TOWN OF GRAND LAKE, COLORADO

Grand County, Colorado

Financial Statements

December 31, 2025

TOWN OF GRAND LAKE COLORADO

TOWN OF GRAND LAKE COLORADO

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Supplementary Information

Dazzio & Associates, PC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Town of Grand Lake, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Dazzio & Associates, P.C.

July 13, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS

TOWN OF GRAND LAKE, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended December 31, 2025. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Town's assets exceeded its liabilities by $20,064,051 (net position) for the fiscal year reported.

- Total net position is comprised of the following:

  Net investment in capital assets in the amount of $12,881,711 including property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

  Net position of $1,278,181 is restricted to parks and open space, debt service, capital projects, and emergency reserves.

  Net position of $5,904,159 which includes committed funds for attainable housing and the cemetery represents the portion available to maintain the Town's continuing obligations to citizens.

- Sales tax collections increased $112,734 or 3.53% from 2024.

- The Town's governmental funds (the General and Capital Improvement Funds) report a total ending fund balance of $3,933,221. The General Fund ending fund balance of $3,040,158 compares to the prior year ending fund balance of $3,978,069, a decrease of $937,911 during the current year. In 2025, $100,541 of the remaining unassigned General Fund balance was assigned to the 2026 budget. The Capital Improvement Fund was created in 2017 by voter approval of the sale of bonds to fund streetscape improvements primarily along Grand Avenue. The ending fund balance for this fund was $893,063 for 2025 compared to $992,624 in 2024.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available. All applicable tables will present comparative data for fiscal year 2025 versus fiscal year 2024.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective like that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the ***Statement of Net Position***. This presents information that includes all the Town's assets and liabilities, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Evaluation of the overall fiscal health of the Town would extend to other non-financial factors such as diversification of the taxpayer base or the condition of Town infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the ***Statement of Activities***, which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish the governmental activities of the Town that are principally supported by sales and use taxes from the business-type activities that are intended to recover all, or a significant portion, of their costs through user fees and charges. Governmental activities include general government, public safety, public works, parks and recreation, community services, and economic development. Business-type activities, through established Enterprise Funds, include the Water Department, the Marina, and the Pay-As-You-Throw ("PAYT") trash system.

The government-wide financial statements are presented in a later section of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Town has two types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is vastly different, with fund financial statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability, focusing on the use of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental funds balance sheet and the governmental funds operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental funds financial statements are presented in a later section of this report.

Proprietary funds are reported in the fund financial statements and report on services for which the Town charges customers a fee. The three Town proprietary funds: Water Fund, Marina Fund, and PAYT Fund are classified as Enterprise Funds. The Enterprise Funds encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the governmental activities of the Town as described above.

The basic financial statements for the three enterprise funds are presented in a later section of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are included in a later section of this report.

Supplementary Information

Budget to actual comparisons for the Capital Improvement Fund and the Enterprise Funds are presented in the supplementary section of this report, as well as the Local Highway Finance Report.

Financial Analysis of the Town as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Town as a whole.

The Town's *combined* net position at fiscal year-end is $20,064,051. The following table provides a summary of the Town's net position for 2025, compared to 2024.

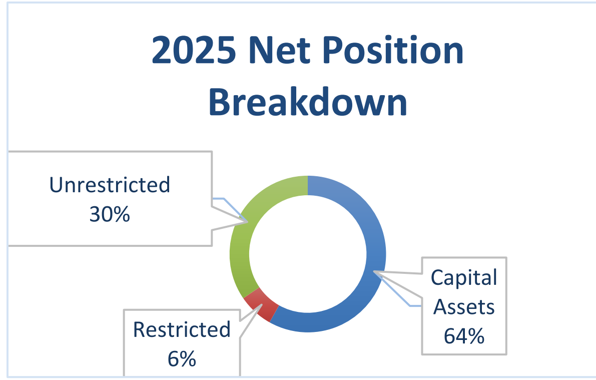
Net Position

	Governmental Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current Assets	$ 7,206,384	$ 5,738,729	$ 3,392,095	$ 3,239,897	$ 10,598,479	$ 8,978,626
Capital Assets	16,679,642	14,317,112	1,755,585	1,886,866	18,435,227	16,203,978
Total Assets	23,886,026	20,055,841	5,147,680	5,126,763	29,033,706	25,182,604
Liabilities						
Current Liabilities	2,733,470	296,866	102,495	137,661	2,835,965	434,527
Long-Term	4,333,515	4,570,045	1,000,432	1,051,705	5,333,947	5,621,750
Total Liabilities	7,066,985	4,866,911	1,102,927	1,189,366	8,169,912	6,056,277
Deferred Inflows of Resources	799,743	739,645	-	-	799,743	739,645
Net Position						
Net Investment in Capital Assets	12,169,892	9,562,712	711,819	770,281	12,881,711	10,332,993
Restricted	1,121,719	1,159,637	156,462	191,598	1,278,181	1,351,235
Unrestricted	2,727,687	3,726,936	3,176,472	2,975,518	5,904,159	6,702,454
Total Net Position	$ 16,019,298	$ 14,449,285	$ 4,044,753	$ 3,937,397	$ 20,064,051	$ 18,386,682

Total assets were $29,033,706 in the current year, an increase of $3,851,102 from the prior year total of $25,182,604. Total liabilities of $8,169,912, an increase of $2,113,635 from the prior year total of $6,056,277. Total net position increased 9.12% in the current fiscal year.

Current assets totaled $10,598,479, an increase of $1,619,853 from the prior year. Current liabilities totaled $2,835,965, an increase of $2,401,438 when compared to 2024.

The largest portion of the Town's net position (64%) reflects its net investment of $12,881,711 in capital assets less the related outstanding debt used to acquire some of those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Grand Lake's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



The Town continues to maintain a high current ratio which compares current assets to current liabilities and is an indication of the ability to pay current obligations. The Town's current ratio of 4:1 is a sign of strong liquidity and financial stability.

The Town reported a net position of $16,019,298 for governmental activities. Tax revenue increased $109,311. Governmental activities expenses increased $1,319,829, mainly in administration and public works. The Water Enterprise Fund's net position increased $68,881 due to increased revenues from water sales and reductions in operating expenses. The net position for the Marina Enterprise Fund increased $77,444 due to decreased costs in operations. The Pay-As-You-Throw Enterprise Fund saw a net position decrease of $38,969 due to decreased revenues in bag sales.

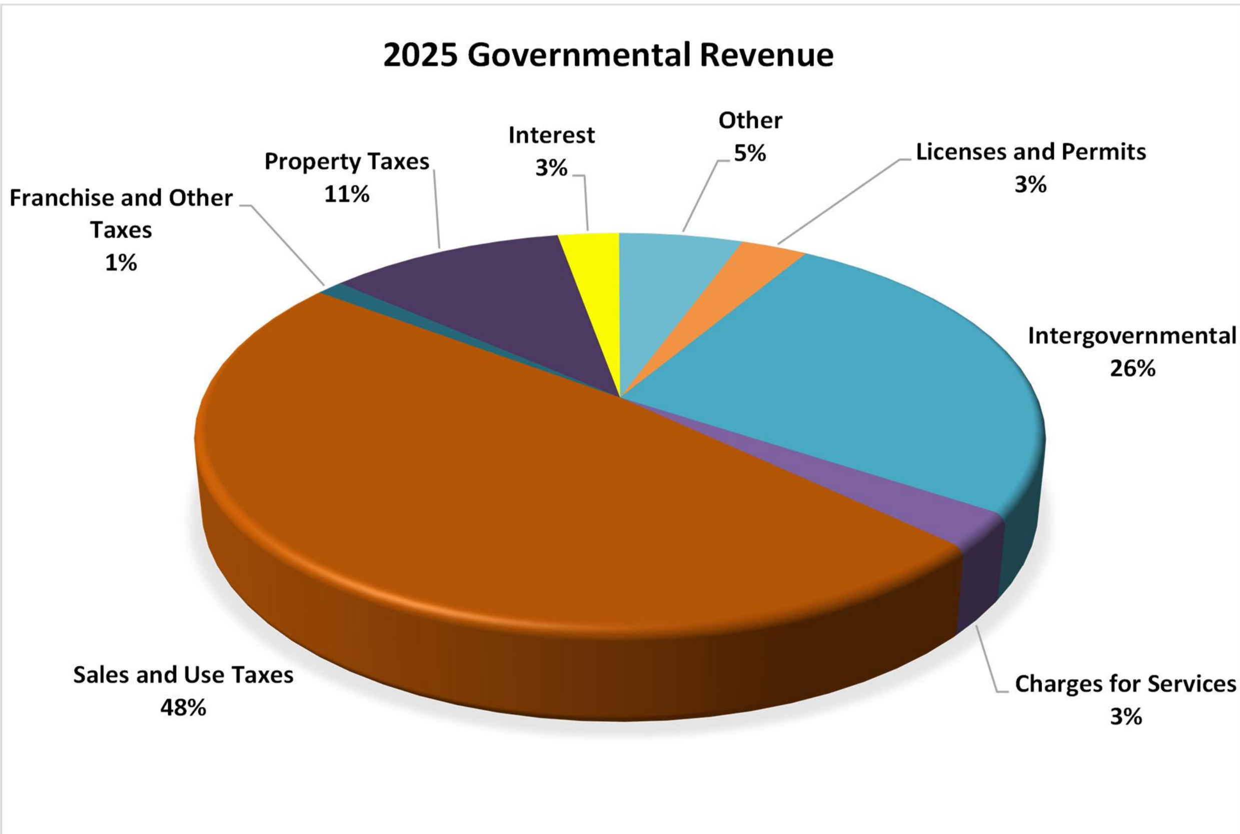
The following table provides a summary of the Town's changes in net position for 2025 with a comparison to 2024.

Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
Revenues	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Program Revenues						
Permits, Fees, Fines and Charges For Services	$ 416,391	$ 344,003	$ 1,224,216	$ 1,218,682	$ 1,640,607	$ 1,562,685
Operating Grants and Contributions	81,135	81,057	-	-	81,135	81,057
Capital Grants and Contributions	2,153,444	79,399	12,500	29,449	2,165,944	108,848
General Revenues						
Taxes	4,374,691	4,265,380	-	-	4,374,691	4,265,380
Net Investment Income	200,969	216,263	100,092	116,752	301,061	333,015
Other	50,926	49,851	-	-	50,926	49,851
Gain (Loss) on Disposition of Assets	-	-	-	9,551	-	9,551
Transfers	-	(50,000)	-	50,000	-	-
Total Revenues	7,277,556	4,985,953	1,336,808	1,424,434	8,614,364	6,410,387
Expenses						
General Government	2,112,101	1,463,337	-	-	2,112,101	1,463,337
Public Safety	370,717	284,115	-	-	370,717	284,115
Public Works	2,510,859	1,881,877	-	-	2,510,859	1,881,877
Grand Lake Center	325,717	399,764	-	-	325,717	399,764
Parks	223,641	188,306	-	-	223,641	188,306
Interest/Related Costs on Long-term Debt	164,508	170,315	-	-	164,508	170,315
Water	-	-	770,359	917,531	770,359	917,531
Marina	-	-	379,066	518,633	379,066	518,633
PAYT	-	-	80,027	90,977	80,027	90,977
Total Expenses	5,707,543	4,387,714	1,229,452	1,527,141	6,936,995	5,914,855
Change In Net Position	1,570,013	598,239	107,356	(102,707)	1,677,369	495,532
Net Position - Beginning	14,449,285	13,851,046	3,937,397	4,040,104	18,386,682	17,891,150
Net Position - Ending	$ 16,019,298	$ 14,449,285	$ 4,044,753	$ 3,937,397	$ 20,064,051	$ 18,386,682

REVENUES – GOVERNMENTAL FUNDS

The Town relies heavily on sales and use taxes to support governmental operations. In 2025, sales and use taxes were 48% of total governmental funds revenues for the Town which decreased from the 2024 calculation of 71%. The decrease is mostly due to the increase in grant revenues received in 2025. Overall, governmental funds revenues increased by $2,178,082 or 43% when compared with 2024. Sales and use taxes decreased $102,712 or 3% in 2025.



EXPENSES – GOVERNMENTAL FUNDS

The expenses for governmental funds totaled $8,315,028, an increase of $3,784,658 from the prior year. The breakdown of expenses is:

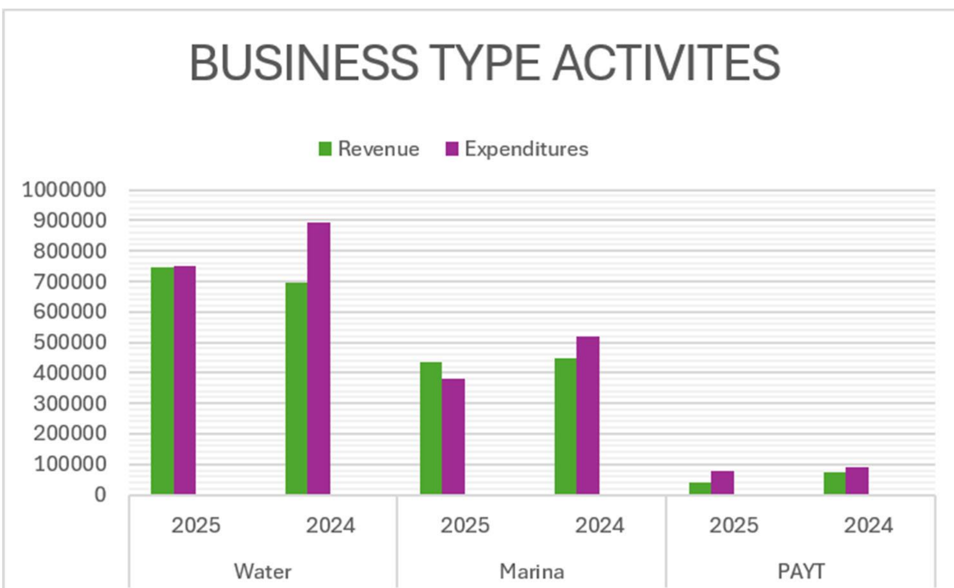
- Administration $1,724,040 (21%)
- Public Works $1,622,841 (20%)
- Capital Outlay $3,309,391 (40%)
- Grand Lake Center $319,754 (4%)
- Debt Service $409,483 (5%)
- Public Safety $370,717 (4%)
- Boards and Committees $376,050 (4%)
- Parks $182,752 (2%)

REVENUES AND EXPENSES - PROPRIETARY FUNDS

Water Enterprise Fund: Operating revenues increased $52,710 or 8% from the prior year. Operating expenses decreased $145,737 or 16%. This business-type activity reported an operating loss of $981 in the current year, compared to an operating loss of $199,428 in 2024. Increased revenue from water sales and decreased expenses in personnel and operations costs have contributed to the reduction in the operating loss.

Marina Enterprise Fund: The Marina Enterprise Fund was established in 2007. Pontoon Boats, lake tours, and pedal boat rentals generated operating revenue in the amount of $435,749, a decrease of 3% from the prior year. Operating expenses were $379,066, down $139,567 in the current year, resulting in an operating gain of $56,683 for 2025. Decreased operations costs contributed to the operating gain.

PAYT Enterprise Fund: The Pay-As-You-Throw (PAYT) Enterprise Fund was established in August 2010. PAYT is a self-service trash disposal system. Revenues are derived from trash bags sold wholesale to various vendors for resale and from bags purchased retail by individuals directly from the Town. PAYT Enterprise Fund reported operating revenue of $41,058, a decrease of $33,440 or 45% from 2024 and expenses decreased $10,950 or 12%, resulting in an operating loss of $38,969 for the current year.



FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

Currently, the Town has two governmental funds: the General Fund and the Capital Improvement Fund. These funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The General Fund reported a total ending fund balance of $3,040,158, of which $100,541 is intended for fiscal year 2026 expenditures. The Capital Improvement Fund reported an ending fund balance of $893,063, of which $612,563 is restricted for street improvements and $280,500 is restricted for the Surplus Fund set forth in the 2017 Sales Tax Revenue Bond Indenture.

The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The total ending fund balance of the General Fund decreased $937,911 in 2025, compared with a fiscal year 2024 fund balance increase of $470,972.

Total revenues in the General Fund are $6,215,343, an increase of $1,876,319 or 43% compared to 2024. General Fund expenditures are $7,153,254, an increase of $3,335,202 compared to the prior year. There was an increase in Capital Outlay of $2,089,437 in 2025 when compared to 2024.

The Capital Improvement Fund represents the Town's 2017 bond sales and 1% sales and use tax increase. The fund is exclusively for the collection, debt service, maintenance, and capital outlay expenditures relating to these funds. Total revenues in the Capital Improvement Fund amounted to $1,062,213, an increase of $301,763 or 40% from 2024. Expenditures from the Capital Improvement Fund totaled $1,161,774, an increase of $449,456 or 63% from the previous year. This increase is primarily attributed to expenses related to the following projects: boat ramp, Lucy Lane, and Portal Crossing.

Proprietary Funds

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

Net position of the enterprise operations on December 31, 2025, are:

	Net Position	Change in Net Position
Water	$ 2,915,480	$ 68,881
Marina	999,344	77,444
PAYT	129,929	(38,969)

Factors concerning the finances of the enterprise funds have already been addressed in the discussion of the Town's business-type activities.

Budgetary Highlights

General Fund — General Fund revenue of $6,215,343, was $4,814,993 less than the budgeted amount of $11,030,336. The variance is mostly due to $5,356,328 in grants that were not received. Actual revenues in the following categories exceeded the budget by the following amounts: Sales Tax ($256,530); Specific Ownership Tax ($21,229); Building Use Tax ($19,242); Net Investment Income ($165,373); Motor Vehicle Use Tax ($22,572); Rental Licenses ($57,829); and Grand Lake Center Charges for Services ($36,799).

The total General Fund expenditures of $7,153,254 were under budget by $4,462,712, which is mostly attributable to the Capital Outlay expenditures that were $4,772,383 under budget. Additional decreases in actual versus budgeted expenditures were due to budget management in Grand Lake Center ($53,034) and Parks ($4,278).

Capital Improvement Fund – The Capital Improvement Fund was created in January 2017 to collect, account for and service debt in relation to a bond initiative (inception of this fund is discussed later in the Long-term Debt portion of this analysis). Sales and use tax revenues and contributions were $118,863 and $327,754, respectively, over the original budgeted amounts and expenditures exceeded the original budget by $351,799, which is mostly contributed to capital outlay. The Town amended the Capital Improvement Fund budget to eliminate the over-expenditures.

Water Enterprise Fund — The Water Enterprise Fund revenue of $839,240 was $4,840 more than budgeted. Actual revenues exceeded budgeted revenues in the following categories: Water Sales ($7,404) and Interest Income ($29,331). The Water Enterprise Fund actual expenses of $733,307 were 19% under the budgeted amount of $906,065.

Marina Enterprise Fund — The Marina Enterprise Fund had revenues of $456,510 which were under budget by $22,274 or 5%. Marina Fund expenses of $357,656 were under budget by $118,808 or 25% when compared to a budget of $476,464.

PAYT Enterprise Fund — The PAYT Enterprise Fund revenues fell short of the budget by $38,310, with sales reaching only $41,058 against a budget of $79,368. However, expenses totaled $80,027, which was $22,152 or 22% less than the budgeted amount of $102,179. This variance was primarily due to the Capital Outlay expenditures totaling $854 against a budget of $20,000.

Capital Assets and Debt Administration

Capital Assets

The Town's *net* investment in capital assets as of December 31, 2025, was $12,169,892 for governmental activities and $711,819 for business-type activities. The governmental activities capital assets include infrastructure that was first reported in 2004.

The following table provides a summary of capital asset activity.

	Governmental Activities		Business-Type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Non-depreciable assets:						
Land	$ 2,245,719	$ 2,245,719	$ 2,270	$ 2,270	$ 2,247,989	$ 2,247,989
CIP	2,959,301	891,471	-	-	2,959,301	891,471
Total non-depreciable	5,205,020	3,137,190	2,270	2,270	5,207,290	3,139,460
Depreciable assets:						
Buildings	1,524,044	1,524,044	26,935	26,935	1,550,979	1,550,979
Improvements	1,669,159	1,471,630	-	-	1,669,159	1,471,630
Equipment	2,169,428	2,059,154	319,912	319,912	2,489,340	2,379,066
Infrastructure	13,973,077	13,166,865	4,566,203	4,553,530	18,539,280	17,720,395
Marina Equipment	-	-	536,061	530,771	536,061	530,771
Total depreciable assets	19,335,708	18,221,693	5,449,111	5,431,148	24,784,819	23,652,841
Less accumulated depreciation	(7,861,086)	(7,041,771)	(3,695,796)	(3,546,552)	(11,556,882)	(10,588,323)
Book Value - Depreciable assets	11,474,622	11,179,922	1,753,315	1,884,596	13,227,937	13,064,518
Percentage depreciated	41%	39%	68%	65%	47%	45%
Total Book Value	$16,679,642	$14,317,112	$1,755,585	$1,886,866	$18,435,227	$16,203,978

On December 31, 2025, the depreciable capital assets for governmental activities were 41% depreciated. As for the Town's business-type activities, 68% of the asset values were depreciated on December 31, 2025. Governmental activities include a Side-by-side UTV with a Plow and a Polecat Snowmaking Machine for Public Works, park enhancements, marquee, street and boat ramp paving, boardwalk improvements, and the Space to Create project. In the business-type activities, there are additions such as a new boat for the Marina, along with a new pump for Well #2 for the Water Department.

A water rate study was conducted in 2008 to evaluate the implementation of the capital improvement plan that was completed in 2006. As a result of the study, the Board of Trustees adopted a 6% annual increase in water rate fees. Although the study recommended a 9% increase to fully implement the capital improvements recommended by the 2006 plan, the Board of Trustees approved annual increases of 6%. The increase schedule began in April 2009 and would have been effective through April 1, 2018; however, the Town opted out of the increase for 2015 and 2017, resulting in an extension of the schedule through April 1, 2020. In 2024, an increase of 9% was approved by the Board of Trustees which was effective January 1, 2025.

Long-term Debt

On November 8, 2016, the citizens of Grand Lake passed a ballot question to increase sales and use tax from 4% to 5%, effective January 1, 2017, and to incur debt for the purpose of financing improvements to streets, boardwalks, sidewalks, multi-use pathways, streetscapes, signage and drainage. These bonds were sold in May 2017 and generated an additional premium of $385,090. Debt service began in December 2017. These funds are used first to pay debt service on the bonds, then to fund the Surplus Fund requirement of $280,500 (as mentioned previously), and finally to operate and maintain the infrastructure installed. At the end of this year, the Town had total governmental activities bond debt outstanding of $3,195,000 which is being retired with the pledged revenues.

In 2021 the Town entered a certificate of participation (COP) for the purchase of the 21 acres named the Matthews property in the amount of $1,570,000. A portion of the proceeds of the COP paid the remaining amount due on the Thomasson property lease of $217,700. The balance as of December 31, 2025 is $1,114,937.

On April 9, 2018, the Town issued a note with the CWRPDA, Drinking Water Revolving Fund, in the original amount of $1,600,000. The proceeds of the loan were used to construct a new underground water storage tank and associated piping and appurtenances, including demolition of the current storage tank. During 2025, the Town made the required principal and interest payments on the note leaving a principal balance of $1,043,766 on December 31, 2025.

Economic Factors and Next Year's Budgets and Rates

Grand Lake's economy relies heavily on three key factors: tourism, the housing market, and local spending, with additional support from a sizable population of second homeowners. However, the past few years have presented challenges in accurately forecasting the impacts of global, national, state, and local economic events.

Despite the unprecedented challenges of the previous years, Grand Lake remains in a strong financial position. In 2025, the 4% sales tax revenues for the General Fund ended the year 3.5% higher, amounting to an increase of $89,711 compared to 2024 collections. The 4% sales tax generated $2,641,257 in revenue in 2025. The 1% Capital Improvement Fund sales tax generated $660,909, an increase of $23,023 from 2024.

The Town of Grand Lake has experienced a notable increase in tourism over the past few years, particularly as more people engage in outdoor activities. Anticipating the effects of inflation, rising interest rates, and labor shortages may be challenging, but the town is prepared to adapt quickly if necessary. Rocky Mountain National Park will continue to implement reservations and timed entry during peak hours. Interestingly, this measure did not seem to impact the local economy in previous years. However, the impact of the lack of affordable housing on businesses' ability to hire and retain employees is difficult to predict. This may result in changes to the operating hours of local businesses.

In 2026, several factors will influence the Town of Grand Lake's economic situation:

*The town will see an increase in assessed property values, which will positively impact property tax revenue.

*Sales tax revenue is expected to increase by 10% in 2026.

*The town will actively pursue grant opportunities to support economic development.

*The Grand Lake Center has updated fees and has experienced an increase in memberships which is anticipated to continue.

*The town has combined its Marketing and Communications with the Visitor Center operations as a result of the dissolution of the Grand Lake Chamber of Commerce. Business license fees are increased to cover additional expenses.

*Building in Grand Lake has been growing which will increase use tax revenues.

*A retail marijuana store is operating, which is expected to increase tax revenues.

*A Space to Create Enterprise Fund has been formed. The Town anticipates occupancy of the Space to Create Makers Space and the residences by midyear.

These factors contribute to the economic landscape of Grand Lake in 2026, shaping its fiscal outlook and growth potential.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have questions about this report or would like to request additional information, please contact the Town Treasurer at P.O. Box 99, Grand Lake, CO 80447.

BASIC FINANCIAL STATEMENTS

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF NET POSITION
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	$ 2,017,814	$ 3,320,690	$ 5,338,504
Cash and Investments - Restricted	3,054,543	-	3,054,543
Receivables:			
Property Taxes	799,743	-	799,743
Sales Taxes	314,873	-	314,873
Accounts	29,849	60,561	90,410
Intergovernmental	858,466	-	858,466
Other	-	467	467
Prepaid Items	125,600	-	125,600
Inventory	5,496	10,377	15,873
Capital Assets Not Being Depreciated	5,205,020	2,270	5,207,290
Capital Assets, Net of Accumulated Depreciation	11,474,622	1,753,315	13,227,937
Total Assets	23,886,026	5,147,680	29,033,706
Liabilities			
Accounts Payable	243,773	4,603	248,376
Retainage Payable	99,964	-	99,964
Accrued Interest Payable	12,150	-	12,150
Deposits and Prepaid Fees	25,175	13,310	38,485
Unearned Revenue	2,104,508	-	2,104,508
Noncurrent Liabilities:			
Due Within One Year	247,900	84,582	332,482
Due In More Than One Year	4,333,515	1,000,432	5,333,947
Total Liabilities	7,066,985	1,102,927	8,169,912
Deferred Inflows of Resources			
Unavailable Revenue - Property Tax	799,743	-	799,743
Total Deferred Inflows of Resources	799,743	-	799,743
Net Position			
Net Investment in Capital Assets	12,169,892	711,819	12,881,711
Restricted			
Parks and Open Space	54,806	-	54,806
Debt Service	268,350	156,462	424,812
Capital Projects	612,563	-	612,563
Emergency Reserves	186,000	-	186,000
Unrestricted	2,727,687	3,176,472	5,904,159
Total Net Position	$ 16,019,298	$ 4,044,753	$ 20,064,051

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

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Function/Program Activities	**Expenses**	**Permits, Fees, Fines, and Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental Activities							
Administration	$ 2,112,101	$ 267,636	$ 20,601	$ 28,600	$ (1,795,264)	$ -	$ (1,795,264)
Public Safety	370,717	-	-	-	(370,717)	-	(370,717)
Public Works	2,510,859	-	52,090	2,124,844	(333,925)	-	(333,925)
Grand Lake Center	325,717	148,755	6,044	-	(170,918)	-	(170,918)
Parks	223,641	-	2,400	-	(221,241)	-	(221,241)
Interest and Related Costs on Long-term Debt	164,508	-	-	-	(164,508)	-	(164,508)
Total Governmental Activities	5,707,543	416,391	81,135	2,153,444	(3,056,573)	-	(3,056,573)
Business-type Activities							
Water	770,359	747,409	-	12,500	-	(10,450)	(10,450)
Marina	379,066	435,749	-	-	-	56,683	56,683
Pay As You Throw	80,027	41,058	-	-	-	(38,969)	(38,969)
Total Business-type Activities	1,229,452	1,224,216	-	12,500	-	7,264	7,264
Total	$ 6,936,995	$ 1,640,607	$ 81,135	$ 2,165,944	(3,056,573)	7,264	(3,049,309)
General Revenues:							
Property Taxes					741,457	-	741,457
Specific Ownership Taxes					36,229	-	36,229
Sales and Use Taxes					3,509,198	-	3,509,198
Franchise and Other Taxes					87,807	-	87,807
Net Investment Income					200,969	100,092	301,061
Miscellaneous					50,926	-	50,926
Total General Revenues					4,626,586	100,092	4,726,678
Changes In Net Position					1,570,013	107,356	1,677,369
Net Position - Beginning					14,449,285	3,937,397	18,386,682
Net Position - Ending					$ 16,019,298	$ 4,044,753	$ 20,064,051

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

TOWN OF GRAND LAKE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General Fund	Capital Improvement Fund	Total Governmental Funds
Assets			
Cash and Investments	$ 2,017,814	$ -	$ 2,017,814
Cash and Investments - Restricted	2,104,508	950,035	3,054,543
Receivables:			
Property Taxes	799,743	-	799,743
Sales Taxes	251,898	62,975	314,873
Accounts	29,849	-	29,849
Intergovernmental	858,466	-	858,466
Prepaid Items	125,600	-	125,600
Inventory	5,496	-	5,496
Total Assets	$ 6,193,374	$ 1,013,010	$ 7,206,384
Liabilities			
Accounts Payable	$ 161,168	$ 82,605	$ 243,773
Retainage Payable	62,622	37,342	99,964
Deposits and Prepaid Fees	25,175	-	25,175
Unearned Revenue	2,104,508	-	2,104,508
Total Liabilities	2,353,473	119,947	2,473,420
Deferred Inflows of Resources			
Unavailable Revenue - Property Tax	799,743	-	799,743
Total Deferred Inflows of Resources	799,743	-	799,743
Fund Balances			
Nonspendable	131,096	-	131,096
Restricted for:			
Emergency Reserves	186,000	-	186,000
Parks and Open Space	54,806	-	54,806
Capital Projects	-	612,563	612,563
Debt Service	-	280,500	280,500
Committed to:			
Affordable Housing	436,371	-	436,371
Cemetery Operations	135,788	-	135,788
Assigned to:			
Subsequent Year's Budget	100,541	-	100,541
Unassigned	1,995,556	-	1,995,556
Total Fund Balances	3,040,158	893,063	3,933,221
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,193,374	$ 1,013,010	$ 7,206,384

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

TOWN OF GRAND LAKE, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2025

Total Fund Balance - Governmental Funds		$ 3,933,221
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets	$ 24,540,728	
Less Accumulated Depreciation	(7,861,086)	16,679,642
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. However, all liabilities - both current and long-term - are reported in the statement of net position.		
Balances at year-end are:		
Sales Tax Bonds	(3,195,000)	
Premium on Sales Tax Bonds	(199,813)	
Certificates of Participation	(1,114,937)	
Compensated Absences	(71,665)	(4,581,415)
Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due		(12,150)
Net Position - Governmental Activities		$ 16,019,298

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

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General Fund	Capital Improvement Fund	Total Governmental Funds
Revenues			
Taxes	$ 3,675,828	$ 698,863	$ 4,374,691
Licenses and Permits	218,862	-	218,862
Intergovernmental	1,872,181	-	1,872,181
Charges for Services	203,348	-	203,348
Fines and Forfeitures	225	-	225
Net Investment Income	165,373	35,596	200,969
Contributions	28,600	-	28,600
Other Revenue	50,926	-	50,926
Capital Contributions	-	327,754	327,754
Total Revenues	6,215,343	1,062,213	7,277,556
Expenditures			
Current			
Boards and Committees	376,050	-	376,050
Administration	1,724,040	-	1,724,040
Public Safety	370,717	-	370,717
Public Works	1,622,841	-	1,622,841
Grand Lake Center	319,754	-	319,754
Parks	182,752	-	182,752
Capital Outlay	2,427,617	881,774	3,309,391
Debt service			
Principal	95,000	130,000	225,000
Interest	34,483	149,700	184,183
Paying Agent Fees	-	300	300
Total Expenditures	7,153,254	1,161,774	8,315,028
Net Change in Fund Balances	(937,911)	(99,561)	(1,037,472)
Fund Balances - Beginning	3,978,069	992,624	4,970,693
Fund Balances - Ending	$ 3,040,158	$ 893,063	$ 3,933,221

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

TOWN OF GRAND LAKE, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Net Change in Fund Balances - Governmental Funds		$ (1,037,472)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.		
Capital Outlay	$ 2,854,091	
Depreciation	(819,315)	2,034,776
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, contributions and transfers) is to increase net position. In the statement of activities, only the gain on the disposition of capital assets is reported. However, in the governmental funds, the proceeds from the disposition, if any, increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the asset disposed.		
Contributed assets		327,754
Long-term debt (e.g., issuance of bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal Payment - Sales Tax Bonds	130,000	
Principal payment - Certificates of Participation	95,000	225,000
Interest expense in the statement of activities differs from the amount reported in governmental funds because of additional accrued and accreted interest, amortization of bond premiums, issue costs and refunding losses.		
Decrease in accrued interest on long-term debt	325	
Amortization of premium on bonds	19,650	19,975
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Adjustment to compensated absences liability		(20)
Change in Net Position - Governmental Activities		$ 1,570,013

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

TOWN OF GRAND LAKE, COLORADO

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

Revenues	Original and Final Budget	Actual Amounts	Variance with Final Budget	2024 Actual
Taxes				
Property Tax	$ 740,946	$ 741,457	$ 511	$ 559,723
Specific Ownership Tax	15,000	36,229	21,229	25,646
General Sales Tax	2,384,727	2,641,257	256,530	2,551,546
Building Use Tax	70,000	89,242	19,242	237,382
Motor Vehicle Use Tax	40,000	62,572	22,572	86,789
Cigarette Tax	3,000	3,462	462	4,214
Franchise Tax	80,000	84,345	4,345	81,151
Marijuana Tax	50,000	17,264	(32,736)	-
Subtotal Taxes	3,383,673	3,675,828	292,155	3,546,451
Licenses & Permits				
Business Licenses	31,000	31,887	887	31,544
Rental Licenses	117,000	174,829	57,829	94,780
Liquor License	4,500	6,855	2,355	5,812
Other Licenses	4,075	5,291	1,216	3,992
Subtotal Licenses & Permits	156,575	218,862	62,287	136,128
Intergovernmental				
County Road and Bridge	12,351	12,656	305	12,531
Grants	7,174,019	1,817,691	(5,356,328)	-
Highway Users Tax	30,716	38,273	7,557	37,575
Conservation Trust Fund	3,000	2,400	(600)	2,457
Other Intergovernmental	3,000	1,161	(1,839)	1,849
Subtotal Intergovernmental	7,223,086	1,872,181	(5,350,905)	54,412
Charges for Services				
Attainable Housing Fee	4,000	12,570	8,570	8,823
Zoning and Subdivision Review	3,000	4,638	1,638	2,494
Cemetery	11,000	9,100	(1,900)	12,484
Grand Lake Center	118,000	154,799	36,799	165,473
Other Charges for Services	16,000	22,241	6,241	22,145
Subtotal Charges for Services	152,000	203,348	51,348	211,419
Fines and Forfeitures	500	225	(275)	-
Fees and Leases	2,500	-	(2,500)	2,500
Net Investment Income	100,000	165,373	65,373	174,742
Contributions and Grants	-	28,600	28,600	100,000
Insurance Recovery	-	-	-	63,521
Other Revenue	12,002	50,926	38,924	43,351
Proceeds from Sale of Assets	-	-	-	6,500
Total Revenues	$ 11,030,336	$ 6,215,343	$ (4,814,993)	$ 4,339,024

(Continued)

TOWN OF GRAND LAKE, COLORADO

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

(Continued)

Expenditures	Original and Final Budget	Actual Amounts	Variance with Final Budget	2024 Actual
Current:				
Boards and Committees				
Board of Trustees	$ 141,150	$ 177,189	$ (36,039)	$ 147,285
Cemetery Committee	9,500	1,690	7,810	4,303
Planning Commission & Board of Adjustment	45,950	106,685	(60,735)	25,560
Greenways Committee	91,277	90,486	791	82,235
Subtotal Boards and Committees	287,877	376,050	(88,173)	259,383
Administration				
Personnel	827,727	810,994	16,733	565,852
Supplies	37,000	64,792	(27,792)	24,012
Repairs and Maintenance	8,200	12,497	(4,297)	6,362
Purchased Services	72,200	67,318	4,882	72,589
Utility Services	50,710	52,174	(1,464)	26,346
Professional Services	67,700	202,640	(134,940)	80,200
Marketing	255,219	325,710	(70,491)	215,586
Economic Development Grants	145,000	140,000	5,000	135,000
Other	35,650	47,915	(12,265)	48,414
Subtotal Administration	1,499,406	1,724,040	(224,634)	1,174,361
Public Safety				
Purchased Services	369,115	370,717	(1,602)	284,115
Subtotal Public Safety	369,115	370,717	(1,602)	284,115
Public Works				
Personnel	1,016,032	1,076,107	(60,075)	741,406
Supplies	25,500	58,840	(33,340)	31,304
Repairs and Maintenance	237,500	344,261	(106,761)	195,567
Purchased Services	32,850	47,202	(14,352)	34,488
Utility Services	40,110	32,929	7,181	33,615
Professional Services	10,000	4,418	5,582	4,255
Other	99,900	59,084	40,816	70,199
Subtotal Public Works	$ 1,461,892	$ 1,622,841	$ (160,949)	$ 1,110,834

(Continued)

TOWN OF GRAND LAKE, COLORADO

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

(Continued)

Expenditures (continued)	Original and Final Budget	Actual Amounts	Variance with Final Budget	2024 Actual
Grand Lake Center				
Personnel	$ 246,930	$ 179,839	$ 67,091	$ 239,859
Supplies	6,500	9,482	(2,982)	6,933
Repairs and Maintenance	20,400	28,943	(8,543)	16,265
Utility Services	29,568	29,828	(260)	27,706
Professional Services	11,490	17,724	(6,234)	14,727
Other	57,900	53,938	3,962	88,311
Subtotal Grand Lake Center	372,788	319,754	53,034	393,801
Parks				
Supplies	37,000	33,932	3,068	21,872
Repairs and Maintenance	82,000	26,473	55,527	67,363
Utility Services	30,030	47,076	(17,046)	36,343
Other	38,000	75,271	(37,271)	4,752
Subtotal Parks	187,030	182,752	4,278	130,330
Capital Outlay	7,200,000	2,427,617	4,772,383	338,180
Debt service				
Lease Principal	95,000	95,000	-	90,000
Lease Interest	34,485	34,483	2	37,048
Subtotal Debt Service	129,485	129,483	2	127,048
Reserves	108,373	-	108,373	-
Total Expenditures	11,615,966	7,153,254	4,462,712	3,818,052
Excess Revenues Over (Under) Expenditures	(585,630)	(937,911)	(352,281)	520,972
Other Financing Sources (Uses)				
Transfers Out	-	-	-	(50,000)
Net Change in Fund Balance	(585,630)	(937,911)	(352,281)	470,972
Fund Balance - Beginning	3,061,604	3,978,069	916,465	3,507,097
Fund Balance - Ending	$ 2,475,974	$ 3,040,158	$ 564,184	$ 3,978,069

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

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	Business-type Activities - Enterprise Funds			
	Water	Marina	Pay As You Throw	Total
Assets				
Current Assets				
Cash and Investments	$ 2,283,847	$ 917,291	$ 119,552	$ 3,320,690
Accounts Receivable	60,561	-	-	60,561
Other Receivables	467	-	-	467
Inventory	-	-	10,377	10,377
Total Current Assets	2,344,875	917,291	129,929	3,392,095
Noncurrent Assets				
Capital Assets Not Being Depreciated	2,270	-	-	2,270
Capital Assets, Net of Accumulated Depreciation	1,668,839	84,476	-	1,753,315
Total Noncurrent Assets	1,671,109	84,476	-	1,755,585
Total Assets	4,015,984	1,001,767	129,929	5,147,680
Liabilities				
Current Liabilities				
Accounts Payable	3,100	1,503	-	4,603
Compensated Absences	10,100	200	-	10,300
Prepaid Fees	13,310	-	-	13,310
Note Payable - Current	74,282	-	-	74,282
Total Current Liabilities	100,792	1,703	-	102,495
Noncurrent Liabilities				
Compensated Absences	30,228	720	-	30,948
Note Payable	969,484	-	-	969,484
Total Noncurrent Liabilities	999,712	720	-	1,000,432
Total Liabilities	1,100,504	2,423	-	1,102,927
Net Position				
Net Investment in Capital Assets	627,343	84,476	-	711,819
Restricted for Debt Service	156,462	-	-	156,462
Unrestricted	2,131,675	914,868	129,929	3,176,472
Total Net Position	$ 2,915,480	$ 999,344	$ 129,929	$ 4,044,753

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

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			
Operating Revenues	**Water**	**Marina**	**Pay As You Throw**	**Total**
Charges for Sales and Services				
Water Sales	$ 747,004	$ -	$ -	$ 747,004
Marina Rentals	-	435,649	-	435,649
PAYT Bag Sales	-	-	41,058	41,058
Other	405	100	-	505
Total Operating Revenues	747,409	435,749	41,058	1,224,216
Operating Expenses				
Personnel	451,863	273,415	-	725,278
Operations	173,983	44,265	80,027	298,275
Depreciation	122,544	61,386	-	183,930
Total Operating Expenses	748,390	379,066	80,027	1,207,483
Operating Income (Loss)	(981)	56,683	(38,969)	16,733
Nonoperating Revenues (Expenses)				
Net Investment Income	79,331	20,761	-	100,092
Interest Expense	(21,969)	-	-	(21,969)
Total Nonoperating Revenues (Expenses)	57,362	20,761	-	78,123
Income (Loss) Before Capital Contributions and Transfers	56,381	77,444	(38,969)	94,856
Capital Contributions - Tap Fees	12,500	-	-	12,500
Change In Net Position	68,881	77,444	(38,969)	107,356
Net Position - Beginning	2,846,599	921,900	168,898	3,937,397
Net Position - Ending	$ 2,915,480	$ 999,344	$ 129,929	$ 4,044,753

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

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			
	Water	Marina	Pay As You Throw	Total
Cash Flows from Operating Activities				
Cash Received from Customers	$ 704,262	$ 440,349	$ 47,358	$ 1,191,969
Cash Payments to Suppliers for Goods and Services	(180,204)	(51,985)	(77,471)	(309,660)
Cash Payments to Employees for Services	(455,755)	(274,214)	-	(729,969)
Net Cash Provided (Used) by Operating Activities	68,303	114,150	(30,113)	152,340
Cash Flows from Capital and Related Financing Activities				
Capital Contributions	12,500	-	-	12,500
Acquisition and Construction of Capital Assets	(12,673)	(39,976)	-	(52,649)
Principal Paid on Long-Term Debt	(72,819)	-	-	(72,819)
Interest Paid on Long-Term Debt	(21,969)	-	-	(21,969)
Net Cash Provided (Used) by Capital and Related Financing Activities	(94,961)	(39,976)	-	(134,937)
Cash Flows from Investing Activities				
Net Investment Income	79,331	20,761	-	100,092
Net Increase (Decrease) In Cash and Cash Equivalents	52,673	94,935	(30,113)	117,495
Cash and Cash Equivalents - Beginning	2,231,174	822,356	149,665	3,203,195
Cash and Cash Equivalents - Ending	$ 2,283,847	$ 917,291	$ 119,552	$ 3,320,690
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ (981)	$ 56,683	$ (38,969)	$ 16,733
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	122,544	61,386	-	183,930
Effect of Changes In Operating Assets and Liabilities				
Accounts Receivable	(48,627)	4,600	6,300	(37,727)
Inventory	-	-	2,556	2,556
Other Receivables	468	-	-	468
Accounts Payable	(6,221)	(7,720)	-	(13,941)
Compensated Absences	(3,892)	(799)	-	(4,691)
Deferred Revenue	5,012	-	-	5,012
Total Adjustments	69,284	57,467	8,856	135,607
Net Cash Provided (Used) by Operating Activities	$ 68,303	$ 114,150	$ (30,113)	$ 152,340

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

NOTE 1 REPORTING ENTITY

The Town of Grand Lake, Colorado (the Town) was incorporated on June 9, 1944 in Grand County, Colorado and is governed by a seven-member elected Board of Trustees. The Town provides public works (roads and streets), trash, parks and recreation, water, and general administrative services. The Town contracts with Grand County for police protection services. Fire protection is provided by the Grand Lake Fire Protection District. Sanitary sewer services are provided by the Three Lakes Water and Sanitation District.

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The reporting entity consists of (a) the primary government, i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based upon the above criteria, the Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the Town are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all the activities of the Town. Governmental activities, which normally are s`upported 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 and capital resources of the Town. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment 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 and major individual enterprise funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after year-end. The major sources of revenue susceptible to accrual are property, sales and franchise taxes. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures are recorded when the related fund 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. General capital asset acquisitions are reported as expenditures in governmental funds.

The Town reports the following major governmental funds:

> The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The *Capital Improvement Fund* (a capital projects fund) accounts for the proceeds of the Town's 2017 Sales Tax Revenue Bonds and the additional 1% sales tax approved by the voters in November 2016 restricted to construction and maintenance of the Town's roads and repayment of the 2017 Bonds.

The Town reports the following major enterprise funds:

> The W*ater Fund* accounts for revenues and expenses associated with providing water services to Town residents.
>
> The *Marina Fund* accounts for revenues and expenses associated with providing recreational activities to Town residents and visitors at the Town's Headwaters Marina.
>
> The *Pay As You Throw Fund* was established in August 2010 and is used to account for revenues and expenses associated with providing trash service to the Town's residents.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise functions and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. 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. The Town's water fund recognizes as capital contributions the entire portion of tap fees, as they are intended to recover the cost of the capital investment in the water distribution system.

Pooled Cash and Investments

The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Cash and investments are presented in the basic financial statements at fair value.

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

Property Taxes

Property taxes are levied by the Town's Board of Trustees. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the Town.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of fuel and expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town currently capitalizes expenditures that cost more than $5,000 and have a life of one year or more. Such capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capital assets because their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities. Generally accepted accounting principles require the Town to report general infrastructure assets obtained subsequent to January 1, 2004, but allows the Town to retroactively capitalize general infrastructure assets obtained prior to that date. The Town elected to not report general infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over their remaining useful lives.

Capital assets of the Town are depreciated, using the straight-line method over their estimated useful lives:

Infrastructure:	
Bridges	40 years
Roads	20 years
Parking Lots	20 years
Storm Drainage Systems	20 years
Buildings	40 – 75 years
Buildings Improvements	20 – 75 years
Water Distribution Systems	30 years
Water Storage Facilities	30 – 55 years
Vehicles, Machinery and Equipment	5 – 7 years

Deferred Outflows of Resources

In addition to liabilities, the statement of financial position/balance sheet 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports unavailable revenue for property taxes to be collected in the subsequent period and therefore not yet available.

Compensated Absences

The Town utilizes a Paid Time Off (PTO) benefit program. Full-time non-exempt employees and exempt employees accrue PTO at the rate of 10 hours per pay period. Full-time employees may bank up to 328 hours of PTO. Certain part-time employees accrue PTO at the rate of 3 hours per pay period and may bank up to 100 hours of PTO. PTO may be used at the request of the employee and at the convenience of the Town. For employees hired prior to February 14, 2022, employees had the option to convert their sick leave balances to PTO hours on a 2-for-1 basis or leave their balances intact.

Upon termination, employees are paid for all accrued PTO. For separating employees hired before February 14, 2022, sick leave is paid at two hours for one.

Accumulated unpaid PTO and sick leave amounts are accrued as a liability as the benefits are earned, if the employees’ rights to receive compensation are attributable to services already rendered, and it is probable that the employer will compensate employees for the benefits through paid time off or some other means. The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated liability at the fund reporting level only when due. Proprietary funds report the liability when incurred.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds. The balance of these deferrals is combined with the corresponding long-term debt in the financial statements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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, even if withheld from the actual new proceeds received, are reported as debt service expenditures.

Net Position and Fund Equity

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

Unrestricted net position represents assets that do not have any third-party limitations on their use.

For government-wide presentation purposes, 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.

Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

The Town reports the following Restricted Fund Balances:

Restricted for TABOR Emergencies – Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11).

Restricted for Parks and Open Space – Represents the balance of funds remaining from the Conservation Trust (State Lottery) Fund proceeds.

Restricted for Capital Projects – Represents funds restricted for road improvements pursuant to the November 2016 election.

Restricted for Debt Service – Represents the portion of fund balance that is legally restricted to payment of principal and interest on long-term debt maturing in future years.

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

The following fund balances are committed:

Affordable Housing – Represents the accumulation of funds collected by the Town from affordable housing fees. The funds are to be utilized for the purpose of providing affordable housing.

Cemetery Operations – committed to the operations of the Grand Lake Cemetery.

Assigned fund balance – The portion of fund balance that reflects the Town's intended use of resources as determined by the Board of Trustees. These amounts are constrained by the Town's intent to be used for specific purposes, but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The following fund balances are assigned:

Subsequent Year's Budget – Represents the gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Town's practice to use the most restrictive classification first.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

NOTE 3 BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The enterprise funds adopt budgets on the Non-GAAP basis wherein tap fees are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenditures, and depreciation expense is not budgeted. All annual appropriations lapse at fiscal year-end. Not later than the first regular meeting in September, the Town Manager submits a proposed operating budget for the fiscal year commencing the following January 1 to the Board of Trustees. The operating budget for all budgeted funds includes proposed expenditures and the means of financing. Public hearings are held at the regular Trustee meetings to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget resolution. The appropriation can only be modified upon completion of notification and publication requirements.

The Town amended its annual budget for the year ended December 31, 2025.

NOTE 4 CASH AND INVESTMENTS

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

	Governmental Activities	Business-type Activities	Total
Cash and Investments	$ 2,017,814	$ 3,320,690	$ 5,338,504
Cash and Investments - Restricted	3,054,543	-	3,054,543
Total	$ 5,072,357	$ 3,320,690	$ 8,393,047

Cash and investments as of December 31, 2025, consist of the following:

	Governmental Activities	Business-type Activities	Total
On-hand	$ 150	$ 50	$ 200
Deposits with Financial Institutions	991,661	952,271	1,943,932
Investments	4,080,546	2,368,369	6,448,915
Total	$ 5,072,357	$ 3,320,690	$ 8,393,047

Cash Deposits

Custodial credit risk

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

The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels ($250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized.
The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the Town's cash deposits had a bank balance of $2,126,902 and a carrying balance of $1,943,932. At December 31, 2025, the Town's deposits were both insured by federal depository insurance and collateralized with securities held by third parties not in the Town's name, and consequently were not exposed to custodial credit risk.

Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments.

The Town generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

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.

Colorado Revised Statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

At December 31, 2025, the Town had the following investments:

Investment	Maturity	Amount
Colorado Government Liquid Asset Trust (COLOTRUST PLUS+)	Weighted Average under 60 Days	$ 3,488,552
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 Days	2,960,363
		$ 6,448,915

COLOTRUST

The Town invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under Section 24-75-601, C.R.S.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601, C.R.S, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under Section 24-75-601, C.R.S.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the Town records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

CSAFE

The Town invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under Section 24-75-601, C.R.S.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAmmf by Fitch Ratings and CSAFE CORE is rated AAAf/S1 by FitchRatings. CSAFE records its investments at amortized cost and the Town records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Investments

As of December 31, 2025, the Town reports restricted cash and investments in the amount of $2,104,508, which represents unspent grant proceeds restricted for capital improvements and $950,035 which are restricted for debt service on the Town's outstanding bonds.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 for the Town's governmental activities was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 2,245,719	$ -	$ -	$ 2,245,719
Construction in Progress	891,471	3,051,571	983,741	2,959,301
Total Capital Assets Not Being Depreciated	3,137,190	3,051,571	983,741	5,205,020
Depreciable Capital Assets:				
Buildings	1,524,044	-	-	1,524,044
Improvements	1,471,630	197,529	-	1,669,159
Equipment	2,059,154	110,274	-	2,169,428
Infrastructure	13,166,865	806,212	-	13,973,077
Total Depreciable Capital Assets	18,221,693	1,114,015	-	19,335,708
Accumulated Depreciation:				
Buildings	(577,256)	(27,858)	-	(605,114)
Improvements	(673,239)	(59,861)	-	(733,100)
Equipment	(1,310,000)	(195,578)	-	(1,505,578)
Infrastructure	(4,481,276)	(536,018)	-	(5,017,294)
Total Accumulated Depreciation	(7,041,771)	(819,315)	-	(7,861,086)
Net Depreciable Capital Assets	11,179,922	294,700	-	11,474,622
Total Net Governmental Activities	$ 14,317,112	$ 3,346,271	$ 983,741	$ 16,679,642

Depreciation expense is allocated to specific departments as follows.

Administration	$	35,572
Grand Lake Center		5,963
Public Works		718,759
Parks		59,021
Total Depreciation Expense	$	819,315

Capital asset activity for the year ended December 31, 2025 for the Town's business-type activities was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 2,270	$ -	$ -	$ 2,270
Depreciable Capital Assets:				
Water Utility System	4,553,530	12,673	-	4,566,203
Water Equipment	319,912	-	-	319,912
Water Buildings	26,935	-	-	26,935
Marina Equipment	530,771	39,976	34,686	536,061
Total Depreciable Capital Assets	5,431,148	52,649	34,686	5,449,111
Accumulated Depreciation:				
Water Utility System	(2,689,063)	(100,204)	-	(2,789,267)
Water Equipment	(405,669)	(22,340)	-	(428,009)
Water Buildings	(26,935)	-	-	(26,935)
Marina Equipment	(424,885)	(61,386)	(34,686)	(451,585)
Total Accumulated Depreciation	(3,546,552)	(183,930)	(34,686)	(3,695,796)
Net Depreciable Capital Assets	1,884,596	(131,281)	-	1,753,315
Total Business-Type Activities	$ 1,886,866	$ (131,281)	$ -	$ 1,755,585

Depreciation was charged to functions/programs as follows:

Water Fund	$	122,544
Marina Fund		61,386
Total Depreciation Expense	$	183,930

NOTE 6 LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term debt for the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
2017 Sales Tax Bonds	$ 3,325,000	$ -	$ 130,000	$ 3,195,000	$ 130,000
2017 Sales Tax Bonds Premium	219,463	-	19,650	199,813	-
2021 Certificates of Participation	1,209,937	-	95,000	1,114,937	100,000
Compensated Absences	71,645	20	-	71,665	17,900
Total	$ 4,826,045	$ 20	$ 244,650	$ 4,581,415	$ 247,900
Business-type Activities					
Colorado Water Resources & Power Development Authority Water Fund, 2018	$ 1,116,585	$ -	$ 72,819	$ 1,043,766	$ 74,282
Compensated Absences	45,939	-	4,691	41,248	10,300
	$ 1,162,524	$ -	$ 77,510	$ 1,085,014	$ 84,582

Sales Tax Revenue Bonds

Sales Tax Revenue Bonds, Series 2017 (the Bonds), issued on May 9, 2017, in the original principal amount of $4,300,000. The Bonds consist of $1,105,000 of serial bonds due annually in varying amounts from 2017 through 2025 and term bonds due annually in varying amounts from 2026 through 2042 in the amount of $3,195,000. Interest on the serial and term bonds are payable semiannually at rates ranging from 3.0% to 5.0%, beginning December 1, 2017. The Bonds maturing on and after December 1, 2026 are subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part in such order of maturities as the Town shall determine and by lot within a maturity, on December 1, 2025 and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The Bonds maturing on December 1, 2027, December 1, 2029, December 1, 2031, December 1, 2034, December 1, 2037 and December 1, 2042 (the "Term Bonds") are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof, plus accrued interest to the redemption date.

The Bonds were issued to finance the construction, maintenance, repair, replacement, expansion, acquisition, rehabilitation and renovation of existing and planned streets, boardwalks, sidewalks, pathways, streetscapes, signage, drainage and other street-related capital improvements within the Town.

The Bonds are revenue obligations of the Town payable solely from the pledged revenue, consisting of an additional 1% sales tax approved at an election held on November 8, 2016, an additional 1% sales tax which was being imposed and collected prior to the 2016 election, if necessary, and amounts on deposit in a Surplus Account, if any. Pursuant to the Bond Ordinance, the Town is required to establish a Surplus Fund for the Bonds that will be built up over time from excess pledged revenues to a maximum of $280,500 in reserve. Monies in the Surplus Fund will be used solely for the purpose of paying the principal or interest on the Series 2017 bonds. Repayment of both principal and interest on the Certificates are insured by Municipal Assurance Corp. The bonds are rated “AA” by Standard & Poor’s.

The Bonds mature as follows:

	Principal	Interest	Total
2026	$ 130,000	$ 145,800	$ 275,800
2027	135,000	140,600	275,600
2028	145,000	135,200	280,200
2029	150,000	129,400	279,400
2030	155,000	123,400	278,400
2031-2035	870,000	519,400	1,389,400
2036-2040	1,095,000	298,250	1,393,250
2041-2042	515,000	39,000	554,000
	$ 3,195,000	$ 1,531,050	$ 4,726,050

Certificates of Participation

$1,570,000 Certificates of Participation, Series 2021, dated March 9, 2021, with interest of 2.85%, due annually through 2035. The certificates are subject to redemption prior to their respective maturity dates at the option of the Town, on June 1, 2026, and on any date thereafter, at a redemption price equal to the principal amount of the certificates. The Certificates have been issued in connection with a lease of the Grand Lake Center from the Town to NBH Bank, and a lease back to the Town from NBH Bank. Pursuant to the provisions of the Lease, the 2021 Certificates shall be called for redemption in the event that the 2021 Lease Term is terminated by reason of the occurrence of an Event of Nonappropriation or an Event of Default under the 2021 lease. If called for redemption, the Certificates shall be redeemed in whole on such date for a redemption price equal to 100% of the principal amount plus accrued interest to the redemption date. The certificates were issued to finance the acquisition of land to be used for Town purposes and pay the remaining principal due on the Thomasson Park lease.

The Certificates mature as follows:

	Principal	Interest	Total
2026	$ 100,000	$ 31,776	$ 131,776
2027	100,000	28,926	128,926
2028	105,000	26,076	131,076
2029	105,000	23,083	128,083
2030	110,000	20,091	130,091
2031-2035	594,937	51,576	646,513
	$ 1,114,937	$ 181,528	$ 1,296,465

Colorado Water Resources and Power Development Authority (CWR&PDA)

On April 9, 2018, the Town issued a note with the CWR&PDA, Drinking Water Revolving Fund, in the original amount of $1,600,000. The proceeds of the loan were used to construct a new underground water storage tank and associated piping and appurtenances, including demolition of the current storage tank. A total of $1,532,453 was advanced to the Town consisting of payments of $248,643 in 2019 and $1,283,810 in 2018. The remaining amount of unused loan funds amounting to $67,547 were used to reduce the original loan amount. The remaining payments on the note are payable in semi-annual installments of $47,394 beginning on May 1, 2020 through May 1, 2038, including interest at 2.00%. The loan matures as follows:

	Principal	Interest	Total
2026	$ 74,282	$ 20,506	$ 94,788
2027	75,775	19,013	94,788
2028	77,298	17,490	94,788
2029	78,852	15,936	94,788
2030	80,437	14,351	94,788
2031-2035	427,097	46,843	473,940
2036-2038	230,025	6,946	236,971
	$ 1,043,766	$ 141,085	$ 1,184,851

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2025, the Town complied with the rate covenant.

Additionally, the note requires the Town to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. Accordingly, the Town has restricted $156,462 of the Water Fund's net position, calculated as follows:

Total Operating Expenses	$ 748,390
Less Depreciation	(122,544)
Operations and Maintenance Expenses	$ 625,846
3 Months of Operations and Maintenance	$ 156,462

The Town has pledged the revenue from the operation and use of the water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the loan.

NOTE 7 RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are financed and funded through participation in the Colorado Intergovernmental Risk Sharing Agency (CIRSA).

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution.

CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, general and automobile liability and public official's coverage to its members. A seven-member Board elected by and from its members governs CIRSA.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The Town has not been informed of any excess losses that may have been incurred by the pool; there have been no claims in excess of insurance coverage in any of the past three years. There have been no significant changes in insurance coverage from the prior year in any of the major categories of risk.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Grant Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the state and federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Construction Commitment

At December 31, 2025, the Town had uncompleted construction contracts in the General Fund. The remaining commitment on these construction contracts was approximately $1,959,000.

NOTE 9 DEFERRED COMPENSATION PLAN

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the MissionSquare Retirement (formerly International City/County Management Association Retirement Corporation). Benefit terms, including contribution requirements, for the plan are established and may be amended by the Board of Trustees. Full-time employees are eligible to participate in the plan. The Town matches employee contributions up to 8%. All amounts contributed are vested immediately. The Town contributed $109,579 in matching contributions and participating employees contributed $112,978 for the year ending December 31, 2025.

NOTE 10 TAX SPENDING AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

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

On November 8, 1994, a majority of the Town's electors approved a ballot issue permitting the Town, without increasing or adding any taxes of any kind, to collect, retain, and expend the full proceeds of the Town's fees, revenues and non-federal grants and to spend such revenue for debt service, municipal operations, capital projects, and any other lawful municipal operations, notwithstanding any state restrictions on fiscal year spending, including, without limitation the restrictions of Article X, Section 20, of the Colorado Constitution from the date of January 1, 1994 and thereafter.

Part 17 of Article 1 of Title 29 of the Colorado Revised Statutes contains limitations on the amount of revenues that can be generated from property taxes that apply to certain local governments within the State of Colorado.

Subject to certain exclusions and exemptions, property tax revenue is limited to a 5.25% increase (or 10.50% over a two year assessment period).

The Town's management believes the Town is in compliance with the provisions of the statute; however, the statute is complex and subject to interpretation.

SUPPLEMENTARY INFORMATION

TOWN OF GRAND LAKE, COLORADO

CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

Revenues	**Original Budget**	**Final Budget**	**Actual Amounts**	**Variance with Final Budget**	**2024 Actual**
General Sales Tax	$ 518,000	$ 660,909	$ 660,909	$ -	$ 637,886
Building Use Tax	50,000	22,311	22,311	-	59,346
Motor Vehicle Use Tax	12,000	15,643	15,643	-	21,697
Net Investment Income	20,000	35,596	35,596	-	41,521
Contributions	-	327,754	327,754	-	-
Total Revenues	600,000	1,062,213	1,062,213	-	760,450
Expenditures					
Capital Outlay	530,000	881,774	881,774	-	433,593
Debt service					
Bond Principal	130,000	130,000	130,000	-	125,000
Bond Interest	149,700	149,700	149,700	-	153,450
Paying Agent Fees	275	300	300	-	275
Subtotal Debt Service	279,975	280,000	280,000	-	278,725
Total Expenditures	809,975	1,161,774	1,161,774	-	712,318
Net Change in Fund Balance	(209,975)	(99,561)	(99,561)	-	48,132
Fund Balance - Beginning	773,141	992,624	992,624	-	944,492
Fund Balance - Ending	$ 563,166	$ 893,063	$ 893,063	$ -	$ 992,624

See the Independent Auditor's Report

TOWN OF GRAND LAKE, COLORADO

WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	Final Budget	Actual Amounts	Variance with Final Budget	2024 Actual
Revenues				
Water Sales	$ 739,600	$ 747,004	$ 7,404	$ 686,183
Tap Fees	39,000	12,500	(26,500)	39,000
Resale Meters	5,000	(467)	(5,467)	6,541
Bulk Water Permits	800	872	72	1,975
Interest Income	50,000	79,331	29,331	92,538
Transfers In	-	-	-	50,000
Total Revenues	834,400	839,240	4,840	876,237
Expenditures				
Personnel	610,877	451,863	159,014	579,590
Office Supplies	15,500	5,619	9,881	9,287
Operations Supplies	24,400	24,600	(200)	26,770
Repairs and Maintenance	49,650	38,727	10,923	47,971
Resale Supplies	10,150	1,673	8,477	134
Purchased Services	27,000	25,047	1,953	36,262
Utilities	39,200	40,473	(1,273)	40,314
Professional Services	9,400	19,844	(10,444)	8,550
Other Expenses	25,100	18,000	7,100	17,513
Capital Outlay	-	12,673	(12,673)	-
Debt Service-Principal	72,819	72,819	-	71,384
Debt Service-Interest	21,969	21,969	-	23,404
Total Expenditures	906,065	733,307	172,758	861,179
Excess Revenues Over (Under) Expenditures	(71,665)	105,933	177,598	15,058
Funds Available - Beginning	2,170,851	2,182,204	11,353	2,167,146
Funds Available - Ending	$ 2,099,186	$ 2,288,137	$ 188,951	$ 2,182,204

Funds Available is Computed as Follows:				
Current Assets		$ 2,344,875		$ 2,244,043
Liabilities		(131,020)		(134,658)
Add Current Portion of Long-Term Debt		74,282		72,819
		$ 2,288,137		$ 2,182,204

See the Independent Auditor's Report

TOWN OF GRAND LAKE, COLORADO

MARINA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	Original and Final Budget	Actual Amounts	Variance with Final Budget	2024 Actual
Revenues				
Marina Rentals	$ 365,000	$ 344,999	$ (20,001)	$ 364,332
Tours	73,000	87,449	14,449	72,862
Rentals	11,784	3,201	(8,583)	12,091
Miscellaneous	1,000	100	(900)	200
Interest Income	8,000	20,761	12,761	24,214
Sale of Assets	20,000	-	(20,000)	-
Total Revenues	478,784	456,510	(22,274)	473,699
Expenditures				
Personnel	316,075	273,415	42,660	288,382
Office Supplies	1,500	4,298	(2,798)	695
Operations Supplies	16,250	7,626	8,624	9,712
Repairs and Maintenance	35,000	9,710	25,290	45,240
Permits and Fees	11,000	879	10,121	-
Purchased Services	28,350	8,106	20,244	26,227
Utilities	4,088	7,522	(3,434)	5,398
Professional Services	7,700	2,032	5,668	2,852
Other Expenses	6,501	4,092	2,409	56,567
Capital Outlay	50,000	39,976	10,024	-
Total Expenditures	476,464	357,656	118,808	435,073
Excess Revenues Over (Under) Expenditures	2,320	98,854	96,534	38,626
Funds Available - Beginning	868,602	816,014	(52,588)	777,388
Funds Available - Ending	$ 870,922	$ 914,868	$ 43,946	$ 816,014
Funds Available is Computed as Follows:				
Current Assets		$ 917,291		$ 826,956
Liabilities		(2,423)		(10,942)
		$ 914,868		$ 816,014

See the Independent Auditor's Report

TOWN OF GRAND LAKE, COLORADO

PAY AS YOU THROW FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	Original & Final Budget	Actual Amounts	Variance with Final Budget	2024 Actual
Revenues				
Bag Sales	$ 79,368	$ 41,058	$ (38,310)	$ 74,498
Total Revenues	79,368	41,058	(38,310)	74,498
Expenditures				
Operations Supplies	9,500	8,118	1,382	4,513
Repairs and Maintenance	35,000	36,595	(1,595)	35,872
Purchased Services	36,800	33,950	2,850	31,474
Professional Services	510	510	-	480
Other Expenses	369	-	369	195
Capital Outlay	20,000	854	19,146	18,443
Total Expenditures	102,179	80,027	22,152	90,977
Excess Revenues Over Expenditures	(22,811)	(38,969)	(16,158)	(16,479)
Funds Available - Beginning	157,943	168,898	10,955	185,377
Funds Available - Ending	$ 135,132	$ 129,929	$ (5,203)	$ 168,898
Funds Available is Computed as Follows:				
Current Assets		$ 129,929		$ 168,898
Liabilities		-		-
		$ 129,929		$ 168,898

See the Independent Auditor's Report

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
THIS INFORMATION FROM THE RECORDS Town of Grand Lake	PREPARED BY: Nichole Kirkpatrick NicholeK@kirkpatrickcpa.com	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments	698,863.00	a. Interest on investments	35,596.00
b. Non-property Taxes and Assessments Imposts	48,885.00	b. Other Misc. Local Receipts	23,070.00
c. Total (a + b)	$ 747,748.00	**c. Total (a + b)**	$ 58,666.00

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	38,273.00	1. FHWA (from Item I.D.5.)	0.00
2. State General Funds		2. Other Federal Agencies:	0.00
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	5,708.00		
c. Total (a + b)	$ 5,708.00		
4. Total (1 + 2 + 3c)	$ 43,981.00	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	0.00
b. Engineering Costs	4,418.00
c. Construction Costs	1,029,300.00
d. Total Capital Outlay (a+ b + c)	$ 1,033,718.00

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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

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	1,684,721.00
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 747,748.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 58,666.00
5. Transfers from Toll Facilities	0.00
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	0.00
b. Bonds - Refunding Issues	0.00
c. Notes	0.00
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 2,491,135.00
B. Private Contributions	327,754.00
C. Receipts from State government (from page 1, Item II.C.4)	$ 43,981.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 2,862,870.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 1,033,718.00
2. Maintenance:	764,369.00
3. Road and Street Services:	
a. Snow and Ice Removal	557,738.00
b. Other & Traffic Control Operations	109,469.00
c. Total (a + b)	$ 667,207.00
4. General Administration & Miscellaneous	80,504.00
5. Highway Law Enforcement and Safety	37,072.00
6. Total (1 through 5)	$ 2,582,870.00
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	150,000.00
b. Redemption	130,000.00
c. Total (a + b)	$ 280,000.00
2. Notes:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ 280,000.00
C. Payments to State for Highways	0.00
D. Payments to Toll Facilities	0.00
E. Total Expenditures (A6 + B3 + C + D)	$ 2,862,870.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	3,325,000	$ -	$ 130,000.00	$ 3,195,000.00
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)	0	$ -	$ -	$ -