a stable $1.00 net asset value (NAV) fund that offers daily liquidity. At December 31, 2025, the Town's investment in Colotrust Plus+ was 49.91% of the Town's investment portfolio. The Edge fund is an enhanced cash, variable rate NAV fund that is managed to approximate a $10.00 per share and offers weekly liquidity. As of December 31, 2025, the Town's investment in Colotrust Edge was 39.74% of the Town's investment portfolio.

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Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	01/01/25 Balance	Increases	Decreases	12/31/25 Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	11,953,790	-	-	11,953,790
Public art	1,391,400	-	-	1,391,400
Water rights	1,792,959	-	-	1,792,959
Deed restrictions	3,339,670	2,162,435	-	5,502,105
Construction in progress	9,601,846	11,626,352	(5,661,065)	15,567,133
Total capital assets not being depreciated:	28,079,665	13,788,787	(5,661,065)	36,207,387
Capital assets being depreciated:				
Depreciable land improvements	505,242	-	-	505,242
Buildings	30,411,000	13,554,617	-	43,965,617
Utilities	4,823,613	-	-	4,823,613
Machinery and equipment	11,063,990	1,448,669	(83,087)	12,429,572
Infrastructure	99,044,187	-	-	99,044,187
Right-to-use lease asset - equipment	311,268	-	-	311,268
Subscription asset	101,475	-	-	101,475
Total capital assets being depreciated:	146,260,775	15,003,286	(83,087)	161,180,974
Less accumulated depreciation:				
Depreciable land improvements	(239,337)	(15,719)	-	(255,056)
Buildings	(14,694,648)	(1,272,339)	-	(15,966,987)
Utilities	(3,041,974)	(230,411)	-	(3,272,385)
Machinery and equipment	(5,480,933)	(1,129,943)	75,987	(6,534,889)
Infrastructure	(67,299,969)	(2,762,784)	-	(70,062,753)
Right-to-use lease asset - equipment	(185,158)	(56,349)	-	(241,507)
Subscription asset	(85,218)	(16,257)	-	(101,475)
Total accumulated depreciation:	(91,027,237)	(5,483,802)	75,987	(96,435,052)
Total capital assets being depreciated, net	55,233,538	9,519,484	(7,100)	64,745,922
Governmental capital assets, net	83,313,203	23,308,271	(5,668,165)	100,953,309

	01/01/25 Balance	Increases	Decreases	12/31/25 Balance
Business-type Activities:				
Capital assets not being depreciated:				
Land and land improvements	411,834	-	-	411,834
Total capital assets not being depreciated:	411,834	-	-	411,834
Capital assets being depreciated:				
Buildings	17,360,232	-	-	17,360,232
Machinery and equipment	6,711,415	262,391	-	6,973,806
Total capital assets being depreciated:	24,071,647	262,391	-	24,334,038
Less accumulated depreciation:				
Buildings	(7,499,808)	(436,637)	-	(7,936,445)
Machinery and equipment	(3,029,855)	(429,231)	-	(3,459,086)
Total accumulated depreciation:	(10,529,663)	(865,868)	-	(11,395,531)
Total capital assets being depreciated, net	13,541,984	(603,477)	-	12,938,507
Business-type capital assets, net	13,953,818	(603,477)	-	13,350,341

Depreciation/amortization expense was charged to functions/programs of the Town as follows:

Governmental activities:	
General government	676,461
Public safety	370,973
Public works and utilities, including general infrastructure assets	3,760,085
Recreation	676,283
Total depreciation/amortization expense - governmental activities	5,483,802
Business-type activities:	
Transportation	717,312
Fleet maintenance	148,556
Total depreciation expense, business type activities:	865,868

Note 5. Leases

Town as lessor:

The Town leases a building to Walgreens at an annual interest rate of 4.40%. At the commencement of a lease, the Town initially measures the lease receivable and corresponding deferred inflows of resources at the present value of payments expected to be made during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made and the deferred inflow of resources is amortized on a consistent basis over the life of the lease. Key estimates and judgments related to leases include how the Town determines the following:

- Discount Rate: The Town uses the interest rate charged on its related certificates of participation as the discount rate to discount the expected lease payments to present value.
- Lease Term: The lease term includes the noncancellable period of the lease and extended term(s) that the Town and Lessee is reasonably certain to exercise.
- Lease Payments: Lease payments included in the measurement of the lease receivable are composed of fixed payments.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Changes in the Town's leases receivable consisted of the following for the year ended December 31, 2025:

	01/01/25 Balance	Increases	Decreases	12/31/25 Balance	Due Within One Year
Governmental Activities:					
Leases Receivable	-	3,836,692	(74,838)	3,761,854	250,074
Total	-	3,836,692	(74,838)	3,761,854	250,074

The Town recognized the following lease revenues during 2025:

	General Fund
Lease revenues:	
Principal	74,838
Interest	27,810
Variable	3,150
Total	105,798

Future minimum payments due under the term of the lease are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	250,074	160,518	410,592
2027	261,301	149,291	410,592
2028	273,033	137,559	410,592
2029	285,292	125,300	410,592
2030	298,101	112,491	410,592
2031-2035	1,703,700	349,260	2,052,960
2036-2037	690,353	28,184	718,537
	3,761,854	1,062,603	4,824,457

Town as lessee:

The Town is lessee for noncancellable leases of various equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset. The Town recognizes lease liabilities with an initial, individual value of $5,000 or more.

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

- Discount Rate: The Town uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the Town uses its incremental rate of borrowing.
- Lease Term: The lease term includes the noncancellable period of the lease and extended term(s) that the Town is reasonably certain to exercise.
- Lease Payments: Lease payments included in the measurement of the lease liability are composed of fixed payments along with purchase options that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

During the year ended December 31, 2025, the Town did not enter into any new long-term lease agreement as the lessee for the acquisition and use of equipment. The Town has two governmental leases outstanding for Police Department body cameras and in-car cameras. As of December 31, 2025, the value of the lease liabilities were $61,092. The Town is required to make annual principal and interest payments ranging from $29,888 to $32,112. The Town's outstanding leases have interest rates of 0.69% to 2.37%. The value of the right-to-use lease assets as of the end of the current fiscal year were $311,268 and had accumulated amortization of $241,507. The future principal and interest payments as of December 31, 2025, were as follows:

Year Ended	Governmental Activities		
December 31,	Principal	Interest	Total
2026	61,092	910	62,002
	61,092	910	62,002

Note 6. Subscription-Based Information Technology Arrangements

Subscription Assets. The Town is lessee for noncancellable leases of various subscription-based IT arrangements ("SBITA's"). The Town recognizes a lease liability and an intangible right-to-use lease asset. The Town recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the Town initially measures the subscription liability at the present value of payments expected to be made during the lease term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the Town determines the following:

- Discount Rate: The Town uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the Town uses its incremental rate of borrowing.
- Subscription Term: The Subscription term includes the noncancellable period of the subscription and extended term(s) that the Town is reasonably certain to exercise.
- Subscription Payments: Subscription payments included in the measurement of the subscription liability are composed of fixed payments along with purchase options that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the Statement of Net Position.

During the year ended December 31, 2025, the Town did not enter into any new subscription arrangements. As of December 31, 2025, the value of the subscription liabilities was $0. The value of the right-to-use subscription assets as of the end of the current fiscal year was $101,475 and had accumulated amortization of $101,475. The Town has no future principal and interest payments as of December 31, 2025 for any of its SBITA's.

Note 7. Long-term Debt

Revenue Bonds and Loans – Avon Urban Renewal Authority. In 2013, the Avon Urban Renewal Authority issued Series 2013 Tax Increment Revenue Bonds to refinance outstanding obligations of the Authority and to finance certain capital improvements.

In 2017, the Avon Urban Renewal Authority issued Series 2017 Tax Increment Revenue Bonds to finance tenant improvements related to the future occupancy of a new Town Hall.

In 2020, the Avon Urban Renewal Authority issued its Series 2020 Tax Increment Revenue Refunding Loan in the amount of $4,111,000 with an interest rate of 2.11%. This loan along with the release of the Series 2013 debt service reserve of $628,240 was used to refund the outstanding Series 2013 Tax Increment Revenue Bonds in the aggregate principal amount of $4,560,000. The refunding resulted in an economic gain of $176,403 with a cash flow savings of $883,089.

The 2017 Bonds and the 2020 Loan constitute a pledge of, and an irrevocable first lien (but not an exclusive first lien), on all pledged revenues. Pledged revenues include the portion of the ad valorem proprietary taxes produced by the levies at the rates fixed each year by the governing bodies of the various taxing jurisdictions within the Urban Renewal Project Area. The levies are assessed upon that portion of the valuation for assessment of all taxable property in excess of a defined property tax base amount. The pledged revenues are reduced by a) any County collection fee (b) tax increment revenues required to be remitted by the Authority to the Confluence Metropolitan District pursuant to the Avon Station/Confluence IGA; and (c) ad valorem property taxes produced by a mill levy of any special district formed after May 28, 2009. Revenue bonds and loans outstanding at December 31, 2025, are as follows:

Purpose	Interest Rates	Amount
General Government - Avon Urban Renewal Authority	2.11% - 2.90%	2,795,528

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2025, are as follows:

Year Ended	Avon Urban Renewal Authority		
December 31,	Principal	Interest	Total
2026	679,762	68,705	748,467
2027	695,974	52,575	748,549
2028	712,372	36,050	748,422
2029	228,958	19,124	248,082
2030	235,740	12,343	248,083
2031	242,722	5,361	248,083
	2,795,528	194,158	2,989,686

Certificates of Participation. On November 16, 2010, the Town issued $6,680,000 of Series 2010 Certificates of Participation with interest rates of 2% to 5%. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of November 1, 2010, between UMB Bank, solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee. These Certificates were used to refund the outstanding 1998 Certificates of Participation in the aggregate principal amount of $3,990,000. The refunding resulted in an economic gain of $43,298 with a cash flow savings of $904,642. The remaining funds from the 2010 Certificates were used as matching funds for the construction of the Avon Regional Transit Facility, which was completed and placed into service in October 2013.

On January 14, 2015, the Town issued $3,800,000 of Series 2014B Certificates of Participation with an interest rate of 3.03% to finance the cost of street improvements. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of January 14, 2015, between UMB Bank, N.A., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

On May 3, 2016, the Town held a special election concerning the financing for a joint public safety facility in partnership with the Eagle River Fire Protection District. The election was successful and on August 2, 2016, the Town issued $6,300,000 of Series 2016 Certificates of Participation with interest rates of 2% to 4%. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of August 2, 2016, between UMB Bank, N.A., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

On September 2, 2020, the Town issued $3,983,000 of Series 2020 Certificates of Participation with an interest rate of 1.23%. These Certificates, along with the release of the Series 2010 debt service reserve of $508,700 were used to refund the outstanding 2010 Certificates of Participation in the aggregate principal amount of

$4,300,000. The refunding resulted in an economic gain of $640,454 with a cash flow savings of $1,227,703. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of September 2, 2020, between UMB Bank, solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

On September 24, 2025, the Town issued $5,890,000 of Series 2025 Certificates of Participation with interest rates of 4.40% to 6.00%. These Certificates were used to fund the purchase of a building within the Town's limits. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of September 24, 2025, between UMB Bank, N.A., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

Certificates of Participation outstanding at December 31, 2025, are as follows:

Purpose	Interest Rates	Amount
General Government - Refunding and Capital	1.23% - 4.0%	12,696,000

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2025, are as follows:

Year Ended	Governmental Activities			Business-Type Activities		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2026	914,000	540,222	1,454,222	184,000	11,611	195,611
2027	992,000	464,101	1,456,101	187,000	9,348	196,348
2028	1,025,000	431,326	1,456,326	189,000	7,048	196,048
2029	1,057,000	397,190	1,454,190	191,000	4,723	195,723
2030	774,000	361,867	1,135,867	193,000	2,374	195,374
2031-2035	3,280,000	1,447,857	4,727,857	-	-	-
2036-2041	1,975,000	1,032,950	3,007,950	-	-	-
2042-2045	1,735,000	268,200	2,003,200	-	-	-
	11,752,000	4,943,714	16,695,714	944,000	35,104	979,104

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Changes in Long-term Liabilities. Long-term liability activity for the year ended December 31, 2025, was as follows:

	01/01/25 Balance	Increases	Decreases	12/31/25 Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Revenue Bonds	3,460,256	-	(664,728)	2,795,528	679,762
Certificates of Participation	6,632,000	5,890,000	(770,000)	11,752,000	914,000
Bond Discounts	-	(91,606)	-	(91,606)	-
Bond Premiums	195,712	-	(15,349)	180,363	-
Total Bonds Payable	10,287,968	5,798,394	(1,450,077)	14,636,285	1,593,762
Leases Payable	119,989	-	(58,897)	61,092	61,092
Subscription Liabilities	12,074	-	(12,074)	-	-
Compensated Absences *	703,066	405,682	-	1,108,748	277,187
Total Long-term Liabilities	11,123,097	6,204,076	(1,521,048)	15,806,125	1,932,041
Business-Type Activities:					
Bonds Payable:					
Certificates of Participation	1,124,000	-	(180,000)	944,000	184,000
Total Bonds Payable	1,124,000	-	(180,000)	944,000	184,000
Leases Payable	40,723	-	(40,723)	-	-
Compensated Absences *	52,535	85,210	-	137,745	34,436
Total Long-term Liabilities	1,217,258	85,210	(220,723)	1,081,745	218,436

* The change in compensated absences is presented as a net change.

The compensated absence liability will be paid from the following funds from which the employees' salaries are paid: General Fund, Water Fund, Mobility Fund, and Fleet Maintenance Fund. The Town issued Series 2025 Certificates of Participation to fund the purchase of a building. All regular principal and interest payments were made on bonded debt and leases.

Conduit Debt Obligations. In prior years, the Town has sponsored the issuance of revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest.

Eaglebend Dowd Affordable Housing Corporation. The Eaglebend Dowd Affordable Housing Corporation (Dowd) was formed on March 24, 1998, to help provide affordable housing within Eagle County. Dowd operates a 50-unit apartment project within Eagle County. The Town approved the formation and the issuance of the revenue bonds to finance the project and will obtain full legal title to the land, buildings, and equipment upon payment in full of the bonds.

In 2003, the Town approved the issuance by Dowd of $9,520,000 in Series 2003 Refunding Revenue Bonds to defease the outstanding Series 1998A Revenue Bonds by placing the proceeds of the Series 2003 bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. In August 2013, Dowd issued $8,450,000 in Series 2013 Multifamily Housing Project Refunding Revenue Bonds to refund the Series 2003 Bonds. In November 2014, Dowd issued $8,850,000 of Multifamily Housing Project Refunding Revenue Bonds, Series 2014A to refund and defease the Series 2013 bonds. In November, 2022 the Public Finance Authority ("PFA") issued Series 2022 Refunding Revenue Bonds in the amount of $13,000,000 to refund and defease all the outstanding Series 2014A Multifamily Refunding Revenue Bonds and Series 1998 B&C Subordinate

Revenue Bonds, and the finance a portion of the costs to complete project improvements to the project. The bonds are special limited obligations of Dowd and are payable solely from payments made by Dowd pursuant to the financing agreement. The bond holders have a lien on the assets of the project. The bonds do not constitute an obligation or liability of the State of Colorado, the Town, or any other political subdivision of the State of Colorado.

Accordingly, the PFA issued Series 2022 Refunding Revenue Bonds do not constitute conduit debt of the Town, nor are the bonds reported as liabilities in the accompanying general purpose financial statements. As of December 31, 2025, the Town has no conduit debt obligations outstanding.

Defeased Debt. Certain other bonds previously issued by the Town have been defeased by the issuance of refunding bonds. As of December 31, 2025, there are no amounts outstanding on any refunded bonds.

Note 8. Employee Retirement Plans

Full-time Employees. The Town maintains two single-employer, defined contribution pension plans for full-time employees: (1) the Town of Avon Police Officers Money Purchase Pension Plan of which there are 37 participants, and (2) the Town of Avon General Employee Money Purchase Pension Plan of which there are 175 participants as of December 31, 2025. Plan administration and recordkeeping of these plans is provided by The Principal Financial Group.

A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

All full-time employees are required to participate in one of the above retirement plans upon employment with the Town. The type of plan that an employee participates in is dependent on the type of employee (police officer or general government employee). Town ordinance provides that both the employee and the Town will contribute an amount equal to 11% of the employee's base salary each month.

Employees hired prior to September 30, 1990, become vested in accordance with a vesting schedule which is dependent on the type of employee and hire date. All employees hired after September 30, 1990, start partial vesting after two years of service and are fully vested after five years of service. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Forfeitures by employees who leave employment before being fully vested are applied, first, to offset administrative expenses of the plans, and second, to reduce matching employer contributions. Forfeitures totaling $84,937 were used in 2025 for administrative expenses. No forfeitures were used to reduce matching employer contributions. Contributions made by employees and the Town for the three years ended December 31, 2025, are as follows:

	2025	2024	2023
Employee Contributions	1,232,583	1,144,314	1,038,814
Town Contributions	1,232,583	1,144,314	1,038,814

Both the Town and the covered employees each made the required 11% contributions to the plans. There are no liabilities for benefits beyond the Town's matching payments. No changes in the various plan's provisions occurred in 2025.

Part-time, Temporary and Seasonal Employees. On October 14, 1997, the Town adopted a PTS Retirement Plan administered by the ICMA Retirement Corporation and established under Section 457 of the Internal Revenue

Code that pertains to deferred compensation plans. Plan administration and recordkeeping of this plans was transferred to The Principal Financial Group in November 2017. The PTS plan is designed specifically for employees who are part-time, temporary, or seasonal, and is defined as a Social Security replacement retirement plan. The PTS plan allows participants to defer federal and state income taxes on savings until retirement. The PTS plan requires a minimum contribution of 7.5% of an employee's salary per plan year. This 7.5% may be the employee's contribution, the employer's contribution, or a combination of both. The Town elected to have 3.75% contributed by the employee and 3.75% matched by the Town. Employees also have the option to contribute additional amounts.

Upon separation of service, participants may withdraw the account balance in a lump-sum payment, roll the account balance over into another 457 plan, or continue to allow the account balance earn interest tax free. Taxes are paid when funds are withdrawn from the plan.

Contributions made by plan members and the Town for the three years ended December 31, 2025, are as follows:

	2025	2024	2023
Employee Contributions	74,683	59,945	51,231
Town Contributions	62,901	54,823	46,412

Both the Town and the covered employees each made the required 3.75% contributions to the plan. There are no liabilities for benefits beyond the Town's matching payments. As of December 31, 2025, there were 397 participants in this plan.

Note 9. 457 Deferred Compensation Plan

The Town offers its full-time employees an optional supplemental deferred compensation plan created in accordance with Internal Revenue Code Section 457. Plan administration and recordkeeping is provided by The Principal Financial Group. The 457 plan allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the 457 plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2025, there were 52 participants in the 457 plan.

Note 10. Employee Health Care

The Town has a self-insurance plan for employee health and dental care. A third-party administrator processes individual employee claims and negotiates excess stop-loss insurance policies. Excess stop-loss insurance policies are purchased to cover individual claims in excess of $40,000 and aggregate total yearly claims in excess of $2,268,696. Settled benefit claims did not exceed the aggregate total yearly claims for 2025. As of December 31, 2025, the Town held reserves for future claims in the amount of $1,651,011.

The following represents the changes in the claims reserve for the Town for 2025 and 2024:

	2025	2024
Claims Reserve for Future Claims, Beginning of Year	1,632,128	1,562,530
Current Year Deposits for Estimated Claims	2,360,054	2,491,958
Excess Stop Loss Refunds for Specific (Individual) Claims	1,288,231	712,251
Claim Payments	(3,629,402)	(3,134,611)
Claims Reserve for Future Claims, End of Year	1,651,011	1,632,128

Note 11. Interfund Receivables, Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as "due to/from other funds". These interfund receivables and payables are expected to be repaid within the next year. The composition of these interfund balances as of December 31, 2025, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Fleet Maintenance Fund	100,000

Interfund Transfers for the year ended December 31, 2025, consisted of the following:

Fund	Transfers In	Transfers Out
Major Funds:		
General Fund	657,747	4,190,000
Urban Renewal Authority Fund	-	1,750,000
Debt Service Fund	960,756	-
Capital Projects Fund	5,226,000	3,169,289
Mobility Enterprise	1,700,000	-
Fleet Maintenance Enterprise	433,825	-
Equipment Replacement Fund	135,000	425,000
Other Funds:		
Community Enhancement	-	361,000
Community Housing Fund	781,961	-
Total	9,895,289	9,895,289

Transfers are used to (1) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (2) segregate money for anticipated capital projects, (3) provide additional resources for current operations or debt service, and (4) return money from the fund from which it was originally provided once a project is completed. All transfers in 2025 occurred for one of the above reasons.

During the year, capital assets purchased in 2025 related to governmental funds, with book values of $134,811 were transferred to the internal service fund. No amounts were reported in the governmental funds as the amounts did not involve the transfer of financial resources. However, the internal service fund reported contributed capital in for the capital resources received.

Note 12. Commitments and Contingencies

Litigation. The Town is a party to various legal proceedings. Town management believes ultimate disposition of those subsequent pending claims and legal proceedings will not likely have a material adverse effect, if any, on the financial condition of the Town.

Construction Contract Commitments. As of December 31, 2025, the Town had the following construction contract commitments outstanding:

Project	Vendor	Commitment	Completed	Remaining
US 6 Safety Improvements	JARCCO Construction	4,221,688	(3,303,912)	917,776
PW Garage/ARTF Upgrades	Baker Builders	4,647,743	(2,315,140)	2,332,603
Nottingham Park Improvements	Baker Builders	4,057,627	(2,950,984)	1,106,643
Avon Road Crosswalk Improvements	Morton Electric	1,023,868	(465,497)	558,371
Eaglebend Park Upgrades	R&M General Contractors	724,838	(667,163)	57,675
	Totals	**14,675,764**	**(9,702,696)**	**4,973,068**

Intergovernmental Agreement. The Town has entered into an Intergovernmental Agreement (IGA) with the Eagle River Fire Protection District (Fire District) for the ownership, construction, operation, and maintenance of a joint fire-police station facility. The IGA provides for many covenants and mutual agreements including the amendment and replacement of previous IGAs, conveyance of the real property interest, construction financing, waiver of building permit fees, construction, apportionment of costs, termination of existing leases, use and occupancy, and operation and maintenance of the joint public safety facility. The IGA continues in perpetuity until amended or terminated by either party.

Tax, Spending and Debt Limitations. Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

In November 1997, voters within the Town passed a ballot issue which permanently authorizes the Town, without an election, to act on all spending and revenue raising measures which are limited by TABOR. In addition, voters authorized the Town to keep and spend all revenue collected by the Town regardless of any limitation contained in TABOR. The only exceptions are proposed sales or use tax rate increases and property tax rate increases which must be submitted to the voters, unless otherwise allowed by law.

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10 percent of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. TABOR also requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has established an emergency reserve in the General Fund for the year ended December 31, 2025 in the amount of $1,282,000 and an emergency reserve in the Mobility Fund for the year ended December 31, 2025 in the amount of $85,000.

Town management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Note 13. Risk Management

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

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 250+ municipalities and special districts to provide property, general and automobile liability and public officials coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that amounts are available from insurance providers under excess specific and aggregate insurance contracts.

Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so. The Town has not been informed of any excess losses that may have been incurred by the pool.

The Town continues to carry commercial insurance coverage for other risks of loss including workers compensation. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 14. Upper Eagle Regional Water Authority

The Town is a participant in the Upper Eagle Regional Water Authority. The Authority was formed pursuant to an establishing contract on September 18, 1984, by the following municipal and quasi-municipal corporations (Members) located in Eagle County, Colorado.

- Arrowhead Metropolitan District
- Beaver Creek Metropolitan District
- Berry Creek Metropolitan District
- Eagle-Vail Metropolitan District
- Edwards Metropolitan District
- Town of Avon

The Authority also provides water services to the Cordillera and Bachelor Gulch developments through contracts with Members. The Authority was formed to make the best practicable use of the Members' joint resources in supplying water to the members and to further develop water resources and facilities in Eagle County. The Authority may not be terminated so long as bonds, notes or other obligations are outstanding, unless provision for full payment of such obligations has been made. At December 31, 2025, the Authority had debt with maturities through the year 2053.

The Town has a service contract with the Authority whereby the Authority provides and bills residents of the Town with water at a rate which is expected to cover its costs in providing water services and other functions. Such costs specifically include debt service requirements, depreciation, and operations and maintenance, including maintenance of the Town's water distribution system. As part of the agreement, the Town conveyed its water distributions facilities and leased its water rights, associated easements, and improvements to the Authority at no cost. In consideration, the Authority has agreed to maintain the associated improvements and to administer and protect the Town's plan for augmentation and water decrees at no cost. During 2025, the Authority collected $174,115 in water surcharges for the Town.

Note 15. Tax Abatements

The Town has entered into various agreements in order to meet development goals within certain areas of the Town. The following areas have continuing development requirements or abatement agreements requiring disclosure.

Development Area	Revenues Impacted	Governing Document	Amount	Requirements
Village at Avon PUD	Sales Tax, Accommodation Tax, Real Estate Transfer Tax	Consolidated, Amended and Restated Annexation and Development Agreement	$6,844,131	100% tax credit against sales, accommodations and real estate transfer taxes paid within the development area.
Riverfront PUD	Property Tax Increment	Intergovernmental Agreement	$891,201	100% tax rebate of incremental property taxes received from Avon Station Metropolitan District, excluding Lot B.

Note 16. Major Taxpayers

For the year ended December 31, 2025, approximately fifty-eight percent (58%) of the Town's sales tax revenues were received from the ten highest-paying companies.

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	21,040,289	21,040,289	21,201,133	160,844
Licenses and Permits	459,175	459,175	659,540	200,365
Intergovernmental	1,526,455	1,526,455	1,577,839	51,384
Charges for Services	2,090,036	2,156,896	2,265,658	108,762
Fines and Forfeitures	52,200	52,200	90,000	37,800
Investment Earnings	1,500,000	1,500,000	1,699,607	199,607
Leases	-	-	74,838	74,838
Other Revenues	487,000	487,000	512,292	25,292
Total Revenues	27,155,155	27,222,015	28,080,907	858,892
Expenditures				
Current:				
General Government	7,446,515	7,525,632	15,722,486	(8,196,854)
Community Development	996,415	998,765	1,027,304	(28,539)
Public Safety	6,421,940	6,486,348	6,591,686	(105,338)
Public Works	8,374,152	8,575,679	8,178,760	396,919
Recreation	3,205,348	3,205,348	3,037,376	167,972
Debt Service:				
Principal	-	-	70,971	(70,971)
Interest	-	-	1,027	(1,027)
Fiscal Charges	-	-	38,285	(38,285)
Total Expenditures	26,444,370	26,791,772	34,667,895	(7,765,840)
Excess (Deficiency) of Revenues Over (Under) Expenditures	710,785	430,243	(6,586,988)	(6,906,948)
Other Financing Sources (Uses)				
Debt Issuance	-	-	5,890,000	5,890,000
Discount on Debt Issuance	-	-	(91,606)	(91,606)
Transfers In	657,747	657,747	657,747	-
Transfers Out	(1,500,000)	(4,190,000)	(4,190,000)	-
Total Other Financing Sources (Uses)	(842,253)	(3,532,253)	2,266,141	5,798,394
Net Change in Fund Balances	(131,468)	(3,102,010)	(4,320,847)	(1,108,554)
Fund Balances, Beginning of Year	24,840,837	24,840,837	24,840,837	-
Fund Balances, End of year	24,709,369	21,738,827	20,519,990	(1,108,554)

See the accompanying notes to RSI.

TOWN OF AVON, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION
AVON URBAN RENEWAL AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	2,912,197	2,912,197	2,697,003	(215,194)
Investment Earnings	-	-	2,188	2,188
Total Revenues	2,912,197	2,912,197	2,699,191	(213,006)
Expenditures				
Current:				
General Government	103,000	103,000	80,833	22,167
Debt Service:				
Principal	664,728	664,728	664,728	-
Interest	84,466	84,466	84,466	-
Fiscal Charges	1,000	1,000	400	600
Total Expenditures	853,194	853,194	830,427	22,767
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,059,003	2,059,003	1,868,764	(190,239)
Other Financing Sources (Uses)				
Transfers Out	(1,750,000)	(1,750,000)	(1,750,000)	-
Net Change in Fund Balances	309,003	309,003	118,764	(190,239)
Fund Balances, Beginning of Year	190,257	190,257	190,257	-
Fund Balances, End of year	499,260	499,260	309,021	(190,239)

See the accompanying notes to RSI.

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2025

Note 1. Budgetary Information

An annual budget is legally adopted on a basis consistent with generally accepted accounting principles for all funds, with the exception of proprietary funds which are budgeted on the modified accrual basis of accounting. Appropriations lapse at fiscal year-end except for capital projects and special revenue funds which may have project-length budgets that carryover from year-to-year. However, as a matter of practice, the Town adopts annual budgets for all funds. The budget is prepared by fund, department, program, object and project. Expenditures may not legally exceed budgeted appropriations at the fund level.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15th. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal or specialized division (e.g., the Department of Public Works).

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Community Enhancement Fund – This fund is used to account for revenues received from a franchisee and restricted for use for beautification projects, energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development thereof, sponsorship of special community events, and undergrounding of overhead electric and other utility lines.

Water Fund – This fund is used to account for the cost of maintaining certain water-related assets and for the receipt of water surcharges and tap fees within the Town limits.

Community Housing Fund – This fund is used to accumulate and account for resources received and restricted for use in the Town's community housing program.

Downtown Development Authority Fund – This fund is used to account for the receipt of tax increment revenues and the activities of redevelopment that are undertaken by the Avon Downtown Development Authority, including issuing debt and undertaking community housing projects and additional public improvements.

Exterior Energy Offset Fund – This fund is used to account for fees collected at building permit to create financial assistance, rebates, and incentives to promote energy efficient projects within the Town of Avon. Fees are established based on a formula using BTUs required for certain amenities over a 20-year period.

Disposable Paper Bag Fee Fund - This fund is used to account for fees received by the Town from retailers who are required to pay ten cents ($0.10) for each disposable paper bag used during a retail purchase. Effective May 1, 2018 it became unlawful for retailers to provide plastic bags to customers at point of sale. The intent is to encourage the use of reusable bags. Fees are restricted for use to programs and education related to waste reduction, and for providing reusable bags to Town residents and guests.

TOWN OF AVON, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue Funds						
	Community Enhancement Fund	Water Fund	Community Housing Fund	Downtown Development Authority Fund	Exterior Energy Offset Fund	Disposable Paper Bag Fee Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and Cash Equivalents	-	174,981	3,552,359	152,349	153,281	187,720	4,220,690
Receivables:							
- Taxes	90,770	-	146,549	-	-	8,885	246,204
- Intergovernmental	-	14,171	-	-	-	-	14,171
Total Assets	90,770	189,152	3,698,908	152,349	153,281	196,605	4,481,065
LIABILITIES							
Accounts Payable	56,788	1,393	29,537	-	-	3,063	90,781
Accrued Liabilities	-	-	7,627	-	-	-	7,627
Deposits and Reserves	-	-	1,600	-	-	-	1,600
Total Liabilities	56,788	1,393	38,764	-	-	3,063	100,008
FUND BALANCES							
Restricted For:							
Water Projects	-	187,759	-	-	-	-	187,759
Community Enhancement	33,982	-	-	-	-	-	33,982
Downtown Development Projects				152,349			152,349
Committed For:							
Exterior Energy Offset Programs	-	-	-	-	153,281	-	153,281
Waste Reduction Programs	-	-	-	-	-	193,542	193,542
Assigned For:							
Community Housing Programs	-	-	3,660,144	-	-	-	3,660,144
Total Fund Balances	33,982	187,759	3,660,144	152,349	153,281	193,542	4,381,057
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	90,770	189,152	3,698,908	152,349	153,281	196,605	4,481,065

TOWN OF AVON, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue Funds						
	Community Enhancement Fund	Water Fund	Community Housing Fund	Downtown Development Authority Fund	Exterior Energy Offset Fund	Disposable Paper Bag Fee Fund	Total Nonmajor Governmental Funds
Revenues							
Taxes	-	-	1,456,238	308,582	-	-	1,764,820
Licenses and Permits	-	-	-	-	16,562	-	16,562
Intergovernmental	-	-	143,668	-	-	-	143,668
Charges for Services	-	289,088	91,500	-	-	-	380,588
Other Revenues	90,770	-	15,788	-	-	75,371	181,929
Total Revenues	90,770	289,088	1,707,194	308,582	16,562	75,371	2,487,567
Expenditures							
Current:							
General Government	-	-	2,084,315	-	-	30,346	2,114,661
Community Development	-	-	-	-	60,427	-	60,427
Public Works and Utilities	18,866	106,959	-	-	-	-	125,825
Capital Improvements	-	-	360,635	200,000	-	-	560,635
Total Expenditures	18,866	106,959	2,444,950	200,000	60,427	30,346	2,861,548
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,904	182,129	(737,756)	108,582	(43,865)	45,025	(373,981)
Other Financing Sources (Uses):							
Transfers In	-	-	781,961	-	-	-	781,961
Transfers Out	(361,000)	-	-	-	-	-	(361,000)
Total Other Financing Sources (Uses)	(361,000)	-	781,961	-	-	-	420,961
Net Change in Fund Balances	(289,096)	182,129	44,205	108,582	(43,865)	45,025	46,980
Fund Balances, Beginning of Year	323,078	5,630	3,615,939	43,767	197,146	148,517	4,334,077
Fund Balances, End of year	33,982	187,759	3,660,144	152,349	153,281	193,542	4,381,057

TOWN OF AVON, COLORADO

COMMUNITY ENHANCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Other Revenues	90,000	90,000	90,770	770
Total Revenues	90,000	90,000	90,770	770
Expenditures				
Current:				
Public Works and Utilities	20,000	20,000	18,866	1,134
Total Expenditures	20,000	20,000	18,866	1,134
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,000	70,000	71,904	1,904
Other Financing Sources (Uses)				
Transfers Out	(361,000)	(361,000)	(361,000)	-
Net Change in Fund Balances	(291,000)	(291,000)	(289,096)	1,904
Fund Balances, Beginning of Year	323,078	323,078	323,078	-
Fund Balances, End of Year	32,078	32,078	33,982	1,904

TOWN OF AVON, COLORADO

WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for Services:				
Water Surcharges	170,000	170,000	174,115	4,115
Tap Fees	25,000	25,000	114,973	89,973
Total Charges for Services	195,000	195,000	289,088	94,088
Total Revenues	195,000	195,000	289,088	94,088
Expenditures				
Current:				
Public Works and Utilities	152,435	152,435	106,959	45,476
Total Expenditures	152,435	152,435	106,959	45,476
Excess (Deficiency) of Revenues Over (Under) Expenditures	42,565	42,565	182,129	139,564
Other Financing Sources (Uses)				
Transfers Out	(100,000)	-	-	-
Net Change in Fund Balances	(57,435)	42,565	182,129	139,564
Fund Balances, Beginning of Year	5,630	5,630	5,630	-
Fund Balances, End of year	(51,805)	48,195	187,759	139,564

TOWN OF AVON, COLORADO

COMMUNITY HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes:				
Short-term Rental Tax	1,501,099	1,501,099	1,456,238	(44,861)
Intergovernmental:				
State Grants	160,000	160,000	143,668	(16,332)
Charges for Services:				
Rental Revenues - Employees	87,000	87,000	91,500	4,500
Other Revenues:				
Miscellaneous	25,000	25,000	15,788	(9,212)
Total Revenues	1,773,099	1,773,099	1,707,194	(65,905)
Expenditures				
Current:				
General Government	1,275,163	2,235,501	2,084,315	151,186
Capital Improvements	1,182,000	2,558,516	360,635	2,197,881
Total Expenditures	2,457,163	4,794,017	2,444,950	2,349,067
Excess (Deficiency) of Revenues Over (Under) Expenditures	(684,064)	(3,020,918)	(737,756)	2,283,162
Other Financing Sources (Uses)				
Transfers In	500,000	781,961	781,961	-
Net Change in Fund Balances	(184,064)	(2,238,957)	44,205	2,283,162
Fund Balances, Beginning of Year	3,615,939	3,615,939	3,615,939	-
Fund Balances, End of year	3,431,875	1,376,982	3,660,144	2,283,162

TOWN OF AVON, COLORADO

AVON DOWNTOWN DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	401,091	401,091	308,582	(92,509)
Total Revenues	401,091	401,091	308,582	(92,509)
Expenditures				
Capital Improvements	325,000	325,000	200,000	125,000
Total Expenditures	325,000	325,000	200,000	125,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	76,091	76,091	108,582	32,491
Other Financing Sources (Uses)				
Transfers Out	-	-	-	-
Net Change in Fund Balances	76,091	76,091	108,582	32,491
Fund Balances, Beginning of Year	43,767	43,767	43,767	-
Fund Balances, End of year	119,858	119,858	152,349	32,491

TOWN OF AVON, COLORADO

EXTERIOR ENERGY OFFSET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Licenses and Permits:				
Exterior Energy Offset Fee	25,000	25,000	16,562	(8,438)
Total Revenues	25,000	25,000	16,562	(8,438)
Expenditures				
Current:				
Community Development	84,000	106,000	60,427	45,573
Total Expenditures	84,000	106,000	60,427	45,573
Net Change in Fund Balances	(59,000)	(81,000)	(43,865)	37,135
Fund Balances, Beginning of Year	197,146	197,146	197,146	-
Fund Balances, End of year	138,146	116,146	153,281	37,135

TOWN OF AVON, COLORADO

DISPOSABLE PAPER BAG FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Other Revenues:				
Disposable Paper Bag Fee	35,000	35,000	75,359	40,359
Miscellaneous	-	-	12	12
Total Revenues	35,000	35,000	75,371	40,371
Expenditures				
Current:				
General Government	42,460	42,460	30,346	12,114
Total Expenditures	42,460	42,460	30,346	12,114
Net Change in Fund Balances	(7,460)	(7,460)	45,025	52,485
Fund Balances, Beginning of Year	148,517	148,517	148,517	-
Fund Balances, End of year	141,057	141,057	193,542	52,485

TOWN OF AVON, COLORADO

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Total Revenues	-	-	-	-
Expenditures				
Debt Service:				
Principal	770,000	770,000	770,000	-
Interest	184,606	184,606	184,605	1
Fiscal Charges	6,150	6,150	6,000	150
Total Expenditures	960,756	960,756	960,605	151
Excess (Deficiency) of Revenues Over (Under) Expenditures	(960,756)	(960,756)	(960,605)	151
Other Financing Sources (Uses)				
Transfers In	960,756	960,756	960,756	-
Net Change in Fund Balances	-	-	151	151
Fund Balances, Beginning of Year	47,312	47,312	47,312	-
Fund Balances, End of year	47,312	47,312	47,463	151

TOWN OF AVON, COLORADO

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes:				
Real Estate Transfer Tax	5,000,000	5,000,000	5,297,273	297,273
Intergovernmental	5,116,000	5,116,000	937,304	(4,178,696)
Investment Earnings	200,000	200,000	471,771	271,771
Other Revenues	15,000	15,000	3,330	(11,670)
Total Revenues	10,331,000	10,331,000	6,709,678	(3,621,322)
Expenditures				
Capital Projects	7,302,986	22,062,388	12,646,758	9,415,630
Total Expenditures	7,302,986	22,062,388	12,646,758	9,415,630
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,028,014	(11,731,388)	(5,937,080)	5,794,308
Other Financing Sources (Uses)				
Transfers In	2,636,000	5,226,000	5,226,000	-
Transfers Out	(3,611,702)	(3,965,691)	(3,169,289)	796,402
Total Other Financing Sources (Uses)	(975,702)	1,260,309	2,056,711	796,402
Net Change in Fund Balances	2,052,312	(10,471,079)	(3,880,369)	6,590,710
Fund Balances, Beginning of Year	16,925,081	16,925,081	16,925,081	-
Fund Balances, End of Year	18,977,393	6,454,002	13,044,712	6,590,710

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Town Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges: or where the Town Council has decided that periodic determination of net income is appropriate for accountability purposes.

Mobility Fund – This fund is used to account for the activities involved in operating the Town's transportation system.

Fleet Maintenance Fund – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third-party governmental entities.

TOWN OF AVON, COLORADO

MOBILITY FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS) WITH RECONCILIATION TO GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	69,487	69,487	70,353	866
Intergovernmental	254,000	254,000	481,536	227,536
Charges for Services	406,611	406,611	505,506	98,895
Other Revenue	118,869	118,869	121,109	2,240
Total Revenues	848,967	848,967	1,178,504	329,537
Expenses:				
Administration	366,821	366,821	383,386	(16,565)
Operations	1,769,701	1,807,781	1,859,876	(52,095)
Wash Bay	287,505	341,505	369,502	(27,997)
Mobility Programs	367,116	369,816	261,468	108,348
Total Expenses	2,791,143	2,885,923	2,874,232	11,691
Excess (Deficiency) of Revenues Over (Under) Expenses, Non-GAAP Basis	(1,942,176)	(2,036,956)	(1,695,728)	341,228
Other Financing Sources (Uses):				
Transfers In (Out)	1,700,000	1,700,000	1,700,000	-
Total Other Financing Sources (Uses)	1,700,000	1,700,000	1,700,000	-
Change in Net Position (Budgetary Basis)	(242,176)	(336,956)	4,272	341,228
Adjustments to Reconcile Budgetary Basis to GAAP Basis				
Principal Paid on Leases			40,723	
Change in accrued compensated absences			(40,788)	
Depreciation and amortization			(717,312)	
Total Adjustments			(717,377)	
Change in Net Position (GAAP Basis)			(713,105)	

TOWN OF AVON, COLORADO

FLEET MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS) WITH RECONCILIATION TO GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services				
Third-party Fleet Maintenance Charges	1,253,941	1,253,941	1,509,016	255,075
Departmental Fleet Maintenance Services	815,313	815,313	1,070,759	255,446
Fuel Mark-up	45,000	45,000	114,169	69,169
Other Revenues	-	-	3,364	3,364
Total Revenues	2,114,254	2,114,254	2,697,308	583,054
Expenses:				
Fleet Maintenance	2,045,619	2,045,619	2,582,350	(536,731)
Capital Outlay	14,820	14,820	262,391	(247,571)
Debt Service:				
Principal	178,000	178,000	180,000	(2,000)
Interest	15,682	15,682	13,825	1,857
Total Expenses	2,254,121	2,254,121	3,038,566	(784,445)
Excess (Deficiency) of Revenues Over (Under) Expenses, Non-GAAP Basis	(139,867)	(139,867)	(341,258)	(201,391)
Other Financing Sources (Uses):				
Transfers In (Out)	433,825	433,825	433,825	-
Total Other Financing Sources (Uses)	433,825	433,825	433,825	-
Change in Net Position (Budgetary Basis)	293,958	293,958	92,567	(201,391)
Adjustments to Reconcile Budgetary Basis to GAAP Basis				
Principal Paid on Certificates of Participation			180,000	
Capitalization of Capital Assets			262,391	
Amortization of Deferred Charge on Refunding of Debt			(1,741)	
Depreciation Expense			(148,556)	
Total Adjustments			292,094	
Change in Net Position (GAAP Basis)			384,661	

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town and to other government units, on a cost reimbursement basis.

Equipment Replacement Fund – This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

TOWN OF AVON, COLORADO

EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS) WITH RECONCILIATION TO GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services:				
Equipment Replacement Charges	1,448,022	1,448,022	1,448,022	-
Investment Earnings	120,000	120,000	153,263	33,263
Total Revenues	1,568,022	1,568,022	1,601,285	33,263
Expenses:				
Capital Outlay:				
Fleet and Heavy Equipment	1,896,266	920,627	978,003	(57,376)
Recreation Center Equipment & Improvements	49,930	49,930	65,840	(15,910)
Computer and Office Equipment	109,766	109,766	152,539	(42,773)
Machinery and Equipment	59,210	129,210	117,476	11,734
Total Expenses	2,115,172	1,209,533	1,313,858	(104,325)
Excess (Deficiency) of Revenues Over (Under) Expenses, Non-GAAP Basis	(547,150)	358,489	287,427	(71,062)
Other Financing Sources (Uses):				
Transfers In (Out)	434,375	434,375	(290,000)	(724,375)
Proceeds from Sale of Capital Assets	120,000	120,000	38,500	(81,500)
Total Other Financing Sources (Uses)	554,375	554,375	(251,500)	(805,875)
Change in Net Position (Budgetary Basis)	7,225	912,864	35,927	(876,937)
Adjustments to Reconcile Budgetary Basis to GAAP Basis				
Capitalization of Capital Assets			1,313,858	
Book Value of Capital Assets Disposed			(7,100)	
Transfers In of Non-financial Resources			134,811	
Depreciation Expense			(1,129,944)	
Total Adjustments			311,625	
Change in Net Position (GAAP Basis)			347,552	

TOWN OF AVON, COLORADO

DEBT SCHEDULE
DECEMBER 31, 2025

	Schedule of Indebtedness					Payments Due In 2026	
Purpose	Date Issued	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding	Principal	Interest
Revenue Bonds:							
Series 2017, Avon URA Tax Increment Revenue Bonds	1/5/17	2.90%	12/1/31	3,000,000	1,355,528	209,762	38,321
Series 2020, Avon URA Tax Increment Revenue Loan	5/1/20	2.11%	12/1/28	4,111,000	1,440,000	470,000	30,384
Total Revenue Bonds				7,111,000	2,795,528	679,762	68,705
Certificates of Participation:							
Series 2014B, Certificates of Participation	1/14/15	3.03%	12/1/29	3,800,000	1,180,000	280,000	35,754
Series 2016, Certificates of Participation	8/2/16	2.00%-4.00%	12/1/35	6,300,000	3,760,000	325,000	120,625
Series 2020, Refunding Certificates of Participation	9/2/20	1.23%	12/1/30	3,983,000	1,866,000	363,000	22,952
Series 2025, Certificates of Participation	10/1/25	4.40%-6.00%	12/1/45	5,890,000	5,890,000	130,000	372,502
Total Certificates of Participation				19,973,000	12,696,000	1,098,000	551,833
Total Long-term Debt				27,084,000	15,491,528	1,777,762	620,538

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2025

Description	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
General Government:				
Mayor and Town Council	280,814	280,814	341,931	(61,117)
Town Attorney	272,020	272,020	309,873	(37,853)
Town Clerk	202,971	202,971	191,283	11,688
Municipal Court	197,996	197,996	207,120	(9,124)
Administrative Services	964,370	964,370	1,035,611	(71,241)
Human Resources	770,740	770,740	704,389	66,351
Community Relations	363,494	363,494	342,882	20,612
Economic Development	215,430	225,430	8,227,328	(8,001,898)
Special Events	1,510,464	1,517,580	1,376,445	141,135
Community Grants	108,000	108,000	107,750	250
Sustainability	150,305	150,305	237,448	(87,143)
Subtotal General Government	5,036,604	5,053,720	13,082,060	(8,028,340)
Finance and Information Technology:				
Finance	1,156,096	1,166,096	1,257,119	(91,023)
Information Systems	835,355	835,355	831,794	3,561
Nondepartmental	418,461	470,461	551,513	(81,052)
Subtotal Finance and Administration	2,409,912	2,471,912	2,640,426	(168,514)
Total General Government, Finance and Administration	7,446,516	7,525,632	15,722,486	(8,196,854)
Community Development:				
Boards and Commissions	14,425	14,275	15,891	(1,616)
Planning	639,767	645,267	663,568	(18,301)
Building Inspection	342,222	339,222	347,845	(8,623)
Total Community Development	996,414	998,764	1,027,304	(28,540)
Public Safety: Police				
Administration	1,289,337	1,289,337	1,144,258	145,079
Patrol	4,259,001	4,312,409	4,511,113	(198,704)
Investigations	616,124	616,124	637,917	(21,793)
Code Enforcement	257,478	268,478	298,398	(29,920)
Total Public Safety	6,421,940	6,486,348	6,591,686	(105,338)

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2025 (CONTINUED)

Description	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Public Works				
Administration	511,668	530,818	365,041	165,777
Engineering	678,199	753,199	774,994	(21,795)
Roads and Bridges	3,844,059	3,844,059	3,872,446	(28,387)
Parks and Grounds	1,034,211	1,034,211	855,136	179,075
Buildings and Facilities	2,306,015	2,413,392	2,311,143	102,249
Total Public Works	8,374,152	8,575,679	8,178,760	396,919
Recreation:				
Administration	348,556	349,556	340,945	8,611
Adult Programs	91,151	91,151	69,459	21,692
Aquatics	1,044,789	1,044,789	1,045,262	(473)
Fitness	361,593	361,593	313,776	47,817
Guest Services	719,904	719,904	722,364	(2,460)
Youth Programs	309,343	308,343	301,942	6,401
Community Swim Program	330,013	330,013	243,628	86,385
Total Recreation	3,205,349	3,205,349	3,037,376	167,973
Debt Service:				
Principal	-	-	70,971	(70,971)
Interest	-	-	1,027	(1,027)
Fiscal Charges	-	-	38,285	(38,285)
Total Debt Service:	-	-	110,283	(110,283)
TOTAL EXPENDITURES	26,444,371	26,791,772	34,667,895	(7,876,123)

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget -
Description	Original	Final	Actual Amounts	Positive (Negative)
Taxes:				
General Property Tax	2,908,568	2,908,568	2,914,651	6,083
Specific Ownership Tax	130,000	130,000	170,637	40,637
Sales Tax	13,195,818	13,195,818	13,491,782	295,964
Utility Tax	130,000	130,000	110,217	(19,783)
Accommodations Tax	2,458,503	2,458,503	2,298,238	(160,265)
Penalties and Interest	52,400	52,400	64,488	12,088
VAA Retail Sales Fee	1,100,000	1,100,000	1,161,875	61,875
Cigarette and Tobacco Tax	605,000	605,000	535,949	(69,051)
Franchise Fees	460,000	460,000	453,296	(6,704)
Total Taxes	21,040,289	21,040,289	21,201,133	160,844
Licenses and Permits:				
Business Licenses	185,000	185,000	271,545	86,545
Contractor's Licenses	18,625	18,625	25,655	7,030
Building Permits	225,000	225,000	349,675	124,675
Road Cut Permits	20,000	20,000	250	(19,750)
Other Licenses and Permits	10,550	10,550	12,415	1,865
Total Licenses and Permits	459,175	459,175	659,540	200,365
Intergovernmental:				
Federal Grants:	2,000	2,000	2,363	363
State Grants:	302,500	302,500	392,726	90,226
Other Local Grants:	-	-	16,764	16,764
State/County Shared Revenue:				
Conservation Trust	80,000	80,000	72,636	(7,364)
Motor Vehicle Registration	26,000	26,000	24,755	(1,245)
Highway User's Tax	191,805	191,805	226,229	34,424
County Sales Tax	746,750	746,750	627,626	(119,124)
Road & Bridge Fund	175,000	175,000	214,525	39,525
State Severance Tax	2,400	2,400	215	(2,185)
Total Intergovernmental	1,526,455	1,526,455	1,577,839	(87,019)

TOWN OF AVON, COLORADO

DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2025 (CONTINUED)

Description	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Charges for Services:				
General Government:				
Miscellaneous Fees and Charges	5,000	5,000	4,696	(304)
Community Development:				
Plan Check Fees	150,000	150,000	160,444	10,444
Other Fees and Charges	47,500	122,500	20,903	(101,597)
Public Safety:				
Police Fees and Charges	46,325	46,325	60,925	14,600
Culture and Recreation:				
Avon Recreation Center	1,450,100	1,450,100	1,621,257	171,157
General Recreation	243,240	243,240	288,332	45,092
Special Events	147,871	139,731	109,101	(30,630)
Total Charges for Services	2,090,036	2,156,896	2,265,658	108,762
Fines and Forfeitures:				
Court Fines and Costs	52,200	52,200	90,000	37,800
Total Fines and Forfeitures	52,200	52,200	90,000	37,800
Investment Earnings	1,500,000	1,500,000	1,699,607	199,607
Leases	-	-	74,838	74,838
Miscellaneous Revenues:				
Recreational Amenity Fees	345,000	345,000	343,592	(1,408)
Parking Revenue	7,500	7,500	28,848	21,348
Miscellaneous Revenues	134,500	134,500	139,852	5,352
Total Miscellaneous Revenues	487,000	487,000	512,292	25,292
TOTAL REVENUES	27,155,155	27,222,015	28,080,907	858,892

The public report burden for this information collection is estimated to average 380 hours annually. | Form Approved OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	COUNTY: Avon
		YEAR ENDING (mm/yy): December 2025	
This Information From The Records Of:	Prepared By:	Chase Simmons 970-748-4019	

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. Remainder 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.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	$ 4,135,129.26
3. Other local imposts (from page 2)	$ 170,637.24
4. Miscellaneous local receipts (from page 2)	$ 3,601,783.31
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	$ -
7. Total (1 through 6)	$ 7,907,549.81
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 250,984.38
D. Receipts from Federal Government (from page 2)	$ -
E. Total receipts (A.7 + B + C + D)	$ 8,158,534.19

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ -
2. Maintenance:	$ 6,173,628.11
3. Road and street services:	
a. Traffic control operations	$ 108,794.26
b. Snow and ice removal	$ 1,115,790.97
c. Other	
d. Total (a. through c.)	$ 1,224,585.23
4. General administration & miscellaneous	
5. Highway law enforcement and safety	$ 441,234.34
6. Total (1 through 5)	$ 7,839,447.68
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	$ 44,086.51
b. Redemption	$ 275,000.00
c. Total (a. + b.)	$ 319,086.51
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ 319,086.51
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 8,158,534.19

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	$ 1,475,000.00		$ 275,000.00	$ 1,200,000.00
1. Bonds (Refunding Portion)				$ -
B. Notes (Total)				$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		$ 8,158,534.19	$ 8,158,534.19		$ -

Notes and Comments:

FORM FHWA-536 (Rev.06/2000) PREVIOUS EDITIONS OBSOLETE Excel (Next Page)

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): December 2025

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	$ 170,637.24	b. Traffic Fines & Penalties	
6. Total (1. through 5.)	$ 170,637.24	h. Other CIP	$ 3,601,783.31
c. Total (a. + b.)	$ 170,637.24	i. Total (a. through h.)	$ 3,601,783.31
(Carry forward to page 1)		***(Carry forward to page 1)***	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes (from Item I.C.5.)	$ 226,229.14	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	$ 24,755.24	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	$ 24,755.24	g. Total (a. through f.)	$ -
4. Total (1. + 2. + 3.f)	$ 250,984.38	3. Total (1. + 2.g)	$ -
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			$ -
b. Engineering Costs			$ -
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements			$ -
(3). System Preservation			$ -
(4). System Enhancement And Operation			$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ -	$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ -	$ -
(Carry forward to page 1)			

Notes and Comments:

FORM FHWA-536

STATISTICAL SECTION

This section of the Town of Avon's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends (Pages H1-H9) – These schedules contain trend information to help readers understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity (Pages H10-H14) – These schedules contain information to help readers understand and assess the factors affecting the Town's ability to generate its own-source revenues, specifically property taxes.

Debt Capacity (Pages H15-H18) – These schedules present information to help readers understand and assess the Town's debt burden and ability to issue additional debt.

Demographic and Economic Information (Pages H19-H22) – These schedules offer demographic and economic information to help readers understand the environment in which the Town's financial activities take place and to provide information that facilitates comparisons of financial statement information over time and among other local governments.

Operating Information (Pages H23-H25) – These schedules contain service and infrastructure information to help readers understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

TOWN OF AVON, COLORADO

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Governmental Activities				
Net Investment in Capital Assets	$ 58,088,785	$ 56,693,531	$ 60,092,867	$ 60,035,630
Restricted For:				
Emergencies	664,805	688,786	693,001	805,865
Debt Service	1,169,163	1,175,301	1,163,056	1,162,093
Capital Improvements	5,921,087	3,373,917	702,390	657,821
Urban Renewal	555,167	717,740	-	-
Downtown Developent Purposes of Grantors	142,100	192,173	267,911	691,828
Unrestricted	16,341,288	20,329,098	20,540,937	22,762,477
Total Governmental Activities Net Position	$ 82,882,395	$ 83,170,546	$ 83,460,162	$ 86,115,714
Business-type Activities				
Net Investment in Capital Assets	$ 11,430,538	$ 11,424,412	$ 10,877,907	$ 10,401,752
Restricted For:				
Emergencies	-	-	-	-
Unrestricted	908,749	710,428	652,622	540,075
Total Business-type Activities Net Position	$ 12,339,287	$ 12,134,840	$ 11,530,529	$ 10,941,827
Primary Government				
Net Investment in Capital Assets	$ 69,519,323	$ 68,117,943	$ 70,970,774	$ 70,437,382
Restricted	8,452,322	6,147,917	2,826,358	3,317,607
Unrestricted	17,250,037	21,039,526	21,193,559	23,302,552
Total Primary Government Net Position	$ 95,221,682	$ 95,305,386	$ 94,990,691	$ 97,057,541

Source: Town of Avon Finance Department

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 59,208,071	$ 60,606,346	$ 64,269,372	$ 67,538,798	$ 72,826,656	$ 84,966,850
829,650	980,080	1,101,215	1,167,831	1,195,000	1,282,000
-	-	-	-	-	-
657,821	451,280	450,230	423,144	449,230	449,230
22,942	95,276	177,047	285,495	190,257	309,021
				43,767	152,349
886,122	1,023,435	3,015,098	3,827,722	4,381,389	4,428,520
29,333,839	34,975,834	40,410,798	44,085,337	48,498,107	40,908,912
$ 90,938,445	$ 98,132,251	$ 109,423,760	$ 117,328,327	$ 127,584,406	$ 132,496,882
$ 10,299,819	$ 10,940,758	$ 12,946,887	$ 13,432,704	$ 12,789,095	$ 12,406,341
-	-	-	-	-	85,000
914,845	1,955,681	1,894,570	1,776,053	2,115,152	2,084,464
$ 11,214,664	$ 12,896,439	$ 14,841,457	$ 15,208,757	$ 14,904,247	$ 14,575,805
$ 69,507,890	$ 71,547,104	$ 77,216,259	$ 80,971,502	$ 85,615,751	$ 97,373,191
2,396,535	2,550,071	4,743,590	5,704,192	6,259,643	6,706,120
30,248,684	36,931,515	42,305,368	45,861,390	50,613,259	42,993,376
$ 102,153,109	$ 111,028,690	$ 124,265,217	$ 132,537,084	$ 142,488,653	$ 147,072,687

TOWN OF AVON, COLORADO

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental Activities:				
General Government	$ 3,291,190	$ 3,500,101	$ 3,661,274	$ 5,968,157
Community Development	1,202,097	1,617,329	1,454,581	557,539
Public Safety	3,214,680	3,703,871	3,983,349	4,310,801
Public Works and Utilities	9,656,808	9,026,700	9,448,309	8,134,954
Recreation and Culture	1,584,531	1,684,492	1,978,431	2,160,389
Mobility	-	-	-	-
Interest and Fiscal Charges on Long-term Debt	754,238	796,462	720,441	617,694
Total Governmental Activity Expenses	19,703,544	20,328,955	21,246,385	21,749,534
Business-type Activities:				
Transportation	1,963,223	2,253,558	2,272,401	2,502,195
Fleet Maintenance	1,623,046	1,655,774	1,720,433	1,780,524
Total Business-type Activity Expenses	3,586,269	3,909,332	3,992,834	4,282,719
Total Primary Government Expenses	$ 23,289,813	$ 24,238,287	$ 25,239,219	$ 26,032,253
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	$ 239,199	$ 294,431	$ 272,153	$ 280,165
Community Development	369,867	396,731	395,239	843,810
Public Safety	99,862	64,275	93,646	60,017
Public Works and Utilities	698,195	287,151	233,982	484,271
Recreation and Culture	1,334,056	1,519,254	1,458,802	1,385,312
Operating Grants and Contributions	104,217	84,761	75,430	89,873
Capital Grants and Contributions	1,816,456	31,237	491,600	815
Total Governmental Activity Program Revenues	4,661,852	2,677,840	3,020,852	3,144,263
Business-type Activities:				
Charges for Services	1,557,439	1,482,770	1,564,465	1,644,868
Operating Grants and Contributions	-	-	75,000	245,980
Capital Grants and Contributions	100,000	328,000	-	-
Total Business-type Activity Program Revenues	1,657,439	1,810,770	1,639,465	1,890,848
Total Primary Government Program Revenues	$ 6,319,291	$ 4,488,610	$ 4,660,317	$ 5,035,111
Net (Expense) Revenue				
Governmental Activities	$ (15,041,692)	$ (17,651,115)	$ (18,225,533)	$ (18,605,271)
Business-type Activities	(1,928,830)	(2,098,562)	(2,353,369)	(2,391,871)
Total Primary Government Net Expense	$ (16,970,522)	$ (19,749,677)	$ (20,578,902)	$ (20,997,142)

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 5,809,422	$ 6,169,567	$ 6,028,279	$ 7,399,224	$ 9,206,664	$ 9,065,691
513,004	536,564	658,989	925,098	1,270,522	1,387,311
4,466,597	4,372,460	4,792,423	5,804,502	6,416,591	7,121,416
8,245,335	8,481,110	9,094,216	11,447,522	11,834,149	13,029,436
1,814,889	1,917,182	2,196,340	2,812,965	3,427,244	3,794,326
-	84,167	88,266	91,785	-	-
538,010	412,275	380,278	343,233	303,666	300,356
21,387,257	21,973,325	23,238,791	28,824,329	32,458,836	34,698,536
2,325,260	2,465,889	2,926,168	3,009,782	3,465,348	3,591,610
1,784,854	1,637,288	1,849,994	2,150,931	2,675,265	2,746,472
4,110,114	4,103,177	4,776,162	5,160,713	6,140,613	6,338,082
$ 25,497,371	$ 26,076,502	$ 28,014,953	$ 33,985,042	$ 38,599,449	$ 41,036,618
$ 197,989	$ 333,474	$ 358,198	$ 81,956	$ 1,176,213	$ 1,341,398
421,822	604,037	2,213,641	212,229	585,337	181,347
41,786	30,031	30,279	32,033	50,144	60,925
195,682	319,428	524,886	624,048	1,444,420	1,827,880
744,429	1,141,324	1,587,555	1,867,988	2,025,521	2,018,690
826,152	104,842	182,916	1,204,555	1,785,449	837,010
37,206	48,128	47,135	-	925,584	949,518
2,465,066	2,581,264	4,944,610	4,022,809	7,992,668	7,216,768
1,813,132	1,656,035	1,989,517	2,143,269	3,337,993	3,315,338
646,470	1,025,745	431,912	400,563	338,398	-
-	967,643	1,576,477	838,719	-	481,536
2,459,602	3,649,423	3,997,906	3,382,551	3,676,391	3,796,874
$ 4,924,668	$ 6,230,687	$ 8,942,516	$ 7,405,360	$ 11,669,059	$ 11,013,642
$ (18,922,191)	$ (19,392,061)	$ (18,294,181)	$ (24,801,520)	$ (24,466,168)	$ (27,481,768)
(1,650,512)	(453,754)	(778,256)	(1,778,162)	(2,464,222)	(2,541,208)
$ (20,572,703)	$ (19,845,815)	$ (19,072,437)	$ (26,579,682)	$ (26,930,390)	$ (30,022,976)

TOWN OF AVON, COLORADO

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	$ 3,315,020	$ 2,876,177	$ 3,260,557	$ 3,226,470
Real Estate Transfer Taxes	3,497,602	4,411,530	3,621,125	5,001,145
Sales and Accommodation Taxes	9,540,260	9,437,658	10,595,905	11,438,117
Other Taxes	1,389,896	1,385,171	641,144	990,898
Unrestricted Investment Earnings	139,665	178,997	398,998	549,998
Grants and Contributions Not Restricted to Specific Programs	513,912	913,784	932,146	968,549
Miscellaneous	558,618	589,767	772,766	847,185
Capital Contributions	(150,215)	(103,403)	-	(61,539)
Transfers	(1,584,994)	(1,750,415)	(1,707,492)	(1,700,000)
Total Governmental Activities	17,219,764	17,939,266	18,515,149	21,260,823
Business-type Activities:				
Property Taxes	40,258	40,297	41,566	41,630
Capital Contributions	150,215	103,403	-	61,539
Miscellaneous				
Transfers	1,584,994	1,750,415	1,707,492	1,700,000
Total Business-type Activities	1,775,467	1,894,115	1,749,058	1,803,169
Total Primary Government	$ 18,995,231	$ 19,833,381	$ 20,264,207	$ 23,063,992
Change in Net Position				
Governmental Activities	$ 2,178,072	$ 288,151	$ 289,616	$ 2,655,552
Business-type Activities	(153,363)	(204,447)	(604,311)	(588,702)
Total Primary Government	$ 2,024,709	$ 83,704	$ (314,695)	$ 2,066,850

Source: Town of Avon Finance Department

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 3,727,486	$ 3,672,627	$ 3,996,579	$ 4,001,831	$ 5,659,627	$ 6,094,795
5,998,950	7,354,186	5,971,192	6,529,287	7,980,409	5,297,273
11,303,195	13,820,404	16,868,418	16,419,000	15,592,383	15,960,802
996,839	2,120,037	2,345,389	2,554,707	2,019,273	2,445,483
288,927	(7,865)	452,949	2,338,345	2,663,857	2,326,828
918,375	1,052,084	1,173,123	1,376,087	2,164,618	1,773,196
2,392,866	667,854	949,072	1,585,596	690,082	629,692
-	-	-	-	-	-
(1,881,716)	(2,093,460)	(2,172,578)	(2,098,766)	(2,048,002)	(2,133,825)
23,744,922	26,585,867	29,584,144	32,706,087	34,722,247	32,394,244
41,633	42,069	46,707	46,696	73,037	70,353
-	-	-	-	-	-
				38,673	8,586
1,881,716	2,093,460	2,676,567	2,098,766	2,048,002	2,133,825
1,923,349	2,135,529	2,723,274	2,145,462	2,159,712	2,212,764
$ 25,668,271	$ 28,721,396	$ 32,307,418	$ 34,851,549	$ 36,881,959	$ 34,607,008
$ 4,822,731	$ 7,193,806	$ 11,289,963	$ 7,904,567	$ 10,256,079	$ 4,912,476
272,837	1,681,775	1,945,018	367,300	(304,510)	(328,444)
$ 5,095,568	$ 8,875,581	$ 13,234,981	$ 8,271,867	$ 9,951,569	$ 4,584,032

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes	$ 17,742,776	$ 18,148,536	$ 18,118,731	$20,656,630
Licenses and Permits	259,997	374,311	398,860	752,345
Intergovernmental	2,868,277	1,029,782	1,499,176	1,156,632
Charges for Services	1,772,510	2,005,812	1,927,701	2,181,861
Fines and Forfeitures	91,014	94,311	52,220	51,535
Investment Earnings	139,665	178,997	398,998	549,998
Leases	-	-	-	-
Other Revenues	651,603	664,037	748,101	838,635
Total Revenues	23,525,842	22,495,786	23,143,787	26,187,636
Expenditures				
Current:				
General Government and Housing	3,119,007	3,379,282	3,636,761	4,982,737
Community Development	1,201,086	1,505,073	1,342,798	521,129
Public Safety	3,122,942	3,416,991	3,690,530	3,984,465
Public Works and Utilities	5,067,825	4,318,222	4,310,596	4,397,725
Recreation and Culture	1,293,277	1,436,483	1,585,571	1,703,007
Capital Improvements	8,864,565	6,721,147	8,449,771	3,532,547
Debt Service:				
Principal	1,382,506	1,239,743	1,371,210	1,335,902
Interest	473,674	746,385	666,120	624,162
Bond Issuance Costs	147,270	41,162	-	-
Fiscal Charges	54,071	81,625	63,337	10,060
Total Expenditures	24,726,223	22,886,113	25,116,694	21,091,734
Excess (Defieiency) of Revenues Over (Under) Expenditures	(1,200,381)	(390,327)	(1,972,907)	5,095,902
Other Financing Sources (Uses)				
Transfers In	2,819,319	5,508,421	3,266,471	1,623,043
Transfers Out	(4,404,313)	(7,258,836)	(5,016,471)	(3,323,043)
Debt/Lease Issuance Proceeds	6,300,000	3,080,204	258,258	-
Payments to Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	4,715,006	1,329,789	(1,491,742)	(1,700,000)
Net Change in Fund Balances	$ 3,514,625	$ 939,462	$ (3,464,649)	$ 3,395,902
Debt Service as a Percentage of Noncapital Expenditures	10.95%	10.85%	10.65%	10.61%

Source: Town of Avon Finance Department

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 22,026,470	$ 26,967,254	$ 29,181,578	$ 29,504,825	$ 32,334,856	$ 30,960,229
388,494	461,647	1,636,380	638,122	1,270,081	676,102
1,781,733	1,205,054	1,403,174	1,817,431	3,133,422	2,658,811
1,173,521	1,742,352	2,974,983	2,818,254	2,898,758	2,646,246
39,693	45,753	28,191	44,705	86,854	90,000
288,927	(8,035)	415,982	2,190,478	2,490,368	2,173,566
-	-	-	-	-	74,838
2,367,398	669,460	920,665	669,842	710,432	697,551
28,066,236	31,083,485	36,560,953	37,683,657	42,924,771	39,977,343
5,522,841	6,081,429	6,807,714	7,086,072	8,600,002	17,917,980
500,739	551,138	653,294	949,715	1,248,629	1,087,731
4,050,935	4,169,397	5,044,825	5,516,773	6,341,901	6,591,686
4,067,683	4,612,171	6,084,870	8,259,626	7,186,986	8,304,585
1,311,887	1,622,206	2,018,510	2,450,098	2,707,393	3,037,376
2,111,194	4,542,239	5,153,940	5,063,521	7,963,093	13,207,393
1,414,010	1,387,925	1,386,616	1,421,365	1,453,215	1,505,699
429,221	403,078	371,833	340,382	305,096	270,098
113,525	-	-	-	-	-
7,084	9,351	7,946	6,620	4,156	44,685
19,529,119	23,378,934	27,529,548	31,094,172	35,810,471	51,967,233
8,537,117	7,704,551	9,031,405	6,589,485	7,114,300	(11,989,890)
2,205,115	2,238,633	3,622,088	4,507,571	4,583,520	7,626,464
(4,086,831)	(4,607,093)	(5,805,869)	(7,112,259)	(7,284,060)	(9,470,289)
6,084,000	-	134,662	-	-	5,798,394
(6,850,698)	-	-	-	-	-
(2,648,414)	(2,368,460)	(2,049,119)	(2,604,688)	(2,700,540)	3,954,569
$ 5,888,703	$ 5,336,091	$ 6,982,286	$ 3,984,797	$ 4,413,760	$ (8,035,321)
10.07%	11.05%	8.23%	6.71%	6.23%	4.00%

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year 2016	2017	2018	2019	2020
General Fund					
Nonspendable	$ 86,136	$ -	$ -	$ -	$ -
Restricted	664,805	688,786	693,001	805,865	829,650
Assigned	-	-	-	-	-
Unassigned	5,312,950	5,125,805	5,611,041	7,392,670	9,373,237
Total General Fund	6,063,891	5,814,591	6,304,042	8,198,535	10,202,887
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	7,787,517	5,459,131	2,133,357	2,511,742	1,566,885
Committed	4,493,621	7,941,466	7,336,358	8,218,307	11,657,356
Assigned	516,183	585,486	716,549	832,594	2,193,502
Unassigned	-	-	(154,281)	(29,251)	-
Total All Other Governmental Funds	$ 12,797,321	$ 13,986,083	$ 10,031,983	$ 11,533,392	$ 15,417,743

	2021	2022	Fiscal Year 2023	2024	2025
General Fund					
Nonspendable	$ -	$ -	$ -	$ -	$ 262,793
Restricted	980,080	1,101,215	1,167,831	1,195,000	1,282,000
Assigned	-	-	-	-	-
Unassigned	13,587,481	19,210,640	20,774,068	23,645,837	18,975,197
Total General Fund	14,567,561	20,311,855	21,941,899	24,840,837	20,519,990
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	1,569,991	3,642,375	5,704,192	1,011,962	1,132,341
Committed	13,479,429	13,948,835	15,404,799	16,821,514	12,942,305
Assigned	1,303,307	35,942	40,745	3,663,251	3,707,607
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	$ 16,352,727	$ 17,627,152	$ 21,149,736	$ 21,496,727	$ 17,782,253

Source: Town of Avon Finance Department

TOWN OF AVON, COLORADO

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Property Tax				
Year	General	Avon Urban Renewal Authority	Penalties, Interest & Abatements	Delinquent Taxes	Specific Ownership
2016	2,284,282	1,026,248	4,491	-	119,483
2017	1,733,823	1,136,777	5,555	22	99,498
2018	1,829,624	1,428,646	1,106	181	105,234
2019	1,839,155	1,386,475	12	828	113,657
2020	2,041,834	1,568,090	3,128	-	114,434
2021	2,045,147	1,628,814	(1,635)	301	126,985
2022	2,154,594	1,887,132	1,422	138	130,201
2023	2,086,974	1,912,402	180	2,275	137,110
2024	2,974,960	2,475,396	3,534	3,616	161,888
2025	2,914,651	2,697,003	313	3,909	170,637

Year	Real Estate Transfer Tax	Sales Tax	Utility Tax	Accommodations Tax	Village at Avon Retail Sales Fee
2016	3,497,602	8,250,381	102,643	1,289,879	735,280
2017	4,448,666	8,104,582	102,279	1,333,939	763,915
2018	3,621,125	8,475,940	105,881	1,334,306	785,659
2019	5,001,145	9,146,851	107,293	1,486,842	804,424
2020	5,998,950	9,214,444	102,442	1,217,787	870,964
2021	7,354,186	11,608,048	115,387	2,212,356	877,862
2022	5,971,192	13,251,187	139,370	2,494,535	991,380
2023	6,529,287	13,054,193	154,918	2,323,443	1,051,948
2024	7,980,409	13,173,452	113,191	2,230,500	1,083,164
2025	5,297,273	13,491,782	110,217	2,298,238	1,161,875

Year	Cigarette Excise Tax	Tobacco Tax	Franchise Fees	Short-term Rental Tax	Total
2016	-	-	432,488	-	17,742,777
2017	-	-	419,479	-	18,148,536
2018	-	-	430,029	-	18,117,731
2019	189,305	146,016	434,627	-	20,656,630
2020	250,995	214,907	428,495	-	22,026,470
2021	258,573	301,631	439,599	-	26,967,254
2022	247,799	348,917	487,722	1,122,696	29,228,285
2023	254,014	374,120	504,749	1,041,364	29,426,977
2024	239,592	314,547	465,395	999,737	32,219,381
2025	210,507	325,442	453,296	1,456,238	30,591,381

Source: Town of Avon Finance Department

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Levy Year	Collection Year	Vacant Land	Residential Property	Commercial Property	Other Property	Total Gross Assessed Value
2015	2016	14,261,780	121,724,600	70,940,420	3,929,820	211,061,910
2016	2017	13,201,140	123,870,280	69,822,570	4,310,460	211,204,450
2017	2018	12,927,680	129,786,330	79,660,040	4,387,310	226,761,360
2018	2019	11,625,280	131,277,920	83,581,320	3,901,750	230,386,270
2019	2020	12,669,770	146,905,210	89,774,540	3,291,140	252,640,660
2020	2021	10,282,760	151,345,100	89,159,320	3,212,590	253,999,770
2021	2022	10,934,940	166,148,630	83,772,920	3,374,840	264,255,860
2022	2023	10,313,740	164,347,040	83,678,830	3,564,390	261,904,000
2023	2024	12,336,830	242,961,960	104,622,300	3,344,630	363,265,720
2024	2025	10,394,230	263,213,990	122,226,810	3,595,900	376,237,450

Levy Year	Collection Year	Less TIF District Increment (1)	Total Net Assessed Value	Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2015	2016	16,476,380	194,585,530	11.765	1,806,178,690	11.69%
2016	2017	17,221,870	193,982,580	8.956	1,825,187,770	11.57%
2017	2018	21,857,430	204,903,930	8.956	2,104,646,220	10.77%
2018	2019	21,475,340	208,910,930	8.956	2,121,154,740	10.86%
2019	2020	24,201,100	228,439,560	8.956	2,389,931,130	10.57%
2020	2021	25,630,460	228,369,310	8.956	2,444,013,540	10.39%
2021	2022	29,383,740	234,872,120	8.956	2,662,039,710	9.93%
2022	2023	29,317,470	232,517,570	8.956	2,681,000,040	9.77%
2023	2024	44,473,690	330,694,450	8.956	4,171,154,590	8.71%
2024	2025	51,475,490	324,761,960	8.956	4,927,024,390	7.64%

Source: Eagle County Assessor's Office, Abstract of Assessments

Notes: Property tax rates are stated in mills per $1,000 of assessed valuation. Other property includes state assessed, agricultural, and abatements and corrections.

(1) The Avon Urban Renewal Authority was established in August, 2007.

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	Collection Year									
Taxing Entity	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Town of Avon										
General Operating	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956
General Obligation Debt Service	2.809	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Direct	11.765	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956
Eagle County	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.399	8.390
Colleges and School Districts										
Colorado Mountain College	3.997	3.997	3.997	3.997	4.013	4.013	4.085	4.085	2.977	3.230
Eagle County School District RE-50J	20.331	25.209	24.912	25.115	24.240	24.649	24.532	24.532	22.317	21.614
Other Special Districts										
Eagle River Fire Protection District	8.205	9.740	9.828	10.226	9.766	9.703	10.624	10.624	7.742	7.957
Eagle Valley Library District	2.750	2.750	2.750	2.763	2.763	2.763	2.763	2.763	1.913	2.763
Eagle River Water and Sanitation District	0.852	0.849	0.816	0.815	0.766	0.759	0.765	0.765	0.610	0.608
Colorado River Water Conservancy District	0.243	0.253	0.254	0.256	0.235	0.501	0.501	0.501	0.500	0.501
Eagle County Health Services District	2.008	2.755	2.753	2.766	2.781	2.774	2.755	2.755	2.753	2.773
Metropolitan Districts										
Avon General Improvement District No. 1	14.077	14.005	14.005	14.005	15.186	15.186	15.640	15.640	15.640	15.640
Avon Station Metropolitan District	58.000	63.000	65.585	65.596	65.572	66.295	67.465	67.465	67.299	55.506
Confluence Metropolitan District	0.000	0.000	0.000	0.000	0.000	0.000	23.000	23.000	0.000	0.000
Mountain Vista Metropolitan District	25.000	25.000	26.155	26.354	26.354	9.250	9.250	9.250	8.200	8.200
The Village Metropolitan District	50.000	50.000	50.000	50.000	15.000	15.000	15.617	15.617	16.503	16.264

Source: Eagle County Assessor's Office, Abstract of Assessment

Notes: Property tax rates are stated in mills per $1,000 of assessed valuation. The Town's general operating mill rate may be increased only by a majority approval of the Town's residents during a general election. Rates for debt service are set based on each year's debt service requirements.

TOWN OF AVON, COLORADO

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Total Town of Avon Assessed Value	2015 Taxable Assessed Value	2015 Rank	2015 Percentage of Total Town of Avon Assessed Value
Avon Hospitality Borrower LLC	$ 14,041,700	1	3.73%			
CSB Properties Holdings LLC	11,069,120	2	2.94%	$ 9,554,910	1	4.53%
BFG Colorado LLC	7,668,620	3	2.04%			
Avon MOB LLC	6,480,000	4	1.72%			
Beaver Creek Vacation Ownership Plan	6,187,850	5	1.64%	3,489,410	4	1.65%
Avon Piedmoint LLC	6,165,970	6	1.64%			
Traer Creek-WMT LLC	5,541,890	7	1.47%	6,121,680	2	2.90%
Beaver Creek Blvd VIII LLC	5,313,470	8	1.41%			
Mountain Vista Condominium Assoc Inc.	4,668,200	9	1.24%	2,029,210	10	0.96%
Christie Lodge Assoc Ltd	4,351,720	10	1.16%			
Riverfront Village Hotel, LLC	4,133,540	11	1.10%	2,676,550	7	1.27%
Traer Creek-HD LLC	3,726,000	12	0.99%	4,147,000	3	1.96%
GAC Avon LP LLC	3,635,850	13	0.97%			
Dillon Real Estate Co, Inc	3,252,600	14	0.86%	2,353,580	9	1.12%
Points of Colorado	3,055,220	15	0.81%	3,435,420	5	1.63%
Avon Wynfield LLC				2,685,690	6	1.27%
Avon Mountain Center LLC				2,555,860	8	1.21%
Riverfront Mountain Villas Assoc				1,950,430	11	0.92%
Avon Partners II, LLC				1,838,610	12	0.87%
Public Service Co. of Colorado (Xcel)				1,793,160	13	0.85%
Brookside Park Signature Lofts LLc				1,770,480	14	0.84%
Traer Creek Plaza LLC				1,566,860	15	0.74%
Total Assessed Value of the Fifteen Largest Taxpayers	89,291,750		23.73%	47,968,850		22.73%
Total Gross Assessed Value of Other Taxpayers	286,945,700		76.27%	163,093,060		77.27%
Total Gross Assessed Value of All Taxpayers	$ 376,237,450		100.00%	$ 211,061,910		100.00%

Source: Eagle County Assessor's Office

TOWN OF AVON, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Levy Year	Collection Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy
2014	2015	2,071,895	2,029,571	97.96%	172	2,029,743	97.97%
2015	2016	2,329,489	2,286,146	98.14%	-	2,286,146	98.14%
2016	2017	1,777,498	1,736,538	97.70%	22	1,736,560	97.70%
2017	2018	1,876,652	1,829,624	97.49%	181	1,829,805	97.50%
2018	2019	1,912,703	1,839,155	96.15%	828	1,839,983	96.20%
2019	2020	2,087,501	2,083,430	99.80%	-	2,083,430	99.80%
2020	2021	2,087,252	2,087,123	99.99%	301	2,087,424	100.01%
2021	2022	2,149,519	2,154,594	100.24%	138	2,154,731	100.24%
2022	2023	2,128,430	2,133,613	100.24%	239	2,133,852	100.25%
2023	2024	3,026,666	3,051,404	100.82%	117	3,051,521	100.82%
2024	2025	2,978,055	2,985,166	100.24%	4,045	2,989,211	100.37%

Source: Town of Avon Finance Department

Notes: (1) Taxes are due and payable on January 1 based on the prior year's assessed valuation.
(2) Information on outstanding delinquent taxes is not available.

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities						
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Certificates of Participation	Loans	Leases Payable	Subscription Liability
2016	-	-	5,790,000	12,235,000	-	325,518	-
2017	-	-	8,225,362	11,675,000	-	566,231	-
2018	-	-	7,649,283	11,324,659	-	401,100	-
2019	-	-	7,053,286	10,661,468	-	311,195	-
2020	-	-	2,317,223	9,787,797	3,651,000	236,248	-
2021	-	-	2,135,945	9,067,886	3,227,000	159,601	-
2022	-	-	1,949,299	8,338,735	2,794,000	107,632	-
2023	-	-	1,757,123	7,380,000	2,352,000	54,441	-
2024	-	-	1,559,256	6,632,000	1,901,000	119,989	12,074
2025	-	-	1,355,528	11,752,000	1,440,000	61,092	-

	Business-Type Activities				
Fiscal Year	Certificates of Participation	Leases Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2016	2,605,000	125,825	21,081,343	0.58%	3,530
2017	2,465,000	63,864	22,995,457	0.61%	3,890
2018	2,349,640	258,258	21,982,940	0.54%	3,774
2019	2,197,144	224,979	20,448,072	0.45%	3,544
2020	1,826,000	190,561	18,008,829	0.38%	2,665
2021	1,655,000	154,967	16,400,399	0.32%	2,557
2022	1,480,000	118,157	14,787,823	0.27%	2,463
2023	1,301,000	80,087	12,924,651	0.38%	2,183
2024	1,124,000	40,723	11,389,042	NA	1,931
2025	944,000	-	15,552,620	NA	2,664

Source: Town of Avon Finance Department

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2025

Government Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Confluence Metropolitan District	$ 21,595,000	100.00%	$ 21,595,000
Eagle County School District RE-50J	259,485,000	4.59%	11,917,812
Eagle River Fire Protection District	19,635,000	13.61%	2,672,638
The Village Metropolitan District	70,245,000	100.00%	70,245,000
Subtotal - Overlapping debt			106,430,450
Town of Avon Direct Debt			15,552,620
Total Direct and Overlapping Debt			$ 121,983,070

Source: Various Governmental Entities, Eagle County Finance Department

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

[a] The basic approach to estimating the applicable percentage of overlapping debt was to divide the assessed value of the portion overlapping the Town to the total assessed value of the overlapping entity.

TOWN OF AVON, COLORADO

RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
General Bonded Debt Outstanding				
General Obligation Bonds	$ -	$ -	$ -	$ -
Actual Taxable Property Value	1,806,178,690	1,825,187,770	2,104,646,220	2,121,154,740
Net Assessed Value	194,585,530	193,982,580	204,903,930	208,910,930
Percentage of General Bonded Debt Outstanding to Actual Taxable Property Value	0.00%	0.00%	0.00%	0.00%
Town of Avon Population	6,505	6,383	6,518	6,365
Per Capita	$ -	$ -	$ -	$ -
Legal Debt Limit	$ 48,646,382	$ 48,495,645	$ 51,225,982	$ 52,227,732
Total Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	$ 48,646,382	$ 48,495,645	$ 51,225,982	$ 52,227,732
Total Debt Applicable to the Limit as a Percentage of Legal Debt Limit	0.00%	0.00%	0.00%	0.00%

Source: Eagle County Assessor's Office, State of Colorado Division of Local Governments

Fiscal Year											
2020		2021		2022		2023		2024		2025	
$	-	$	-	$	-	$	-	$	-	$	-
	2,389,931,130		2,444,013,540		2,639,103,550		4,033,949,340		4,194,422,640		4,898,929,770
	228,439,560		228,369,310		234,872,120		319,434,020		376,237,450		412,625,260
	0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
	6,145		6,003		6,003		6,003		5,898		5,838
$	-	$	-	$	-	$	-	$	-	$	-
$	57,109,890	$	57,092,328	$	58,718,030	$	79,858,505	$	94,059,363	$	103,156,315
	-		-		-		-		-		-
$	57,109,890	$	57,092,328	$	58,718,030	$	79,858,505	$	94,059,363	$	103,156,315
	0.00%		0.00%		0.00%		0.00%		0.00%		0.00%

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Town of Avon Population	Eagle County Population	Eagle County Personal Income (In $1,000's)	Eagle County Per Capita Personal Income	Eagle County Median Age	Eagle County RE-50J School Enrollment	Denver / Boulder Consumer Price Index	Eagle County Unemployment Rate
2016	5,911	53,041	3,667,573	69,146	36.70	6,901	246.6	2.81%
2017	5,825	53,724	3,987,664	74,225	35.60	6,959	254.9	2.22%
2018	5,769	54,205	4,437,818	81,871	39.00	6,882	261.9	2.59%
2019	6,758	54,819	4,673,484	85,253	36.50	6,902	267.4	2.25%
2020	6,144	55,624	4,887,792	87,872	37.81	6,931	272.2	5.10%
2021	6,058	55,687	5,760,263	103,440	37.70	6,694	281.8	4.30%
2022	6,003	55,852	6,347,189	113,643	34.68	6,623	304.4	2.80%
2023	5,921	54,381	6,962,998	128,041	38.30	6,687	320.3	2.50%
2024	5,898	54,330	N/A	N/A	39.30	6,497	327.6	3.60%
2025	5,838	54,007	N/A	N/A	39.30	6,100	335.1	2.80%

N/A - Information not available.

Information was compiled by the Demographic Section of the Colorado Division of Local Government, Bureau of Labor Statistics and U.S. Census Bureau. School Enrollment was obtained by Eagle County School District Administration Office based on June Enrollment. Per Capita Personal Income obtained from Bureau of Economic Analysis, Regional Economic Accounts.

TOWN OF AVON, COLORADO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

	2025		2015	
Employer	Employees	Rank	Employees	Rank
East West Hospitality	400	1		
Westin Riverfront Resort & Spa	417	2	262	1
Wal-Mart	217	3	250	2
CMM/Vail Health - Avon	1019	6		
Home Depot	132	5	130	4
City Market	131	4	130	5
Town of Avon	120	7	82	8
Eagle River Water & Sanitation	178	9	99	6
Slifer Smith & Frampton	86	8		
Christie Lodge	65	10	84	7
Sheraton Mountain Vista	40	11	75	9
Vail Valley Foundation	70	12		
Montana's Bar & Grill		NA		
Maya, Mexican Kitchen		NA		

Sources: Various Town of Avon businesses, Department of Labor

TOWN OF AVON, COLORADO

COMMERCIAL AND RESIDENTIAL CONSTRUCTION LAST TEN FISCAL YEARS

Year	Total Permits Issued	Total Building Construction Value
2016	158	30,076,507
2017	167	48,228,121
2018	164	52,662,638
2019	177	76,109,352
2020	169	24,772,104
2021	208	33,425,048
2022	215	199,409,400
2023	191	24,707,764
2024	222	147,108,642
2025	264	66,761,301

Source: Town of Avon Community Development Department

TOWN OF AVON, COLORADO

COMMERCIAL AND RESIDENTIAL CONSTRUCTION
LAST TEN FISCAL YEARS

	Total	Commercial Construction		Residential Construction		Total Building
Year	Permits Issued	Square Footage	Value	No. of Units	Value	Construction Value
2015	153	11,614	$ 14,336,000	10	$ 6,970,000	$ 21,306,000
2016	158	90,309	21,525,147	7	8,551,360	30,076,507
2017	167	60,043	29,298,052	6	18,930,069	48,228,121
2018	164	93,579	37,542,440	20	15,120,198	52,662,638
2019	177	23,276	11,851,054	278	64,258,298	76,109,352
2020	169	36,082	14,430,422	12	10,341,682	24,772,104
2021	208	7,900	1,957,878	20	31,467,170	33,425,048
2022	215	131,676	34,500,000	127	164,909,400	199,409,400
2023	179	4,425	1,487,642	12	9,810,000	11,297,642
2024	211	397,087	88,705,693	11	32,905,000	121,610,693
2025	240	13,600	8,981,868	24	14,560,133	23,542,001

Source: Town of Avon Community Development Department

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020
General Government					
Administration	4.60	4.60	5.00	6.00	5.00
Special Events	1.00	2.00	2.00	2.00	1.00
Human Resources	3.00	3.00	3.75	3.75	3.75
Finance	8.00	8.00	9.00	9.00	8.50
IT	0.00	0.00	0.00	0.00	0.00
Nondepartmental	1.00	1.00	1.00	1.00	1.00
Community Development	3.00	3.00	3.00	3.75	3.00
Police	20.40	20.40	21.50	22.50	22.50
Public Works:					
Engineering	2.00	2.00	2.00	2.00	2.00
Buildings and Facilities	4.00	5.00	5.00	5.00	5.00
Roads and Bridges, Parks	15.00	16.00	15.00	16.00	15.00
Mobility	6.00	6.00	8.00	8.00	8.00
Fleet Maintenance	8.00	8.00	8.00	8.00	8.00
Recreation	9.00	10.00	10.00	10.00	9.50
Total	85.00	89.00	93.25	97.00	92.25

	2021	2022	2023	2024	2025
General Government					
Administration	6.00	8.30	8.30	9.00	9.00
Special Events	1.00	2.00	2.00	2.00	2.00
Human Resources	3.00	4.00	4.00	3.00	3.00
Finance	7.50	7.00	7.00	7.00	7.00
IT	0.00	2.00	3.00	3.00	3.00
Nondepartmental	1.00	0.00	0.00	0.00	0.00
Community Development	3.00	6.00	7.00	7.00	7.00
Police	20.50	25.55	25.45	25.75	27.75
Public Works:					
Administration	0.00	2.00	2.00	2.00	3.00
Engineering	3.00	3.00	5.00	5.00	3.00
Buildings and Facilities	3.00	7.00	7.00	7.00	7.00
Roads and Bridges, Parks	12.00	18.00	18.00	18.00	18.00
Mobility	8.00	10.00	9.00	9.00	9.00
Fleet Maintenance	8.00	9.00	9.00	9.00	9.00
Recreation	10.00	10.00	12.00	12.00	12.00
Total	86.00	113.85	118.75	118.75	119.75

Source: Town of Avon Budget

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year	
	2015	2016
Town of Avon Facilities and Services:		
Miles of Streets	23.73	23.73
Number of Street Lights	619	634
Culture and Recreation:		
Miles of Bike/Pedestrian Paths	8.82	9.32
Miles of dirt, singletrack trails	11.00	11.00
Parks / Lakes	5/1	5/1
Park Acreage	672	672
Tennis/Volleyball /Basketball Courts/Pickleball Courts	4 / 2 / 3 / 2	4 / 2 / 3 / 2
Recreation Centers	1	1
Softball / Soccer Fields	1 / 2	1 / 2
Playgrounds	4	4
Performance Art Pavilion	1	1
Police Protection:		
Number of Stations	1	1
Number of Police Personnel and Officers	21	23
Number of Patrol Units	15	15
Number of Law Violations:		
General Ordinance Violations	384	419
Traffic Violations	314	543
Parking Violations	282	234
Facilities and Services Not Included in the Reporting Entity:		
Libraries:		
Number of Libraries / Volumes	1 / 80,239	1 / 79,226
Water System:		
Miles of Water Mains	24.99	24.99
Number of Service Connections	3,897	3,917
Daily Average Consumption in Gallons	706,833	706,833
Maximum Daily Capacity of Plant in Gallons	10MGD	10MGD
Sanitary Sewer System:		
Miles of Sanitary Sewers	33.44	33.44
Number of Treatment Plants	1	1
Number of Service Connections	4,038	4,086
Maximum Daily Capacity of Treatment Plant in Gallons	4.3MGD	4.3MGD
Education:		
Number of Elementary Schools / Instructors	1 / 25	1 / 27
Fire Protection:		
Number of Stations	5	5
Number of Fire Personnel and Officers	64	67
Number of Calls Answered	2,357	636
Number of Inspections Conducted	154	122

Fiscal Year							
2017	2019	2020	2021	2022	2023	2024	2025
23.73	23.73	23.73	24	24	24	24	25
646	666	699	699	734	764	821	821
9.32	9.44	9.51	9.51	9.51	9.51	9.51	9.51
11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
5/2	5/2	5/2	5/2	5/2	5/2	5/2	5/2
672	672	672	672	672	672	672	672
4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	2 / 2 / 3 / 6	2 / 2 / 3 / 6	2 / 2 / 3 / 6	2 / 2 / 3 / 6
1	1	1	1	1	1	1	1
1 / 2	1 / 2	1 / 2	0 / 2	0 / 2	0 / 2	0 / 2	0 / 2
4	4	4	4	4	4	4	4
1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1
23	22	23	23	24.5	23.5	24.5	25.75
15	15	15	17	17	17	17	21
91	82	52	51	29	89	128	57
446	226	208	295	235	241	438	601
147	160	157	148	131	182	173	465
1 / 77,490	1 / 78,779	1 / 75,963	1 / 77,318	1 / 78,880	1 / 78,011	1 /83,325	1 /90,435
24.99	24.99	24.99	24.99	24.99	24.99	37	37
3,917	3,980	4,019	4,267	4,323	4,385	4,558	4,530
709,478	712,521	725,684	698,030	744,896	726,025	709,620	706,817
10MGD	10MGD	10MGD	10MGD	10MGD	10MGD	10MGD	10MGD
33.44	33.44	33.44	33.44	33.4	33.4	35.7	35.7
1	1	1	1	1	1	1	1
4,086	4,118	4,157	4,405	4,449	4,511	4,557	4,530
4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD
1 / 47	1 / 62	1 / 39	1 / 36	1 / 32	1 / 32	1 / 32	1 / 29
6	6	5	5	5	5	5	5
68	68	70	68	67	65	72	73
670	644	564	2,518	634	586	1,155	1,256
175	179	134	127	141	90	168	175

The Town continued to prioritize Capital improvement projects during 2025. Notable capital asset events during the fiscal year are as follows:

- The Town upgraded significant portions of its vehicle fleet
- The Town continued to expend funds on improvements and upgrades at the Avon Recreation Center, Nottingham Park upgrades, and reconstruction and upgrades of pedestrian trails
- The Town continued to expend funds on roads and general infrastructure, including asphalt overlay projects, reconstruction and upgrades of roundabouts, manhole repairs, and utility undergrounding
- The Town purchased a large building to support its overall long-term development strategy
- The Town completed construction of a new Public Works garage
- A total of fifty three projects were included in Construction in Progress at the end of the fiscal year.

Town of Avon's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Land	11,953,790	11,953,790	411,834	411,834	12,365,624	12,365,624
Public Art	1,391,400	1,391,400	-	-	1,391,400	1,391,400
Water Rights	1,792,959	1,792,959	-	-	1,792,959	1,792,959
Deed Restrictions	5,502,105	3,339,670	-	-	5,502,105	3,339,670
Construction in Progress	15,567,133	9,601,846	-	-	15,567,133	9,601,846
Depreciable Land Improv.	250,186	265,905	-	-	250,186	265,905
Buildings	27,998,630	15,716,352	9,423,787	9,860,424	37,422,417	25,576,776
Utilities	1,551,228	1,781,639	-	-	1,551,228	1,781,639
Mach & Equip	5,894,683	5,583,057	3,514,720	3,681,560	9,409,403	9,264,617
Infrastructure	28,981,434	31,744,218	-	-	28,981,434	31,744,218
Lease Assets - Equipment	69,761	126,110	-	-	69,761	126,110
Subscription Assets	-	16,257	-	-	-	16,257
Total	**100,953,309**	**83,313,203**	**13,350,341**	**13,953,818**	**114,303,650**	**97,267,021**

Additional information on the Town of Avon's capital assets can be found in Note 4 in section D of this report.

Long-term debt. At the end of the current fiscal year, the Town of Avon had total long-term debt outstanding related to Certificates of Participation, Revenue Bonds, Leases and Subscription liabilities, and Accrued Compensated Absences.

Town of Avon's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Revenue Bonds	2,795,528	3,460,256	-	-	2,795,528	3,460,256
Certificates of Participation	11,752,000	6,632,000	944,000	1,124,000	12,696,000	7,756,000
Unamortized Bond Discounts	(91,606)	-	-	-	(91,606)	-
Unamortized Bond Premiums	180,363	195,712	-	-	180,363	195,712
Leases Payable	61,092	119,989	-	40,723	61,092	160,712
Subscriptions Payable	-	12,074	-	-	-	12,074
Accrued Compensated Absences	1,108,748	703,066	137,745	52,535	1,246,493	755,601
Total	**15,806,125**	**11,123,097**	**1,081,745**	**1,217,258**	**16,887,870**	**12,340,355**

All regular principal payments were made on debt, lease, and subscription liabilities. A new Certificate of Participation was issued in 2025 to support the Town's purchase of the Walgreens building.

The Avon Town Charter limits the amount of general obligation debt the Town may issue to 25% of assessed valuation of all taxable property within the Town, or $15 million, whichever is greater. The current legal debt margin for the Town is $79,858,505. The Town has no outstanding general obligation bonds outstanding as of December 31, 2025. Additional information on the Town's long-term debt can be found in Note 5 on Section D of this report.

Economic Factors and Next Year's Budget and Rates

Next Year's Budget Highlights

Compensation:
The Town has transitioned from a step salary system to merit-based salary increases with annual performance evaluations. Performance evaluations are now given on a unified basis in late fall. This common schedule allows us to train supervisors on conducting effective evaluations and gives us the ability to include the cost of salary increase recommendations into the budget before final adoption in December of each year. This 2026 budget provides for an average of 3% merit-based salary increase. Actual salary increases are determined individually based on performance evaluations. The increase is an overall budgetary amount that is estimated to cover the cumulative cost of all salary increases not an indication of individual salary increases.

Economic Development: Specific near term activities include: **(1)** rejoining Destimetrics to have more lodging data (occupancy, room rates, booking forecasts), **(2)** increased marketing and shifting from "Avon's Community Values" to "Come Visit Avon", and **(3)** exploring a potential spring and fall 3 day bluegrass festival projected to bring in 5,000 to 6,000 people when our occupancy rates are low.

2026 Landscape Strategy: The Town of Avon is planning to increase maintaining our landscaping beds in 2026. This includes streetscape plantings, parks, and miscellaneous planting beds like in front of Avon Town Hall. The Town is investing an additional $86k, which increases the landscaping budget from $193,633 to $280,000. This includes an increase in plant materials of $49,000 and an increase in seasonal employees from three to nine. The seasonal employees will also help with general park maintenance, special events support, and miscellaneous projects such as removing the barbed wire along the Union Pacific railroad track.

Special Events:
The Council's focus for 2026 is to focus on community events that will attract more modest attendance. Town staff will continue to work with CASE and Town Council to develop a strategic plan that provides event programing that is robust, provides community and economic benefits and meets budgetary constraints.

Capital Improvements:
The Capital Improvements Plan presents the projects staff believe are appropriate for maintenance of existing infrastructure and implements projects identified by Council. However, several major potential capital improvements, such as Community Housing projects, are not included in the Capital Projects Long-Range Plan because cost estimates are not yet available and Council and community priorities still need to be determined. Avon's maintains a minimum CIP fund balance of $1 million and holds an additional $9 million General Fund unrestricted reserves. These funding limits drove the creation of the Downtown Development Authority, as additional revenue is needed to address even a portion of the community's housing needs.

GENERAL FUND:
General Fund appropriated expenditures ($31,886,676) are estimated to exceed revenues ($29,323,426) by $2,563,248. The Town is planning to use a $2,500,000 contribution from the undesignated, unreserved fund balance for the Avon Recreation Center Aquatics Refurbishment. Estimated beginning-of-year fund balances are $19,345,817 and end-of-year fund balances are projected at $16,782,569. Town budget policies require maintaining reserves equal to 22% of operating expenditures plus an additional 3% for TABOR emergencies.

General Fund Revenues: Tax revenues for 2026 are projected to remain relatively flat. Sales tax is projected to increase with the rate of inflation, while intergovernmental revenues are expected to remain unchanged. Charges for services are projected to grow by $256,740, primarily due to continued growth in Avon Recreation Center admissions and programs. Other Revenues are projected to increase as the Town will receive additional lease revenues from the purchase of 15 Sun Road and the addition of speed cameras.

General Fund Expenditures:
2026 personnel cost highlights include a merit-based overall salary cost increase of 3% on January 1. Overall personnel costs in the General Fund are budgeted to increase by 8.16% over the final revised 2025 budget. Furthermore, there is a one-time contribution in the 2026 budget for the Recreation Centers Aquatics area.

General Fund Reserves: Reserves remained stable in the 2025 budget with a 3% Emergency Reserve required by TABOR ($866,525); a 22% Minimum Operating Reserve per Budget Policies ($9,561,525) and a remaining Undesignated amount ($8,944,205), resulting in a total fund balance of $16,782,569 a 13% decrease from the original 2025 budget. For 2025, the Minimum Operating Reserves were reduced from 27% to 22% as we strive to find more affordable housing for locals.

Requests for Information

This financial report is designed to provide a general overview of the Town of Avon's finances for all those with an interest in the Town's fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Finance Officer, Town of Avon, Colorado, PO Box 975, Avon, CO 81620.

Paul Redmond
Chief Finance Officer