Town of Buena Vista, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2025

HINKLE & COMPANY PC
Strategic Business Advisors

Town of Buena Vista, Colorado
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HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
Town of Buena Vista, Colorado
Buena Vista, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the Town of Buena Vista, 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 basic financial statements of the Town, as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Other 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 supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hinkle & Company, PC

Englewood, Colorado
April 24, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Buena Vista, Colorado
For the Year Ended December 31, 2025
Prepared by Phillip Puckett, Finance Director

This Management's Discussion and Analysis (MD&A) provides an overview of the financial activities and financial condition of the Town of Buena Vista (the Town) for the fiscal year ended December 31, 2025. This narrative is intended to assist readers in understanding the Town's financial performance and should be read in conjunction with the Town's financial statements and accompanying notes.

Hinkle & Company PC, a licensed certified public accounting firm, audited the Town's financial statements for the year ended December 31, 2025. The auditors issued an unmodified opinion, indicating that the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles.

FINANCIAL HIGHLIGHTS

The Town's financial position remained strong in 2025, with continued growth in net position, stable revenues, and ongoing investment in infrastructure.

- Total net position increased by $3,851,472, bringing total net position to $45,685,807 at year-end. Governmental activities increased by $2,175,092, while business-type activities increased by $1,676,380.
- Total assets increased to $56,758,164, reflecting continued capital investment and strong overall financial condition.
- Cash, cash equivalents, and investments totaled approximately $11.9 million, providing strong liquidity to meet operational and capital needs.
- Net capital assets totaled approximately $40.6 million, reflecting continued investment in infrastructure, including water system improvements and airport facilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Town's financial statements consist of three primary components:

- **Government-wide Financial Statements** – These statements provide a comprehensive view of the Town's overall financial position and changes in net position using the accrual basis of accounting, similar to private-sector reporting.
- **Fund Financial Statements** – These statements provide detailed information about the Town's individual funds, focusing on short-term financial activity and fund balances.
- **Proprietary Fund Financial Statements** – These statements report the Town's business-type activities, including the Water, Airport, and Storm Water Funds, and present financial information using the accrual basis of accounting, emphasizing operational performance and financial sustainability.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As of December 31, 2025, the Town reported total net position of $45,685,807. This includes:

- **Net investment in capital assets:** $32,649,806
- **Restricted net position:** $2,174,712
- **Unrestricted net position:** $10,861,289

The Town's net position continues to reflect a strong financial foundation, with a significant portion invested in long-term capital infrastructure and a healthy level of unrestricted reserves.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities 2025	Business-type Activities 2025	Total 2025	Governmental Activities 2024	Business-type Activities 2024	Total 2024
ASSETS						
Current Assets	$10,337,625	$5,851,436	$16,189,061	$9,640,173	$6,164,738	$15,804,911
Capital Assets	17,546,049	23,023,054	40,569,103	16,130,347	21,635,202	37,765,549
Total Assets	27,883,674	28,874,490	56,758,164	25,770,520	27,799,940	53,570,460
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows due to pensions	298,351	-	298,351	398,061	-	398,061
LIABILITIES						
Current Liabilities	2,024,306	865,397	2,889,703	1,794,856	842,602	2,637,458
Noncurrent Liabilities	4,027,451	3,474,036	7,501,487	4,361,256	4,368,876	8,730,132
Total Liabilities	6,051,757	4,339,433	10,391,190	6,156,112	5,211,478	11,367,590
DEFERRED INFLOWS OF RESOURCES	709,303	270,215	979,518	766,596	-	766,596
NET POSITION						
Net Investment in Capital Assets	13,366,049	19,283,757	32,649,806	14,304,770	17,005,270	31,310,040
Restricted	2,174,712	-	2,174,712	2,046,879	-	2,046,879
Unrestricted	5,880,204	4,981,085	10,861,289	2,894,224	5,583,192	8,477,416
Total Net Position	$21,420,965	$24,264,842	$45,685,807	$19,245,873	$22,588,462	$41,834,335

Statement of Activities

During 2025, total governmental activity expenses were $8,133,562, while program revenues totaled $2,342,466, resulting in a net cost of services of $5,791,096.

This net cost was funded primarily through general revenues, including sales taxes of $6,883,554 and other general revenues of $1,621,634.

Business-type activities generated positive net revenue of $864,108, reflecting strong operational performance in the Town's enterprise funds.

Overall, the Town experienced a total increase in net position of $3,851,472, demonstrating continued financial strength and effective fiscal management.

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	$429,890	$401,393	$2,160,555	$4,096,975	$2,590,445	$4,498,368
Operating grants & contributions	1,912,576	813,744	1,007,126	2,110,380	2,919,702	2,924,124
Capital grants & Contributions	-	-	275,315	-	275,315	-
	-	-	-	-	-	-
General revenues:	-	-	-	-	-	-
Property taxes	627,471	603,843	-	-	627,471	603,843
Sales taxes	6,883,554	6,636,287	-	-	6,883,554	6,636,287
Other taxes	603,186	528,347	92,932	-	696,118	528,347
Investment and other revenue	390,977	444,736	180,340	129,112	571,317	573,848
Total Revenue	10,847,654	9,428,350	3,716,268	6,336,467	14,563,922	15,764,817
Expenses						
General Government	1,668,017	1,706,062	-	-	1,668,017	1,706,062
Public safety	2,823,200	2,784,972	-	-	2,823,200	2,784,972
Community services	512,490	656,977	-	-	512,490	656,977
Public works	1,799,558	1,495,918	-	-	1,799,558	1,495,918
Culture and recreation	1,268,764	1,282,255	-	-	1,268,764	1,282,255
Interest on Long-term Debt	59,976	63,277	-	-	59,976	63,277
Water	-	-	1,593,641	1,506,197	1,593,641	1,506,197
Airport	-	-	950,023	1,092,898	950,023	1,092,898
Storm Water	-	-	35,224	2,314	35,224	2,314
Capital Outlay	1,557	-	-	-	1,557	-
Total Expenses	8,133,562	7,989,461	2,578,888	2,601,409	10,712,450	10,590,870
Changes in net position normal operations	2,714,092	1,438,889	1,137,380	3,735,058	3,851,472	5,173,947
Non-Operational changes:						
Increase/(decrease)	(539,000)	(142,191)	539,000	142,191	-	-
Change in Net Position	2,175,092	1,296,698	1,676,380	3,877,249	3,851,472	5,173,947
Originally Stated Net Position, Beginning	19,245,873	17,949,175	22,588,462	18,711,213	41,834,335	36,660,388
Net Position, Ending	$21,420,965	$19,245,873	$24,264,842	$22,588,462	$45,685,807	$41,834,335

GOVERNMENTAL FUND FINANCIAL ANALYSIS

Governmental funds provide a short-term view of the Town’s financial activity. At the end of 2025, total governmental fund balance was $7,818,860, an increase of $424,576 from the prior year.

- **General Fund:** Ended the year with a fund balance of $5,144,125, reflecting strong revenue performance and continued prudent expenditure management.
- **Capital Improvement Fund:** Reported a fund balance of $508,134, reflecting ongoing investment in capital infrastructure projects.
- **Street Fund:** Ended with a fund balance of $1,976,872, supported by dedicated sales tax revenues for street maintenance and improvements.
- **Conservation Trust Fund:** Reported a fund balance of $67,560, reflecting targeted expenditures for parks and recreation.
- **Marijuana Fund:** Ended with a fund balance of $122,169, reflecting stable revenue collections and limited expenditures within this fund.

Overall, governmental funds continue to demonstrate financial stability, with fund balances sufficient to support ongoing operations and capital priorities.

BUSINESS-TYPE ACTIVITIES

Business-type activities include the Water, Airport, and Storm Water Funds, which are intended to operate in a manner similar to private enterprises.

- **Water Fund:** Reported net income of $704,727, supported by user fees, system development charges, and investment income.
- **Airport Fund:** Reported net income of $925,769, driven by intergovernmental revenues, capital contributions, and transfers.
- **Storm Water Fund:** Reported net income of $45,884, reflecting stable operations and consistent fee revenue.

Total business-type net position increased to $24,264,842, indicating continued financial strength and sustainability of these operations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the Town’s total capital assets were:

- Governmental activities: $17,546,049
- Business-type activities: $23,023,054

Capital investments during the year included infrastructure improvements, water system upgrades, and airport facility enhancements, reflecting the Town’s commitment to maintaining and expanding critical assets.

Long-Term Debt

At year-end, the Town reported:

- Governmental long-term debt: approximately $4.34 million
- Business-type long-term debt: approximately $3.79 million

These obligations primarily relate to infrastructure financing, including water system improvements and public safety facilities. The Town continues to manage its debt prudently while maintaining capacity for future capital needs.

BUDGETARY HIGHLIGHTS (2026)

The Town of Buena Vista adopted a balanced budget for fiscal year 2026 totaling $16,355,984. The budget reflects the Town's continued commitment to fiscal stability while addressing operational needs and priority capital investments.

Budgeted revenues are led by taxes of approximately $8.0 million, followed by fees for services of $2.9 million and intergovernmental revenues and grants of approximately $2.7 million. The 2026 budget is based on conservative assumptions, including a 1% increase in sales tax revenues and a 7% increase in property tax revenues within the General Fund.

The budget includes the planned use of approximately $951,000 in fund balance and $810,000 in interfund transfers, primarily for one-time capital expenditures.

Total expenditures are $16,355,984, with Public Works representing the largest category. Personnel costs total approximately $5.8 million (35% of expenditures), supporting 56 full-time equivalent positions and one additional Water Department position.

The General Fund is projected to end 2026 with approximately $4.5 million in fund balance, with other funds maintaining approximately $6.4 million in reserves.

ECONOMIC OUTLOOK FOR 2026

Economic conditions entering 2026 reflect a stable but moderating environment. Colorado's economy experienced modest growth in 2025, with slowing job growth and moderating inflation.

Population growth is expected to continue at a slower pace, with an aging demographic profile that may impact workforce availability. Locally, Buena Vista continues to benefit from tourism and recreation but faces ongoing challenges related to housing affordability and workforce constraints.

State-level economic development and housing initiatives may provide long-term support for rural communities such as Buena Vista.

Overall, the Town's outlook remains stable, supported by conservative financial planning and continued investment in infrastructure and essential services.

KEY ECONOMIC FACTORS AFFECTING THE 2026 BUDGET

- Moderate economic growth supporting conservative revenue projections

- Stable sales and property tax base
- Moderating inflation with continued cost pressures
- Slowing population growth and aging demographics
- Housing affordability and workforce constraints
- Continued reliance on tourism and seasonal economy
- State investment in housing and rural economic development
- Ongoing infrastructure and capital investment needs

CONCLUSION AND REQUESTS FOR INFORMATION

The preparation of this Annual Financial Report was made possible through the efforts of the Town's Finance Department and the cooperation of all Town departments. Appreciation is extended to the Mayor, Board of Trustees, and staff for their continued support and commitment to sound financial management.

This report is intended to provide a general overview of the Town's finances. Questions concerning this report or requests for additional information should be directed to:

Town of Buena Vista
PO Box 2002
Buena Vista, CO 81211

Respectfully submitted,

Phillip Puckett
Finance Director

Basic Financial Statements

Town of Buena Vista, Colorado
Statement of Net Position
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 1,628,412	$ 739,691	$ 2,368,103
Cash and cash equivalents - restricted	177,475	-	177,475
Investments	5,414,210	3,950,488	9,364,698
Due from Other Funds	246,550	-	246,550
Grants receivable	8,701	-	8,701
Accounts Receivable	1,027,131	909,474	1,936,605
Taxes Receivable	1,009,548	-	1,009,548
Property Taxes Receivable	677,365	-	677,365
Prepaid Expenses	14,941	3,000	17,941
Net Pension Asset	133,292	-	133,292
Inventories, net	-	248,783	248,783
Capital Assets, *not being depreciated*	5,115,966	6,230,479	11,346,445
Capital Assets, *net of accumulated depreciation*	12,430,083	16,792,575	29,222,658
Total Assets	27,883,674	28,874,490	56,758,164
Deferred Outflows of Resources			
Deferred Outflows Due to Pensions	298,351	-	298,351
Liabilities			
Accounts Payable	614,363	268,410	882,773
Due to Other Fund	-	246,550	246,550
Accrued Payroll Liabilities	115,770	17,474	133,244
Deposits/Escrow accounts	349,021	500	349,521
Unearned Revenue	599,963	-	599,963
Accrued Expenses	28,991	17,722	46,713
Notes payable - due within one year	316,198	314,741	630,939
Notes payable - due in more than one year	4,027,451	3,474,036	7,501,487
Total Liabilities	6,051,757	4,339,433	10,391,190
Deferred Inflows of Resources			
Deferred Inflows Due to Pensions	31,938	-	31,938
Unavailable Revenue - Property Taxes	677,365	270,215	947,580
Total Deferred inflows of resources	709,303	270,215	979,518
Net Position			
Net Investment in Capital Assets	13,366,049	19,283,757	32,649,806
Restricted for:			
Emergencies (TABOR)	197,840	-	197,840
Debt Service	177,475	-	177,475
Streets Improvements	1,799,397	-	1,799,397
Unrestricted, unreserved	5,880,204	4,981,085	10,861,289
Total Net Position	$ 21,420,965	$ 24,264,842	$ 45,685,807

Town of Buena Vista, Colorado
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
			Operating	Capital	Primary Government		
Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	$ 1,668,017	$ 22,826	$ 1,912,576	$ -	$ 267,385	$ -	$ 267,385
Public Safety	2,823,200	-	-	-	(2,823,200)	-	(2,823,200)
Public Works	1,799,558	58,977	-	-	(1,740,581)	-	(1,740,581)
Community Services	512,490	171,849	-	-	(340,641)	-	(340,641)
Culture and Recreation	1,268,764	176,238	-	-	(1,092,526)	-	(1,092,526)
Capital Outlay	1,557	-	-	-	(1,557)	-	(1,557)
Interest on Long-term Debt	59,976	-	-	-	(59,976)	-	(59,976)
Total Governmental Activities	8,133,562	429,890	1,912,576	-	(5,791,096)	-	(5,791,096)
Business-Type Activities							
Water Operations	1,593,641	1,514,237	288,337	222,527	-	431,460	431,460
Airport Operations	950,023	565,210	718,789	52,788	-	386,764	386,764
Storm Water	35,224	81,108	-	-	-	45,884	45,884
Total Business-Type Activities	2,578,888	2,160,555	1,007,126	275,315	-	864,108	864,108
Total Primary Government	$ 10,712,450	$ 2,590,445	$ 2,919,702	$ 275,315	(5,791,096)	864,108	(4,926,988)
General Revenues							
Taxes							
Property					627,471	-	627,471
Specific ownership					60,166	-	60,166
General sales					6,883,554	-	6,883,554
Franchise					190,262	-	190,262
Other					352,758	-	352,758
Investment gain (loss)					327,090	180,340	507,430
Misc.					63,887	92,932	156,819
Transfers					(539,000)	539,000	-
Total General Revenues and Transfers					7,966,188	812,272	8,778,460
Change in Net Position					2,175,092	1,676,380	3,851,472
Net position, *beginning of year*					19,245,873	22,588,462	41,834,335
Net position, *end of year*					$ 21,420,965	$ 24,264,842	$ 45,685,807

Town of Buena Vista, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	Major Funds				Non-Major Funds	
	General	Capital Improvement	Conservation Trust	Street	Marijuana Fund	Total
Assets						
Cash and cash equivalents						
Unrestricted	$ 1,263,039	$ 107,202	$ 31,923	$ 111,749	$ 114,499	$ 1,628,412
Restricted	-	-	-	177,475	-	177,475
Investments	3,600,492	192,872	35,637	1,585,209	-	5,414,210
Due from othe funds	246,550					246,550
Accounts receivable	248,312	774,705	-	4,114	-	1,027,131
Taxes receivable	863,777	-	-	138,101	7,670	1,009,548
Property taxes receivable	677,365	-	-	-	-	677,365
Grants receivable	8,701	-	-	-	-	8,701
Prepaid expenses	13,243	6,570	-	-	-	19,813
Total Assets	$ 6,921,479	$ 1,081,349	$ 67,560	$ 2,016,648	$ 122,169	$ 10,209,205
Liabilities						
Accounts Payable	$ 579,459	$ -	$ -	$ 39,776	$ -	$ 619,235
Accrued Expenses	2,732	-	-	-	-	2,732
Accrued payroll	142,029	-	-	-	-	142,029
Developer deposits - refundable	320,806	28,215	-	-	-	349,021
Unearned Revenue	54,963	545,000	-	-	-	599,963
Total Liabilities	1,099,989	573,215	-	39,776	-	1,712,980
Deferred Inflows of Resources						
Property Taxes	677,365	-	-	-	-	677,365
Fund Balance						
Restricted for:						
Emergencies (TABOR)	197,840	-	-	-	-	197,840
Debt Service	-	-	-	177,475	-	177,475
Street Improvements	-	-	-	1,799,397	-	1,799,397
Committed	-	-	67,560	-	-	67,560
Assigned	-	508,134	-	-	-	508,134
Unassigned	4,946,285	-	-	-	122,169	5,068,454
Total Fund Balance	5,144,125	508,134	67,560	1,976,872	122,169	7,818,860
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 6,921,479	$ 1,081,349	$ 67,560	$ 2,016,648	$ 122,169	$ 10,209,205

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

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance of Governmental Funds	$ 7,818,860
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	17,546,049
Pension assets and deferred outflows are not current, therefore, are not reported in governmental funds:	
Net Pension Asset (Liability)	133,292
Deferred Outflows, Pensions	298,351
Deferred Inflows, Pensions	(31,938)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Bonds Payable	(2,485,000)
Premium on bond payable	(1,695,000)
Capital leases payable	(14,379)
Accrued compensated absences	(149,270)
Total Net Position of Governmental Activities	$ 21,420,965

Town of Buena Vista, Colorado

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

	Major Funds				Non-Major Funds	
	General	Capital Improvement	Conservation Trust	Streets	Marijuana Fund	Total
Revenues						
Taxes	$ 6,825,451	$ -	$ -	$ 960,753	$ 100,387	$ 7,886,591
Licenses and Permits	212,356	-	-	-	-	212,356
Intergovernmental	240,661	1,881,525	36,312	-	-	2,158,498
Charges for Services	153,306	-	-	43,000	-	196,306
Investment Income	278,837	16,610	5,662	45,876	-	346,985
Contributions and Donations	2,926	-	-	-	-	2,926
Fines and Forfeitures	33,892	-	-	-	-	33,892
Miscellaneous	29,987	9	-	-	-	29,996
Total Revenues	7,777,416	1,898,144	41,974	1,049,629	100,387	10,867,550
Expenditures						
Current						
General Government	1,427,497	1,313,782	-	-	-	2,741,279
Public Safety	2,778,430	89,039	-	-	-	2,867,469
Public Works	838,472	3,934	-	736,177	-	1,578,583
Community Services	511,160	9,193	-	-	-	520,353
Culture and Recreation	1,153,140	773,715	-	-	-	1,926,855
Capital Outlay	-	93,261	-	-	-	93,261
Debt Service						
Principal Payments	-	-	-	115,000	-	115,000
Interest Payments	-	-	-	61,174	-	61,174
Total Expenditures	6,708,699	2,282,924	-	912,351	-	9,903,974
Excess Revenues Over (Under) Expenditures	1,068,717	(384,780)	41,974	137,278	100,387	963,576
Other Financing Sources (Uses)						
Transfers In	-	340,528	-	-	-	340,528
Transfers Out	(774,805)	-	(36,370)	-	(68,353)	(879,528)
Other Financing Sources (Uses)	(774,805)	340,528	(36,370)	-	(68,353)	(539,000)
Net Change in Fund Balance	293,912	(44,252)	5,604	137,278	32,034	424,576
Fund Balance, *Beginning of Year*	4,850,213	552,386	61,956	1,839,594	90,135	7,394,284
Fund Balance, *End of Year*	$ 5,144,125	$ 508,134	$ 67,560	$ 1,976,872	$ 122,169	$ 7,818,860

Town of Buena Vista, Colorado

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance to the Statement of Activities
For the Year Ended December 31, 2025

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of Governmental Funds	$	424,576
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlays		2,110,155
Depreciation expense		(829,664)
Disposal of assets		135,211
FPPA Pension liabilities reported in governmental funds as expenditures when contributions are made. However, for governmental activities those costs are reflected as liabilities when incurred.		
Net Pension Asset (Liability)		43,214
Deferred Outflows of Resources		(99,710)
Deferred Inflows of Resources		102,719
Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		
Principal payments on bonds payable		190,000
Amortization of premium on bonds payable		115,000
Principal payments on capital leases		1,198
Change in accrued compensated absences		(17,607)
Change in Net Position of Governmental Activities	$	2,175,092

Town of Buena Vista, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2025

	Water	Airport	Storm Water	Total
Assets				
Current Assets				
Cash and Investments	$ 192,347	$	$ 547,344	$ 739,691
Investments	3,950,488	-	-	3,950,488
Accounts Receivable	295,724	606,384	7,366	909,474
Deposits Held in Custody	3,000	-	-	3,000
Inventory	183,019	65,764	-	248,783
Total Current Assets	4,624,578	672,148	554,710	5,851,436
Noncurrent Assets				
Capital Assets, *Not being depreciated*	5,467,520	762,959	-	6,230,479
Capital Assets, *Net of accumulated depreciation*	13,483,337	3,309,238	-	16,792,575
Total Noncurrent Assets	18,950,857	4,072,197	-	23,023,054
Total Assets	23,575,435	4,744,345	554,710	28,874,490
Liabilities				
Current Liabilities				
Accounts Payable	66,943	201,467	-	268,410
Due to Other Fund	-	246,550	-	246,550
Deposits	500	-	-	500
Accrued Liabilities	28,324	6,872	-	35,196
Current Portion of Noncurrent Liabilities				
Leases payable	314,741	-	-	314,741
Total Current Liabilities	410,508	454,889	-	865,397
Noncurrent Liabilities				
Accrued Compensated Absences	33,781	15,699	-	49,480
Leases payable	3,424,556	-	-	3,424,556
Total Noncurrent Liabilities	3,458,337	15,699	-	3,474,036
Total Liabilities	3,868,845	470,588	-	4,339,433
Deferred Inflows of Resources				
Property Taxes	270,215	-	-	270,215
Net Position				
Net Investment in Capital Assets	15,211,560	4,072,197	-	19,283,757
Unrestricted	4,224,815	201,560	554,710	4,981,085
Total Net Position	$ 19,436,375	$ 4,273,757	$ 554,710	$ 24,264,842

Town of Buena Vista, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2025

	Water	Airport	Storm Water	Total
Operating Revenues				
Charges for Services	$ 1,514,237	$ 565,210	$ 81,108	$ 2,160,555
Intergovernmental	288,337	718,789	-	1,007,126
Other Income	92,927	5	-	92,932
Total Operating Revenues	1,895,501	1,284,004	81,108	3,260,613
Operating Expenses				
Administration and General	1,025,171	755,859	35,224	1,816,254
Operations and Maintenance	213,874	-	-	213,874
Dryfield Ditch Farm	4,462	-	-	4,462
Depreciation	307,464	194,164	-	501,628
Total Operating Expenses	1,550,971	950,023	35,224	2,536,218
Net Operating Income	344,530	333,981	45,884	724,395
Non-Operating Revenues (Expenses)				
Investment earnings	180,340	-	-	180,340
Interest Expense	(42,670)	-	-	(42,670)
Capital contributions	-	52,788	-	52,788
Total nonoperating revenue (expenses)	137,670	52,788	-	190,458
Net Income Before Contributed Capital	482,200	386,769	45,884	914,853
Contributed Capital and Transfers				
System Development Fees	222,527	-	-	222,527
Transfers In	-	539,000	-	539,000
	222,527	539,000	-	761,527
Change in Net Position	704,727	925,769	45,884	1,676,380
Net position, *Beginning of Year*	18,731,648	3,347,988	508,826	22,588,462
Net position, *End of Year*	$ 19,436,375	$ 4,273,757	$ 554,710	$ 24,264,842

Town of Buena Vista, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Water	Airport	Storm Water	Total
Cash Flows From Operating Activities				
Cash Received from Customers	$ 1,514,237	$ 77,225	$ 81,002	$ 1,672,464
Cash Received from Others	1,009,031	718,794	-	1,727,825
Cash Paid to Suppliers	(1,261,505)	80,244	(37,538)	(1,218,799)
Cash Paid to Employees	(500,331)	(752,244)	-	(1,252,575)
Net Cash Provided by Operating Activities	761,432	124,019	43,464	928,915
Cash Flows From Noncapital Financing Activities				
Operating subsidies received - transfers in	-	539,000	-	539,000
Operation subsidies provided - transfers out	-	33,212	-	33,212
Net Cash Provided by Noncapital Financing Activities	-	572,212	-	572,212
Cash Flows From Capital and Related Financing Activities				
System Development Fees	222,527	-	-	222,527
Acquisition and Construction of Capital Assets	(1,027,331)	(749,019)	-	(1,776,350)
Debt Principal Payments	(890,635)	-	-	(890,635)
Debt Interest Payments	(42,670)	52,788	-	10,118
Net Cash Used by Capital and Related Financing Activities	(1,738,109)	(696,231)	-	(2,434,340)
Cash Flows From Investing Activities				
Additions to Investments	507,510	-	-	507,510
Interest and dividends received	180,340	-	-	180,340
Net Cash Provided (Used) by Investing Activities	687,850	-	-	687,850
Net Increase (Decrease) in Cash and Cash Equivalents	(288,827)	-	43,464	(245,363)
Balances - Beginning of Period	481,174	-	503,880	985,054
Balances - End of Period	$ 192,347	$ -	$ 547,344	$ 739,691
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:				
Net Operating Income	$ 344,530	$ 333,981	$ 45,884	$ 724,395
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation Expense	194,500	193,998	-	388,498
Changes in Assets and Liabilities Related to Operations				
Accounts Receivable	357,552	(487,985)	(106)	(130,539)
Inventory	(65,717)	(29,977)	-	(95,694)
Accounts Payable	(327,791)	109,579	(2,314)	(220,526)
Accrued Expenses	265,204	808	-	266,012
Accrued Compensated Absences	(6,846)	3,615	-	(3,231)
Net Cash Provided by Operating Activities	$ 761,432	$ 124,019	$ 43,464	$ 928,915

Note 1: Summary of Significant Accounting Policies

The Town of Buena Vista (the Town) was incorporated under Colorado statutes in 1879 and provides services related to public safety, highways and streets, airport, water, recreation, planning and zoning, and general administration. The Town is the lowest level of government having oversight responsibility and control over all activities within the geographical area organized as the Town of Buena Vista, Colorado. The Town is located in Chaffee County, Colorado and is governed by an elected Mayor and Board of Trustees (the Town Board), which are responsible for setting policy, appointing administrative personnel and adopting an annual budget.

The Town's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Reporting Entity

In accordance with governmental accounting standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the Town officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the Town does not include additional organizations in its reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial, capital and debt resources of the Town. The difference between assets, liabilities and deferred inflows of the Town is net position.

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements *(Continued)*

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

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The total fund balances for all governmental funds are reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

Fund Accounting

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town has all three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in the proprietary fund) are accounted for through governmental funds. The measurement focus is on determination of and changes in financial position, rather than on net income. The following are the Town's governmental major funds:

> The General Fund - Used to account for all financial resources except those required to be accounted for in another fund and is the general operating fund of the Town.
>
> The Conservation Trust Fund - Accounts for receipts and expenditures with respect to State allocations of lottery proceeds.

Note 1: Summary of Significant Accounting Policies (Continued)

Governmental Funds *(Continued)*

The Street Fund - Accounts for street expenditures funded by a half-cent street improvement sales tax.

The Capital Improvement Fund - Accounts for receipts and expenditures with respect to capital projects. Revenues derived by this fund include cash-in-lieu fees from developers for parks, open space and trails, and capital grants.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise 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.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Investments

The Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes and Town policy authorize the Town to invest in obligations of the United States or any agency thereof, time deposit certificates, and repurchase agreements. The Pension Trust Funds are also authorized to invest in corporate common or preferred stocks, bonds and mortgages, real or personal property, and other evidence of indebtedness or ownership (excluding any debt of the Town itself), and individual insurance policies.

Receivables

The Town uses the allowance method for recognizing the uncollectable delinquent accounts receivable. At December 31, 2025, no allowance has been established, as all amounts are considered collectible. Each October, any utility bills more than 60 days old are certified to the County Treasurer for collection with the property taxes to be collected the following year.

Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed, but uncollected, property taxes for calendar year 2025 have been recorded as receivable and as deferred revenue. Property taxes are billed and collected by Chaffee County, Colorado and distributed to the municipalities and special districts within the county the month after collection.

Inventories

Water parts are valued at market values based on current pricing. Airport fuel inventories are valued at average cost.

Interfund Receivables and Payables

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses) in the governmental funds and transfers in (out) in the proprietary funds.

Transactions between the Town's various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to the Town government.

Activity between funds that is representative of borrowing/lending arrangements outstanding at the end of the fiscal year is referred to as either "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Receivables and Payables *(Continued)*

In the process of aggregating data for the statement of net position and the statement of activities some amounts reported on interfund activity and balances in the funds have been eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activity's column.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item qualifying for this category: the collective deferred outflows related to the Town's net pension obligation. Pension contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a change of the net pension liability or asset in future periods.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the Town's net pension obligation are reported on the Statement of Net Position and are amortized over the average service lives of participants.

Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost where historical records are available or estimated historical costs where no historical records exist. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets *(Continued)*

Capital assets (excluding land, water rights, construction in progress and capital assets held for other government) are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	7 - 20 years
Buildings and Improvements	10 - 50 years
Equipment and Vehicles	5 - 20 years
Infrastructure	7 - 40 years

Capital assets held for other government represents a sewer line constructed in 2004 and 2005 from several funding sources, including Federal grants. This sewer line will ultimately be conveyed to the Town Sanitation District, the government responsible for providing sanitation services within Town boundaries. No depreciation is reported by the Town for the sewer line as a separate government is the operator of this system and the Town does not recognize any associated revenue.

Compensated Absences

Vacation, sick leave, and compensatory time are accrued as earned. Accumulated unpaid vacation, compensatory time, and vested sick leave amounts are recorded in the government-wide financial statements by fund. The Town's personnel policy imposes limits on the maximum accrual of accumulated vacation time and sick leave. Upon termination, accrued unpaid vacation and compensatory time will be paid to the employee. Accrued sick leave has a cash value upon termination only if the employee has at least five years of full-time service with the Town at termination. Accrued compensated absences are liquidated by the fund that incurred the liability during the employee's employment.

A liability for vested, accrued leave time is reported in the governmental funds only if the amounts due at year end have matured.

Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Town’s defined benefit pension plan and additions to/deductions from the fiduciary net position of the Town’s defined benefit pension plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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 received, are reported as debt service expenditures.

Net Position

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

> Net Investment in Capital Assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
>
> Restricted - This consists of net position legally restricted by outside parties or by law through constitutional provisions or enabling legislation.
>
> Unrestricted - This consists of net position not meeting the definition of "restricted" or "invested in capital assets, net of related debt."

When an expense is incurred for purposes for which restricted and unrestricted net position is available, the Town's policy is to apply restricted net position first.

Fund Balance Classification

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

> Nonspendable fund balance - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Classification *(Continued)*

Restricted fund balance - Amounts constrained to specific purposes stipulated by external resource providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed fund balance - Amounts constrained to specific purposes stipulated by a government itself, determined by formal action by the Board of Trustees to be reported as committed, amounts cannot be used for any other purpose unless changed by the Board of Trustees.

Assigned fund balance - Amounts the Town intends to use for a specific purpose as expressed by management.

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

The Town's Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution or ordinance. Each December the budget is adopted by resolution for the coming year. A fund balance commitment is indicated in the budget by the use of reserves. The budget document will also identify the budgeted use of any restricted funds planned in the budget.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

Subsequent Events

The Town has evaluated subsequent events through April 24, 2026, the date the financial statements were available to be issued.

Note 2: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

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

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 15, the budget is legally enacted through passage of an ordinance.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the Enterprise Fund is presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Note 3: Cash Deposits and Investments

The Town's investment policy conforms to the investment policy guidelines set forth by the State of Colorado. The Town's investment policy sets the primary objectives of investments activities to be safety, liquidity, and yield, in that order. The policy sets a conservative, "prudent person" approach to investment purchases and management of the overall portfolio. The Town's Volunteer Firefighters Pension Trust is managed by the Fire and Police Pension Association of Colorado in accordance with State statute.

At year end, the Town had the following deposits and investments as reported in the financial statements:

Petty Cash	$	582
Cash Deposits		2,544,996
Investments		9,364,698
Total	$	11,910,276

Note 3: Cash Deposits and Investments (Continued)

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible depositories. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value of at least 102% of the uninsured deposits. The State Regulatory Commission for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2025, the Town had deposits of $8,103,304. Depositor's insurance (FDIC) covers $250,000 of this amount; the balance is covered by PDPA.

Investments

The Town's investment policy lists the authorized investment types as defined by Colorado statutes. Authorized investments include direct obligations of the United States, obligations of U.S. government agencies, general or revenue obligations of any state of the United States, any territory, or political subdivision of any state, qualified bankers' acceptances, commercial paper, certificates of participation, repurchase agreements, qualified local government investment pool, money market funds, qualified corporate or bank debt, and certain guaranteed investment contracts. The Town held no such investments at December 31, 2025.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. Such actions are generally associated with a debt service reserve or sinking fund requirements.

State statutes specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following.

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

Note 3: Cash Deposits and Investments (Continued)

Investments *(Continued)*

Local Government Investment Pool - At December 31, 2025, the Town had $5,702,865 (fair value) invested in COLOTRUST, an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST operates similar to money market funds and each share is equal in value to $1.00. COLOTRUST is rated AAAm by Standard and Poor's. Investments are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

The Town had the following investments at December 31, 2024:

Investment Type	Rating	Total	Less than 1 year	1 to 5 years
Colorado Liquid Government				
Asset Trust (COLOTRUST Plus)	No Rating	$ 5,702,865	$ 5,426,384	$ 276,481
Money Market Funds	No Rating	-	-	-
U.S. Treasury Securities				
Fixed Income US Treasury Securities	Aaa	1,770,683	-	1,770,683
Federal Home Loan Bank	AA+	896,745	-	896,745
Federal Farm Credit Bank	AA+	994,405	-	994,405
Federal National Mortgage Association	AA+	-	-	-
		$ 9,364,698	$ 5,426,384	$ 3,938,314

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk the Town requires that U.S. Agency Securities have the highest possible rating. Colorado statutes establish standards for local government investment pools and the Town requires the investment pool to maintain the highest possible rating.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to the increased risk of adverse interest rate changes. State statute limits investments in U.S. Agency Securities to a maximum five-year maturity. The Town seeks to minimize interest rate risk by:

- Structuring investments to meet ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- Structuring investments to have staggered maturities of less than five years.

Note 4: Capital Assets

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

	Balance 12/31/2024	Additions	Transfers	Deletions	Balance 12/31/2025
Governmental Activities					
Capital Assets *Not Being Depreciated*					
Land	$ 961,287	$ 137,910	$ -	$ -	$ 1,099,197
Construction in Progress	3,432,124	48,927	-	-	3,481,051
Assets held for other governments	535,718	-	-	-	535,718
Total Capital Assets *Not Being Depreciated*	4,929,129	186,837	-	-	5,115,966
Depreciable Capital Assets					
Land improvements & infrastructure	8,802,063	1,821,088	-	-	10,623,151
Buildings	8,147,184	57,760	-	-	8,204,944
Furniture & fixtures	22,042	-	-	-	22,042
Machinery, vehicles & equipment	3,438,389	44,470	-	-	3,482,859
Developer contributed infrastructure	1,211,270	-	-	-	1,211,270
Intangible	3,000	-	-	-	3,000
Total Depreciable Assets at Historical Cost	21,623,948	1,923,318	-	-	23,547,266
Less Accumulated Depreciation/Amortization for:					
Land improvements & infrastructure	(5,422,416)	(380,587)	-	-	(5,803,003)
Buildings	(1,237,723)	(180,347)	-	-	(1,418,070)
Furniture & fixtures	(19,493)	(987)	-	-	(20,480)
Machinery, vehicles & equipment	(2,756,468)	(222,215)	-	135,211	(2,843,472)
Developer contributed infrastructure	(983,630)	(45,528)	-	-	(1,029,158)
Intangible	(3,000)	-	-	-	(3,000)
Total Accumulated Depreciation/Amortization	(10,422,730)	(829,664)	-	135,211	(11,117,183)
Depreciable Capital Assets, Net	11,201,218	1,093,654	-	135,211	12,430,083
Governmental Activities Capital Assets, *net*	$ 16,130,347	$ 1,280,491	$ -	$ 135,211	$ 17,546,049

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

Governmental Activities	2025
General Government	$ 269,052
Public Safety	99,457
Public Works	220,975
Parks and Recreation	104,969
Total	$ 694,453

Note 4: Capital Assets (Continued)

Capital assets Business-Type activity for the year ended December 31, 2025 is summarized below:

	Balance 12/31/2024	Additions	Transfers	Deletions	Balance 12/31/2025
Business-Type Activities					
Capital Assets *Not Being Depreciated*					
Land and Water Rights	$ 4,840,158	$ 1,439,945	$ (108,310)	$ (720,000)	$ 5,451,793
Construction in Progress	9,091,067	-	(8,312,381)	-	778,686
Total Capital Assets *Not Being Depreciated*	13,931,225	1,439,945	(8,420,691)	(720,000)	6,230,479
Depreciable Capital Assets					
Building and Treatment Plant	3,917,002	8,400,127	-	(559,247)	11,757,882
Distribution Systems	6,412,441	32,538	-	-	6,444,979
Storage Tanks	2,909,412	-	-	-	2,909,412
Vehicles and Equipment	1,892,195	40,000	-	(163,684)	1,768,511
Airport Infrastructure	2,502,249	1,727,363	-	-	4,229,612
Land Improvements	4,124,550	-	-	-	4,124,550
Southard Ground Lease Buyout	110,000	-	-	-	110,000
Office Furniture and Fixtures	61,443	-	-	-	61,443
Total Depreciable Capital Assets at Historical Cost	21,929,292	10,200,028	-	(722,931)	31,406,389
Less: Accumulated Depreciation					
Building and Treatment Plant	(2,253,536)	(131,326)	-	66,707	(2,318,155)
Distribution Systems	(3,112,475)	(145,744)	-	-	(3,258,219)
Storage Tanks	(989,210)	(81,999)	-	-	(1,071,209)
Vehicles and Equipment	(1,682,570)	(49,847)	-	46,422	(1,685,995)
Airport Infrastructure	(2,193,337)	-	-	-	(2,193,337)
Land Improvements	(3,822,745)	(92,711)	-	-	(3,915,456)
Southard Ground Lease Buyout	(110,000)	-	-	-	(110,000)
Office Furniture and Fixtures	(61,443)	-	-	-	(61,443)
Total Accumulated *Depreciation*	(14,225,316)	(501,627)	-	113,129	(14,613,814)
Other Capital Assets, net	7,703,976	9,698,401	-	(609,802)	16,792,575
Business-Type Activities Capital Assets, *net*	$ 21,635,201	$ 11,138,346	$ (8,420,691)	$ (1,329,802)	$ 23,023,054

Note 5: Interfund Receivables, Payables and Transfers

Transfers for 2025 were as follows:

Transfers In	Transfers Out	Amount
Airport Fund	General Fund	$ 539,000
Capital Improvement Fund	General Fund	235,805
Capital Improvement Fund	Conservation Trust Fund	36,370
Capital Improvement Fund	Marijuana Fund	68,353
Total		$ 879,528

Transfers are used to move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Note 6: Long-Term Debt

Governmental Activities

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

	Balance 12/31/24	Additions	Deletions	Balance 12/31/25	Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation Bond: Police Station	$ 2,675,000	$ -	$ (190,000)	$ 2,485,000	$ 195,000
2012 Sales Tax Backed Bonds	1,810,000	-	(115,000)	1,695,000	120,000
Premium/Discount on Issuance	15,577	-	(1,198)	14,379	1,198
Compensated Absences	166,877	144,713	(162,320)	149,270	-
Total Bonds and Notes Payable	$ 4,667,454	$ 144,713	$ (468,518)	$ 4,343,649	$ 316,198

Accrued Compensated Absences are being paid from resources generated by the General Fund.

Sales Tax Revenue Bonds

In 2012 the Town issued sales tax revenue bonds in the amount of $3,000,000 to provide funding for the design, construction and installation of street improvements with the Town. The bonds are being repaid by the Capital Improvement Fund and carry an interest rate of 2.0%.

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations for the 2012 Sales Tax Revenue Bond at December 31, 2025:

Year Ended December 31,	Principal	Interest	Total
2026	$ 120,000	$ 57,725	$ 177,725
2027	120,000	54,125	174,125
2028	125,000	50,375	175,375
2029	130,000	46,469	176,469
2030	135,000	42,406	177,406
2031-2035	730,000	143,813	873,813
2036-2037	335,000	18,937	353,937
Total	$ 1,695,000	$ 413,850	$ 2,108,850

New Bond Lease Purchase Agreement

The Town entered into a new Bond lease purchase agreement on July 27, 2022 for the acquisition of property and construction of the Town's new Police Station. The term of the Bond is 15 years with a coupon-interest rate at 3.00%.

Note 6: Long-Term Debt (Continued)

Governmental Activities *(Continued)*

New Bond Lease Purchase Agreement (Continued)

Following is a schedule of the future minimum Bond payments required under the terms of agreement at December 31, 2025:

Year Ended December 31,	Principal	Interest	Total
2026	$ 195,000	$ $ 74,550	$ 269,550
2027	200,000	68,700	268,700
2028	205,000	62,700	267,700
2029	210,000	56,550	266,550
2030	220,000	50,250	270,250
2031-2035	1,195,000	148,800	1,343,800
2036	260,000	7,800	267,800
Total	$ 2,485,000	$ 469,350	$ 2,954,350

Following is a schedule of the future minimum Bond Premium payments required under the terms of the agreement at December 31, 2025:

Year Ended December 31,	Principal	Interest	Total
2026	$ 1,198	$ -	$ 1,198
2027	1,198	-	1,198
2028	1,198	-	1,198
2029	1,198	-	1,198
2030	1,198	-	1,198
2031-2035	5,993	-	5,993
2036-2037	2,396	-	2,396
Total	$ 14,379	$ -	$ 14,379

Note 6: Long-Term Debt (Continued)

Business-Type Activities

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

Business-Type Activities	Balance 12/31/24	Additions	Deletions	Balance 12/31/25	Due Within One Year
Bonds and Notes Payable					
2018 CWRPDA Loan	$ 1,018,238	$ -	$ (68,110)	$ 950,128	$ 68,793
2022 CWRPDA Loan	1,879,193	-	(52,525)	1,826,668	53,448
2024 Arkansas Conservancy Water Rights	1,732,500	-	(770,000)	962,500	192,500
Compensated Absences	52,080	28,964	(31,563)	49,481	-
Total Bonds and Notes Payable	$ 4,682,011	$ 28,964	$ (922,198)	$ 3,788,777	$ 314,741

Colorado Water Resources and Power Development Authority (CWRPDA) Loan

Accrued Compensated Absences are being paid from resources generated by the Business-Type activities.

On July 11, 2018, the Town entered into a $1,983,370 loan agreement with CWRPDA, for 20 years at an interest rate of 1% for installing redundant raw water supply treatment, adding water storage and tank construction, and making improvements to the water distribution system. On September 28, 2020, the Town returned $569,114 of excess loan proceeds. With the corresponding balance reduction, CWRPDA changed the repayment schedule to payments of $39,061 principal and interest, made twice per year until November 1, 2038.

Following is a schedule of the future minimum payments required for the 2018 CWRPDA loan at December 31, 2025:

On November 8, 2022, the Town entered into a $4,300,000 loan agreement with CWRPDA, for 30 years at an interest rate of 1.75% for the Towns Water Treatment Plant project. The Town qualified for the up-front principal forgiveness in the amount of $2,339,551, which was applied at closing. The outstanding amount of the loan at closing was $1,960,449.

Year Ended December 31,	Principal	Interest	Total
2026	$ 68,793	$ 9,330	$ 78,123
2027	69,483	8,640	78,123
2028	70,179	7,944	78,123
2029	70,883	7,240	78,123
2030	71,593	6,529	78,122
2031-2035	368,877	21,736	390,613
2036-2038	230,320	4,047	234,367
Total	$ 950,128	$ 65,466	$ 1,015,594

Note 6: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

Colorado Water Resources and Power Development Authority (CWRPDA) Loan (Continued)

Following is a schedule of the future minimum payments required for the 2022 CWRPDA loan at December 31, 2025:

Year Ended December 31,	Principal	Interest	Total
2026	$ 53,448	$ 31,734	$ 85,182
2027	54,387	30,794	85,181
2028	55,343	29,839	85,182
2029	56,316	28,866	85,182
2030	57,306	27,876	85,182
2031-2035	301,997	123,912	425,909
2036-2040	329,487	96,422	425,909
2041-2045	359,480	66,430	425,910
2046-2050	392,202	33,708	425,910
2051-2052	166,702	3,662	170,364
Total	$ 1,826,668	$ 473,243	$ 2,299,911

Upper Arkansas Water Conservancy District (UAWCD)

On February 8, 2024, the Town entered into a water Augmentation agreement with the UAWCD for a total of $1,925,000 for water rights at the rate of $38,500 per acre foot and be entitled to receive 5-acre feet of Augmentation annually in perpetuity, for the amount of $192,500, annually. Payments for the Augmentation shall be made in ten (10) annual installments of $192,500, paid no later than October 31 of each year, commencing October 31, 2024. The unpaid balance shall bear interest at the rate of 4% per annum.

Following is a schedule of the future minimum payments required for the UAWCD at December 31, 2025:

Year Ended December 31,	Principal	Interest	Total
2026	$ 192,500	$ 38,500	$ 231,000
2027	192,500	30,800	223,300
2028	192,500	23,100	215,600
2029	192,500	15,400	207,900
2030	192,500	7,700	200,200
Total	$ 962,500	$ 115,500	$ 1,078,000

Note 7: Employee Retirement Plans

General Employees Retirement Plan - Section 401(a) Plan

For all regular full-time employees, other than police officers, the Town contributes to a cost-sharing multiple-employer defined contribution pension plan (the Retirement Plan). The Retirement Plan, which is administered by Colorado County Officials and Employees Retirement Association (CCOERA), offers employees who have been with the Town for six months and that work at least 32 hours per week every month of the year, the opportunity to build retirement savings by pre-tax contributions of 3% of salary, which are matched with Town contributions. Employee contributions to the Pension Plan become immediately vested. Town contributions are vested at an annual rate of 25%. Town contributions become fully vested after four years. The contribution requirements of Retirement Plan participants and the Town are established, and may be amended, by the Board of Trustees. Unvested employer contributions are returned to the Town when an employee terminates employment and cashes out of the Retirement Plan. The amounts returned are recognized on the financial statements as revenue in the year received.

For the year ended December 31, 2025, the Town contributed $64,145 to the Retirement Plan on behalf of participating employees. Participants of the Retirement Plan made equal matching contributions in 2025. No unvested contributions were returned to the Town in 2025.

CCOERA is also the Trustee of the Retirement Plan and, accordingly, the Town has no liability for losses under the plan. Consequently, the Retirement Plan is not part of the Town's financial statements.

Deferred Compensation Plan

All employees are eligible to participate in a deferred compensation plan that was created in accordance with the Internal Revenue Code section 457 (the Deferred Compensation Plan). The Deferred Compensation Plan, which is administered by CCOERA, permits participants to defer a portion of their salary until future years. All compensation deferred under the Deferred Compensation Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or fights are to be held in trust for the exclusive benefit of the participants and their beneficiaries. Compensation deferred under the Deferred Compensation Plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

Participants may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. The Town does not contribute to the Deferred Compensation Plan.

The individual participants determine investment decisions within the Deferred Compensation Plan and, therefore, the Deferred Compensation Plan's investment concentration varies between participants.

CCOERA is also the Trustee of the Deferred Compensation Plan and, accordingly, the Town has no liability for losses under the plan. Consequently, the Deferred Compensation Plan is not part of the Town's financial statements.

Note 7: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plan

Plan Description - The Statewide Retirement Plan (SRP) is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 participating employer fire and police departments.

Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Note 7: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plan *(Continued)*

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

Contributions - Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost-of-living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers.

Note 7: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plan *(Continued)*

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 22.0 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 11.00 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17.0 percent.

Note 7: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plan *(Continued)*

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2024 through June 30, 2025 is 14.56 percent. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 was 14.24 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

While the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer’s contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

The Town no longer has active participants in the SWH Plan.

Basis of Presentation - The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA’s financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA.

Actuarial Valuation Dates - The collective total pension liability as of December 31, 2024 is based upon the January 1, 2025 actuarial valuation. The actuarially determined contributions as of December 31, 2024 are based upon the January 1, 2024 actuarial valuation.

Note 7: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plan *(Continued)*

Actuarial Assumptions - The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuations used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-Term Investment Rate of Return*	7.0%
Projected Salary Increases	4.25% - 11.75%
Cost of Living Adjustments (COLA)	0.0%
Includes Inflation at	2.5%

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

At December 31, 2025, the Town reported a net pension liability (asset) of $0 representing its proportionate share of the net pension asset of the Statewide Retirement Plan (SRP).

At December 31, 2025, the Town's proportion of the Statewide Retirement Plan was 0.06667612%, which was a decrease of 0.00895814% from its proportion measured at December 31, 2024.

For the year ended December 31, 2025, the Town recognized pension expense (Benefit) for the SRP plan of $123,080.

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2023 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income Rates	7%	5.00%
Fixed Income Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	4%	4.20%
	100%	

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Statewide Retirement Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The COLA assumption reflects the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.08 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease (6.0%	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the SRP net pension (asset) liability	$ 325,373	$ -	$ -

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Retirement Plan		
Differences between expected and actual experience	$ 123,727	$ (4,010)
Net difference between projected and actual earnings on plan investments	3,719	-
Changes in assumptions and other inputs	42,470	-
Changes in proportion	-	5,702
Contributions subsequent to the measurement date	90,702	-
Total	$ 260,618	$ 1,692

Town contributions to the Statewide Retirement Plan (SRP) subsequent to the measurement date were $90,702 and will be recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. The following table presents the Statewide Retirement Plan net amount of collective deferred inflows and outflows of resources that will be recognized in the collective pension expense for each of the subsequent five years and in the aggregate thereafter:

Year Ended December 31,	SRP
2026	$ 104,523
2027	(3,456)
2028	10,907
2029	22,567
2030	22,341
Thereafter	14,725
Total	$ 171,607

The average of the expected remaining services lives of all members in the plan, including active and inactive members, is 8.3043 years determined as of the beginning of the December 31, 2024 measurement period.

Note 7: Employee Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

Listed in the table below is the Town's proportionate share of collection pension expense for the Plan year as follows:

Town's Proportionate Share of Collective Pension Expense	
Service Cost	165,205
Interest on the Total Pension Liability	199,034
Current-Period Benefit Changes	3,231
IRC 414(h)(2) Employer-paid Member Contributions	(86,403)
Member Purchases of Service Credit	(6,104)
Projected Earnings on Plan Investments	(198,641)
Pension Plan Administrative Expense	4,816
Other Changes in Plan Fiduciary Net Position	(62)
Recognition of Inflow of Resources due to Liabilities	52,615
Recognition of Outflow of Resources due to Assets	(10,611)
Total Pension Plan Expense	123,080

Collective pension plan expense/(income) includes changes in the collective net pension Liability/(asset), projected earnings on pension plan investments, and the amortization of deferred outflow and inflows of resources in the current period. Pension income should be reported as a credit in pension expense.

FPPA Buena Vista Volunteer Fire Department Pension Fund

FPPA System Description - The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at http://www.fppaco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

This funding policy results in the expectation that the plan's assets will be able to fully pay for promised benefits through at least 2124. The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

Note 7: Employee Retirement Plans (Continued)

FPPA Buena Vista Volunteer Fire Department Pension Fund *(Continued)*

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

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

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

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

At December 31, 2025, the Town reported a net pension liability (asset) of $(168,506) representing its proportionate share of the net pension asset.

The net pension liability was measured at December 31, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2025. The Town's proportion of the net pension asset was based on a projection of the Town's contributions to the plans for the calendar year ended December 31, 2025, relative to the projected contributions of all participating employers.

For the year ended December 31, 2025, the Town recognized pension expense (Benefit) for the Volunteer Plan of $6,096.

Note 7: Employee Retirement Plans (Continued)

<u>FPPA Buena Vista Volunteer Fire Department Pension Fund</u> *(Continued)*

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Volunteer		
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual earnings on plan investments	37,734	30,246
Changes in assumptions and other inputs	-	-
Changes in proportion	-	-
Contributions subsequent to the measurement date	-	-
Total	$ 37,734	$ 30,246

Town contributions to the Volunteer Plan subsequent to the measurement date of $0 will be recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Year Ended December 31,	Volunteer Plan
2026	$ 3,880
2027	12,818
2028	(6,049)
2029	(3,161)
2030	-
Thereafter	-
Total	$ 7,488

Valuation Date - Actuarially determined contribution rates are calculated as of January 1, of odd number years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023 determines the contribution amounts for 2024 and 2025.

Actuarial Method	Entry Age
Amortization Method	Level dollar - open
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-Term Investment Rate of Return*	7.0%
Projected Salary Increases	N/A
Cost of Living Adjustments (COLA)	None
*Includes Inflation at	2.5%
Retirement Age	50% per year of eligibility until 100% at age 65

Note 7: Employee Retirement Plans (Continued)

FPPA Buena Vista Volunteer Fire Department Pension Fund *(Continued)*

Mortality - Pre-retirement: Pub-2010 Safety Healthy Employee Mortality Table for males and females, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 6.00%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 6.00%.

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

Based on plan maturity metrics, it is expected that the assets of this plan will be transitioned to FPPA's short-term pool within the next decade. Effective with the valuation as of January 1, 2025, the long-term expected rate of return was changed to 6.00% to reflect this expectation.

The total Pension Liability as of December 31, 2024 includes any plan changes through that date.

Note 7: Employee Retirement Plans (Continued)

FPPA Buena Vista Volunteer Fire Department Pension Fund *(Continued)*

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Liquidity	4%	4.20%
Fixed Income - Rates	7%	5.00%
Fixed Income - Credit	7%	6.50%
Diversifiers	9%	5.70%
Long Short	6%	6.20%
Global Public Equity	33%	7.00%
Private Markets	34%	8.80%
	100%	

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan’s net pension liability/(asset), calculated using a Single Discount Rate of 6.00%, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
Town's proportionate share of the net pension (asset)	$ (125,596)	$ (168,506)	$ (204,943)

Note 7: Employee Retirement Plans (Continued)

FPPA Buena Vista Volunteer Fire Department Pension Fund *(Continued)*

The Town's contributions to the Volunteer Plan for the year ended December 31, 2025, were $0, equal to the required contributions.

Pension Plan Fiduciary Net Position - Detailed information about the Plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at http://www.fppaco.org.

Death and Disability Benefits

Death and disability coverage is provided to full-time police officers through the Statewide Death and Disability Plan, which is administered by the FPPA. During the past year, the Town's required contribution rate was 3.8% of base salary for members. Town contributions to this plan totaled $32,066 during 2025, with State supplemental contribution of $0. Employees are not required to contribute to this plan.

Note 8: Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members with defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the Town does not approve budgets, nor does it have the ability to significantly affect the operations of the entity.

Note 8: Public Entity Risk Pool (Continued)

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of $500,000 per claim or occurrence for property damage, $600,000 per claim or occurrence for liability, and $150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate losses at December 31, 2024. No settlements of claims against the Town in the last three years have exceeded the Town's coverage.

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The Board of Directors may credit member municipalities' future contributions in the event of a surplus. Although it has never occurred, CIRSA member municipalities are subject to a supplemental assessment in the event of a deficiency.

For 2025, the Town's deductible for property and liability claims per occurrence is $1,000 for each. The auto liability deductible and the auto physical damage deductible are both $1,000 per occurrence.

The Town carries no deductible for workers Compensation coverage. CIRSA's coverage for workers' compensation claims are the Colorado statutory limits of $500,000 per occurrence and $1,000,000 for employer liability.

The Town also carries accident medical insurance coverage for volunteers through CIRSA. This provides a medical coverage for a minor injury a volunteer receives when serving the Town in a volunteer Town, such as a community service worker, volunteer trail work, or volunteer coaching for recreation. Coverage is $15,000 per occurrence with a $25 deductible.

Note 9: Commitments and Contingencies

Litigation/Legal Claims

The Town may be a defendant in lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of any legal proceedings, it is the opinion of management that they will not have a material effect on the Town's financial position.

Federal and State Grants and Financial Sources

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the Town's financial position.

Note 9: Commitments and Contingencies (Continued)

TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used to declare emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved $197,840, which is the approximate required reserve at December 31, 2025.

The Town's voters approved of the following ballot issue on November 6, 2001.

Excluding ad valorem property taxes and rates, and without creating any new taxes, increasing any tax rate, or adding any new taxes of any kind, shall the Town, be permitted to collect, retain, and spend, for the fiscal year of 2001 and for each and every year thereafter, the full proceeds of the Town's taxes, grants and other revenues for expenditure on lawful municipal purposes, notwithstanding any State of Colorado restrictions on spending including the restrictions of Article X, Section 20 of the Constitution of the State of Colorado, and that these shall each constitute a voter approval revenue change.

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Required Supplementary Information

Town of Buena Vista, Colorado

Schedule of The Town's Proportionate Share of Net Pension Liability/(Asset)
Fire and Police Pension Association of Colorado - Statewide Defined Benefit Plan
Last Ten Fiscal Years

Measurement Date	2024	2023	2022	2021	2020
Town's portion of the net pension asset	0.000000%	0.000000%	0.057846%	0.066193%	0.085361%
Town's proportionate share of the net pension liability (asset)	$ -	$ -	$ 51,345	$ (358,724)	$ (185,319)
Town's covered payroll	$ 1,133,775	$ 908,775	$ 882,388	$ 584,525	$ 685,625
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0%	0%	5.8%	-61.4%	-27.0%
Plan fiduciary net position as a percentage of the total pension liability	100.00%	100.00%	97.60%	116.20%	106.70%

Reporting Date	2025	2024	2023	2022	2021
Contractually required contribution	$ 88,605	$ 90,702	$ 72,702	$ 70,591	$ 46,762
Contributions in relation to the contractually required contribution	(88,605)	(90,702)	(72,702)	(70,591)	(46,762)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 1,107,563	$ 1,133,775	$ 908,775	$ 882,388	$ 584,525
Contributions as a percentage of covered payroll	8.0%	8.0%	8.0%	8.0%	8.0%

(Continued)

Town of Buena Vista, Colorado

Schedule of The Town's Proportionate Share of Net Pension Liability/(Asset)
Fire and Police Pension Association of Colorado - Statewide Defined Benefit Plan
Last Ten Fiscal Years
(Continued)

Measurement Date	2019	2018	2017	2016	2015
Town's portion of the net pension asset	0.074108%	0.077289%	0.053647%	0.058169%	0.055701%
Town's proportionate share of the net pension liability (asset)	$ (41,913)	$ 97,714	$ (77,180)	$ 21,019	$ (982)
Town's covered payroll	$ 546,200	$ 517,725	$ 313,800	$ 297,700	$ 270,025
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-7.7%	18.9%	-24.6%	7.1%	-0.4%
Plan fiduciary net position as a percentage of the total pension liability	101.90%	95.20%	106.30%	98.21%	100.10%

Reporting Date	2020	2019	2018	2017	2016
Contractually required contribution	$ 54,850	$ 43,696	$ 41,418	$ 25,104	$ 23,816
Contributions in relation to the contractually required contribution	(54,850)	(43,696)	(41,418)	(25,104)	(23,816)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 685,625	$ 546,200	$ 313,800	$ 297,700	$ 270,025
Contributions as a percentage of covered payroll	8%	8%	13%	8%	9%

Town of Buena Vista, Colorado

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios
Fire and Police Pension Association of Colorado - Buena Vista Volunteer
Fire Department Pension Fund
Last Ten Fiscal Years

Measurement Date	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	$ -	$ -	$ 4,431	$ 4,431	$ 4,431
Interest on the Total Pension Liability	27,615	27,683	30,635	30,241	32,118
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	(9,915)	-	(53,553)	-	(33,834)
Assumption Changes	36,437	-	7,224	-	-
Benefit Payments	(28,650)	(28,650)	(28,813)	(29,275)	(29,775)
Net Change in Total Pension Liability	25,487	(967)	(40,076)	5,397	(27,060)
Total Pension Liability - Beginning	408,587	409,554	449,630	444,233	471,293
Total Pension Liability - Ending (a)	$ 434,074	$ 408,587	$ 409,554	$ 449,630	$ 444,233
Plan Fiduciary Net Position					
Employer Contributions	$ -	$ -	$ 12,000	$ 12,000	$ -
Pension Plan Net Investment Income	55,283	52,568	(51,110)	82,874	64,760
Benefit Payments	(28,650)	(28,650)	(28,813)	(29,275)	(29,775)
Pension Plan Administrative Expense	(4,263)	(4,627)	(4,663)	(5,149)	(4,178)
State of Colorado supplemental discretionary payment	-	-	10,800	10,800	-
Net Change in Plan Fiduciary Net Position	22,370	19,291	(61,786)	71,250	30,807
Plan Fiduciary Net Position - Beginning	580,210	509,855	571,641	500,391	469,584
Plan Fiduciary Net Position - Ending (b)	$ 602,580	$ 529,146	$ 509,855	$ 571,641	$ 500,391
Net Pension Liability/(Asset) - Ending (a)-(b)	$ (168,506)	$ (120,559)	$ (100,301)	$ (122,011)	$ (56,158)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	139%	130%	124%	127%	113%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A

*Information for the measurement periods ending December 31, 2015 through December 31, 2024
should be obtained from prior years' reports for purposes of building the 10-year history.

(Continued)

Town of Buena Vista, Colorado

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios
Fire and Police Pension Association of Colorado - Buena Vista Volunteer
Fire Department Pension Fund
Last Ten Fiscal Years
(Continued)

Measurement Date	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	$ 4,431	$ 5,906	$ 5,906	$ 4,754	$ 4,754
Interest on the Total Pension Liability	31,713	37,602	36,733	37,598	36,877
Benefit Changes	-	-	-	-	-
Difference between Expected and Actual Experience	-	(76,151)	-	(35,430)	-
Assumption Changes	-	16,773	-	11,921	-
Benefit Payments	(30,900)	(32,488)	(29,663)	(32,185)	(31,850)
Net Change in Total Pension Liability	5,244	(48,358)	12,976	(13,342)	9,781
Total Pension Liability - Beginning	466,049	514,407	501,431	514,773	504,992
Total Pension Liability - Ending (a)	$ 471,293	$ 466,049	$ 514,407	$ 501,431	$ 514,773
Plan Fiduciary Net Position					
Employer Contributions	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
Pension Plan Net Investment Income	65,555	301	62,018	22,059	7,660
Benefit Payments	(30,900)	(32,488)	(29,663)	(32,185)	(31,850)
Pension Plan Administrative Expense	(6,391)	(6,884)	(6,464)	(934)	(1,747)
State of Colorado supplemental discretionary payment	10,800	10,800	10,800	10,800	10,800
Net Change in Plan Fiduciary Net Position	51,064	(16,271)	48,691	11,740	(3,137)
Plan Fiduciary Net Position - Beginning	469,584	485,855	437,164	425,424	428,561
Plan Fiduciary Net Position - Ending (b)	$ 520,648	$ 469,584	$ 485,855	$ 437,164	$ 425,424
Net Pension Liability/(Asset) - Ending (a)-(b)	$ (49,355)	$ (3,535)	$ 28,552	$ 64,267	$ 89,349
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110%	101%	94%	87%	83%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A

Town of Buena Vista, Colorado

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios
Fire and Police Pension Association of Colorado - Buena Vista Volunteer
Fire Department Pension Fund
Last Ten Fiscal Years

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	$ 13,043	$ 22,800	$ (9,757)	N/A	N/A
2016	11,734	22,800	(11,066)	N/A	N/A
2017	11,734	22,800	(11,066)	N/A	N/A
2018	10,422	22,800	(12,378)	N/A	N/A
2019	10,422	22,800	(12,378)	N/A	N/A
2020	7,430	-	7,430	N/A	N/A
2021	7,430	22,800	(15,370)	N/A	N/A
2022	709	22,800	(22,091)	N/A	N/A
2023	709	-	709	N/A	N/A
2024	-	-	-	N/A	N/A

Town of Buena Vista, Colorado

Schedule of The Town's Proportionate Share of Net Pension Liability/(Asset)
Fire and Police Pension Association of Colorado - Statewide Hybrid Plan
Last Ten Fiscal Years

Measurement Date	2024	2023	2022	2021	2020
Town's portion of the net pension asset	N/A	N/A	N/A	N/A	N/A
Town's proportionate share of the net pension liability (asset)	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Town's covered payroll	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A	N/A	N/A	N/A

Reporting Date	2025	2024	2023	2022	2021
Contractually required contribution	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Contributions in relation to the contractually required contribution	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Town's covered payroll	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Note: The Town of Buena Vista had no active members and therefore, no required contributions for reporting years from 2020 through 2025.

(Continued)

Town of Buena Vista, Colorado
Schedule of The Town's Proportionate Share of Net Pension Liability/(Asset)
Fire and Police Pension Association of Colorado - Statewide Hybrid Plan
Last Ten Fiscal Years
(Continued)

Measurement Date	2019	2018	2017	2016	2015
Town's portion of the net pension asset	0.834363%	0.815985%	0.776310%	0.882542%	0.864078%
Town's proportionate share of the net pension liability (asset)	$ (162,484)	$ (112,634)	$ (151,790)	$ (96,067)	$ (91,012)
Town's covered payroll	$ 166,438	$ 163,375	$ 148,375	$ 142,663	$ 142,238
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-98%	-69%	-102%	-67%	-64%
Plan fiduciary net position as a percentage of the total pension liability	130.06%	123.46%	127.5%	127.5%	129.4%

Reporting Date	2020	2019	2018	2017	2016
Contractually required contribution	$ 13,315	$ 13,005	$ 11,870	$ 11,413	$ 11,379
Contributions in relation to the contractually required contribution	(13,315)	(13,005)	(11,870)	(11,413)	(11,379)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 166,438	$ 163,375	$ 148,375	$ 142,663	$ 142,238
Contributions as a percentage of covered payroll	8.0%	8.0%	8.0%	8.0%	8.0%

Note: The Town of Buena Vista had no active members and therefore, no required contributions for reporting years from 2020 through 2025.

Town of Buena Vista

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Taxes	$ 6,523,661	$ 6,523,661	$ 6,825,451	$ 301,790
Licenses and Permits	174,510	174,510	212,356	37,846
Intergovernmental	252,300	252,300	240,661	(11,639)
Charges for Services	138,480	138,480	153,306	14,826
Interest	259,500	259,500	278,837	19,337
Contributions and Donations	50,500	50,500	2,926	(47,574)
Fines and Forfeitures	41,400	41,400	33,892	(7,508)
Miscellaneous/Other	23,400	23,400	29,987	6,587
Total Revenues	7,463,751	7,463,751	7,777,416	313,665
Expenditures				
Current				
General Government	1,285,707	1,285,707	1,427,497	(141,790)
Public Safety	2,821,694	2,821,694	2,778,430	43,264
Public Works	1,469,883	1,469,883	838,472	631,411
Community Service	764,959	764,959	511,160	253,799
Culture and Recreation	643,919	643,919	1,153,140	(509,221)
Total Budgetary Expenditures	6,986,162	6,986,162	6,708,699	277,463
Excess Revenues Over (Under) Expenditures	477,589	477,589	1,068,717	591,128
Other Financing Sources (Uses)				
Transfers Out	(458,750)	(828,750)	(774,805)	53,945
Total Other Financing Sources (Uses)	(458,750)	(828,750)	(774,805)	53,945
Net Change in Fund Balance	18,839	(351,161)	293,912	645,073
Fund Balance, *Beginning of Year*	3,353,794	2,707,768	4,850,213	2,142,445
Fund Balance, *End of Year*	$ 3,372,633	$ 2,356,607	$ 5,144,125	$ 2,787,518

Town of Buena Vista
Budgetary Comparison Schedule
Capital Improvement Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Intergovernmental	$ -	$ -	$ 1,881,525	$ 1,881,525
Interest	17,000	17,000	16,610	(390)
Misc/Donations	-	-	9	9
Grants	3,160,880	3,298,880	-	(3,298,880)
Total Revenues	3,177,880	3,315,880	1,898,144	(1,417,736)
Expenditures				
General Government	15,000	15,000	1,313,782	(1,298,782)
Public Safety	93,579	93,579	89,039	4,540
Public Works	115,000	115,000	3,934	111,066
Community Service	3,190,083	3,190,083	9,193	3,180,890
Culture & Recreation	1,011,486	1,149,486	773,715	375,771
Capital Outlay	-	-	93,261	(93,261)
Total Expenditures	4,425,148	4,563,148	2,282,924	2,280,224
Excess Revenues Over (Under) Expenditures	(1,247,268)	(1,247,268)	(384,780)	862,488
Other Financing Sources (Uses)				
Transfers In	486,600	486,600	340,528	(146,072)
Total Other Financing Sources (Uses)	486,600	486,600	340,528	(146,072)
Net Change in Fund Balance	(760,668)	(760,668)	(44,252)	716,416
Fund Balance, *Beginning of Year*	(684,538)	(752,538)	552,386	1,304,924
Fund Balance, *End of Year*	$ (1,445,206)	$ (1,513,206)	$ 508,134	$ 2,021,340

Town of Buena Vista, Colorado

Budgetary Comparison Schedule
Conservation Trust Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Intergovernmental	$ 36,000	$ 36,000	$ 36,312	$ 312
Interest	4,500	4,500	5,662	1,162
Total Revenues	40,500	40,500	41,974	1,474
Excess Revenues Over (Under) Expenditures	40,500	40,500	41,974	1,474
Other Financing Sources (Uses)				
Transfers Out	(76,850)	(76,850)	(36,370)	40,480
Total Other Financing Sources (Uses)	(76,850)	(76,850)	(36,370)	40,480
Net Change in Fund Balance	(36,350)	(36,350)	5,604	41,954
Fund Balance, *Beginning of Year*	32,688	50,688	61,956	11,268
Fund Balance, *End of Year*	$ (3,662)	$ 14,338	$ 67,560	$ 53,222

Town of Buena Vista, Colorado

Budgetary Comparison Schedule

Street Fund

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Taxes	$ 928,088	$ 928,088	$ 960,753	$ 32,665
Interest	46,000	46,000	45,876	(124)
Misc.	14,250	14,250	43,000	28,750
Total Revenues	988,338	988,338	1,049,629	61,291
Expenditures				
Capital Outlay	780,000	780,000	-	780,000
Public Works	-	-	736,177	(736,177)
Debt Service	-	-		
Principal Payments	11,000	11,000	115,000	(104,000)
Interest Payments	67,225	67,225	61,174	6,051
Total Expenditures	858,225	858,225	912,351	(54,126)
Net Change in Fund Balance	130,113	130,113	137,278	7,165
Fund Balance, *Beginning of Year*	1,323,195	1,459,710	1,839,594	516,399
Fund Balance, *End of Year*	$ 1,453,308	$ 1,589,823	$ 1,976,872	$ 523,564

Note 1: Stewardship, Compliance & Accountability

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Town Board a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted to obtain taxpayer comments.

- Prior to December 31, the budget is legally enacted through passage of a resolution.

- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Board of Trustees.

- All appropriations lapse at year end.

Supplementary Information

Town of Buena Vista, Colorado

Budgetary Comparison Schedule
Marijuana Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Marijuana Taxes	$ 100,000	$ 100,000	$ 100,387	$ 387
Total Revenues	100,000	100,000	100,387	387
Excess Revenues Over (Under) Expenditures	100,000	100,000	100,387	387
Other Financing Sources (Uses)				
Transfers Out	(120,000)	(120,000)	(68,353)	51,647
Total Other Financing Sources (Uses)	(120,000)	(120,000)	(68,353)	51,647
Net Change in Fund Balance	(20,000)	(20,000)	32,034	52,034
Fund Balance, *Beginning of Year*	15,531	90,135	90,135	74,604
Fund Balance, *End of Year*	$ (4,469)	$ 70,135	$ 122,169	$ 126,638

Town of Buena Vista, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges For Services	$ 1,585,341	$ 1,585,341	$ 1,493,388	$ (91,953)
Cash in Lieu of Water Rights	220,000	220,000	20,849	(199,151)
System Investment Fees	350,000	350,000	222,527	(127,473)
Intergovernmental	223,994	223,994	288,337	64,343
Contributions / Donations	223,994	223,994	-	(223,994)
Interest Income	75,095	75,095	180,340	105,245
Other Income	697,900	697,900	92,927	(604,973)
Total Revenues	3,376,324	3,376,324	2,298,368	(1,077,956)
Expenses				
Operations and Maintenance	1,131,856	1,131,856	1,239,045	(107,189)
Dryfield Ditch Farm	44,344	44,344	4,462	39,882
Total Expenses	1,176,200	1,176,200	1,243,507	(67,307)
Net Operating Income	2,200,124	2,200,124	1,054,861	(1,145,263)
Nonoperating Revenues (Expenses)				
Debt Service				
Principal	(120,635)	(120,635)	-	120,635
Interest	(42,670)	(42,670)	(42,670)	-
Other	(2,668,325)	(2,668,325)	-	2,668,325
Total Nonoperating	-	-	-	-
Revenues (Expenses)	(2,831,630)	(2,831,630)	(42,670)	2,788,960
Net Income (Loss) Before *Budgetary Basis*	$ (631,506)	$ (631,506)	1,012,191	$ 1,643,697
Other Financing Source (Uses)				
Reconciliation to GAAP Basis				
Depreciation			(307,464)	
Change in Net Position, *GAAP Basis*			$ 704,727	

Town of Buena Vista, Colorado
Budgetary Comparison Schedule
Airport Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges For Services	$ 582,359	$ 582,359	$ 565,210	$ (17,149)
Donations/Contributions	51,000	51,000	5	(50,995)
Total Revenues	633,359	633,359	565,215	(68,144)
Expenses				
Operations and Maintenance	706,698	706,698	755,859	(49,161)
Total Expenses	706,698	706,698	755,859	(49,161)
Net Operating Income	(73,339)	(73,339)	(190,644)	(117,305)
Nonoperating Revenues (Expenses)				
Grant Revenue	696,281	696,281	718,789	22,508
Donations	-	-	52,788	52,788
Total Nonoperating Revenues (Expenses)	696,281	696,281	771,577	75,296
Net Income (Loss) Before Contributed Capital	622,942	622,942	580,933	(42,009)
Contributed Capital				
Transfers In	169,000	539,000	539,000	-
Change in Net Position, *Budgetary Basis*	$ 791,942	$ 1,161,942	1,119,933	$ (42,009)
Reconciliation to GAAP Basis				
Depreciation			(194,164)	
Change in Net Position, *GAAP Basis*			$ 925,769	

Town of Buena Vista, Colorado
Budgetary Comparison Schedule
Storm Water Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges For Services	$ 78,948	$ 78,948	$ 81,108	$ 2,160
Total Revenues	78,948	78,948	81,108	2,160
Expenses				
Operations and Maintenance	40,000	40,000	35,224	4,776
Total Expenses	40,000	40,000	35,224	4,776
Change in Net Position, *Budgetary Basis*	$ 38,948	$ 38,948	45,884	$ 6,936
Reconciliation to GAAP Basis				
Depreciation			-	
Change in Net Position, *GAAP Basis*			$ 45,884	

Compliance Section

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

Honorable Mayor and Members of the Board of Trustees
Town of Buena Vista, Colorado
Buena Vista, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Town of Buena Vista, 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, and have issued our report thereon dated April 24, 2026.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Hinkle & Company, PC

Englewood, Colorado
April 24, 2026

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

Honorable Mayor and Members of the Board of Trustees
Town of Buena Vista, Colorado
Buena Vista, Colorado

Report on Compliance for Each Major Federal Program

Opinion Report on Compliance for Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

Report on Internal Control Over Compliance (Continued)
A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town. We issued our report thereon dated April 24, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Hinkle & Company, PC

Englewood, Colorado
April 24, 2026

Town of Buena Vista, Colorado
Schedule of Expenditures of Federal Awards
Year December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identification Number	Award Amount Expended	Total Amount Expended	Passed Through Subrecipients
United States Environmental Protection Agency					
Capitalization Grants for Drinking Water State Revolving Fund Cluster					
Passed through the State of Colorado					
Water Resources and Power Development Authority					
Drinking Water State Revolving Fund (DWSRF)	66.468	DS22F474	$ 419,119		
Total Drinking Water State Revolving Fund Cluster				**$ 419,119**	**$ -**
Federal Aviation Administration (FAA)					
Department of Transportation					
Airport Improvement Program	20.106	N/A	$ 588,872		
Total				**588,872**	**-**
Total Expenditures of Federal Awards				**$ 1,007,991**	**$ -**

See Notes to Schedule of Expenditures of Federal Awards.

Town of Buena Vista, Colorado

Notes to the Schedule of Expenditures of Federal Awards
December 31, 2025

Note 1: Basis of Presentation

The accompanying schedule of expenditures of the Town under programs for the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Town has elected to not using the 15 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Town of Buena Vista, Colorado
Schedule of Findings and Questioned Costs
December 31, 2025

Section I: Summary of Auditor's Results

1. The opinion expressed in the independent auditor's report was:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

2. The independent auditor's report on internal control over financial reporting described:

   Significant deficiencies? ☐ Yes ☒ None reported

   Material weaknesses? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

   ☐ Yes ☒ No

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

   Significant deficiencies? ☐ Yes ☒ None reported

   Material weaknesses? ☐ Yes ☒ No

5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

6. The audit disclosed findings required to be reported by the Uniform Guidance?

   ☐ Yes ☒ No

7. The Town's major program was:

Cluster/Program	Federal Assistance Number
Airport Improvement Program	20.106

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was $1,000,000.

9. The Town qualified as a low-risk auditee as that term is defined in the Uniform Guidance.

   ☒ Yes ☐ No

Town of Buena Vista, Colorado

Schedule of Findings and Questioned Costs
December 31, 2025

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Award Findings and Questioned Costs

No current year findings or questioned costs were reported.

Town of Buena Vista, Colorado

Schedule of Prior Year Audit Findings
December 31, 2025

Findings Required to be Reported by the Uniform Guidance

No items requiring follow up.

State Compliance

LOCAL HIGHWAY FINANCE REPORT			STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: Town of Buena Vista	PREPARED BY: Phillip Puckett ppuckett@buenavistaco.gov		REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Total (1 - (2 through 4))	0	0	0	0

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	45,876.93
b. Non-property Taxes and Assessments Imposts	1,020,918.04	b. Other Misc. Local Receipts	23,253.99
c. Total (a + b)	$ 1,020,918.04	**c. Total (a + b)**	$ 69,130.92

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	157,011.58	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	14,836.71		
c. Total (a + b)	$ 14,836.71		
4. Total (1 + 2 + 3c)	$ 171,848.29	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	11,945.99
c. Construction Costs	723,979.59
d. Total Capital Outlay (a+ b + c)	$ 735,925.58

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LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		***III. EXPENDITURES FOR ROAD AND STREET PURPOSES***	
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
A. Receipts from Local Sources:		**A. Local highway expenditures:**	
1. Local Highway-user Taxes		1. Capital Outlay (from page 1, Item III.A1.d)	$ 735,925.58
a. Motor Fuel (from Item I.A.1)	0	2. Maintenance:	44,837.29
b. Motor Vehicle (from Item I.B.1)	0	3. Road and Street Services:	
c. Total (a + b)	0	a. Snow and Ice Removal	32,589.64
2. General Fund Appropriations		b. Other & Traffic Control Operations	244,453.11
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 1,020,918.04	**c. Total (a + b)**	$ 277,042.75
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 69,130.92	4. General Administration & Miscellaneous	92,941.04
5. Transfers from Toll Facilities		5. Highway Law Enforcement and Safety	15,849.87
6. Proceeds of Sale of Bonds and Notes:		**6. Total (1 through 5)**	$ 1,166,596.53
a. Bonds - Original Issues		**B. Debt Service on Local Obligations:**	
b. Bonds - Refunding Issues		1. Bonds:	
c. Notes		a. Interest	61,175.00
d. Total (a + b + c)	$ -	b. Redemption	115,000.00
7. Total (1 through 6)	$ 1,090,048.96	**c. Total (a + b)**	$ 176,175.00
B. Private Contributions		2. Notes:	
C. Receipts from State government (from page 1, Item II.C.4)	$ 171,848.29	a. Interest	
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -	b. Redemption	
E. Total receipts (A.7 + B + C + D)	$ 1,261,897.25	**c. Total (a + b)**	$ -
		3. Total (1c + 2c)	$ 176,175.00
		C. Payments to State for Highways	
		D. Payments to Toll Facilities	
		E. Total Expenditures (A6 + B3 + C + D)	$ 1,342,771.53

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	1,810,000	$ -	$ 115,000.00	$ 1,695,000.00
1. Bonds (Refunding Portion)		$ -	0	
B. Notes (Total)		$ -	$ -	$ -