TOWN OF GREEN MOUNTAIN FALLS, COLORADO

FINANCIAL STATEMENTS

December 31, 2025

Logan and Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of
the Board of Trustees
Town of Green Mountain Falls
Green Mountain Falls, Colorado

Report on the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Green Mountain Falls as of December 31, 2025, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Green Mountain Falls, and to meet our 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 the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of 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 judgement, 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, and budgetary comparison schedule on pages i – vi and on pages 20 - 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary information on pages 22 – 23 and other information on pages 24 – 25, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements

The supplementary information and other information have 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 and other information are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Logan and Associates, LLC

Aurora, Colorado
September 24, 2026

Management's Discussion and Analysis

This discussion and analysis of the financial performance of the Town of Green Mountain Falls, Colorado (Town) provides an overview of the Town's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded liabilities and deferred inflows of resources at December 31, 2025 by $2,826,747 (net position). Of this amount, $587,858 (unrestricted net position) may be used to meet the Town's ongoing general obligations to residents and creditors. An additional $66,697 may be used for specific parks and recreation projects and emergency purposes. $2,172,192 is invested in capital assets.
- The fund balance of the General Fund increased by $50,087 (8.3%) during 2025.
- At December 31, 2025, the Town had a strong cash position as its Current Assets exceeded its Current Liabilities by $941,478.
- During 2025, the Town added $157,014 in capital assets.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Town of Green Mountain Falls's financial statements. The Town's basic financial statements are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves, including budget-to-actual comparisons for all funds with adopted budgets.

Government-wide financial statements

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

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

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

The government-wide financial statements identify all functions of the Town of Green Mountain Falls as Governmental Activities that are principally supported by taxes and intergovernmental revenues rather than functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type Activities). The governmental activities of the Town include general government, public safety, public works, and parks and recreation.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Green Mountain Falls, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Town are Governmental Funds.

Governmental Funds -- The Town's services are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left at year-end are available for spending in future years, provided that balances restricted for certain purposes are spent for those purposes only. Governmental Funds utilize the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements display detailed short-term views of cash,

operations, and the basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *Balance Sheet - Governmental Funds* and the *Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities* provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The Town of Green Mountain Falls currently maintains three individual governmental funds. Information is presented by fund name in the *Balance Sheet--Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balance--Governmental Funds* for the two governmental funds that meet the criteria to be designated as major funds (General Fund and Capital Improvements Fund), and the non-major Conservation Trust Fund is also shown.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are the final section of the basic financial statements.

Other information
Required and additional supplementary information is included after the Notes to the Financial Statements. This includes budgetary comparison schedules for those funds with adopted budgets (General Fund, Capital Improvements Fund, and Conservation Trust Fund). The budgetary comparison schedules demonstrate each fund's level of compliance with adopted budgets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Green Mountain Falls, total net position was $2,826,747 at the close of 2025.

Town of Green Mountain Falls's Condensed Net Position

	Governmental Activities	
	2025	2024 as Corrected
Current and other assets	$ 967,699	$ 974,301
Capital assets, net	2,316,796	2,370,664
Total assets	3,284,495	3,344,965
Current liabilities	26,221	82,548
Noncurrent liabilities	158,685	66,600
Total liabilities	184,906	149,148
Deferred inflows of resources	272,842	234,970
Net position:		
Net investment in capital assets	2,172,192	2,310,041
Restricted	66,697	62,475
Unrestricted	587,858	568,267
Total net position	$ 2,826,747	$ 2,960,847

At December 31, 2025, 34.2% ($967,699) of the Town's total assets were in Current Assets, while Current Liabilities were $26,221. This strong position will enable the Town to continue to provide services to the community.

Approximately 76.8% ($2,172,192) of net position is invested in capital assets. These are non-spendable resources that enable the Town to provide municipal services. Approximately 2.4% ($66,697) of the Town's total net position is restricted for emergencies, parks, and certain recreation expenses. The remaining amount ($587,858) represents 20.8% of total net position and may be used to meet the Town's other on-going obligations to residents and creditors.

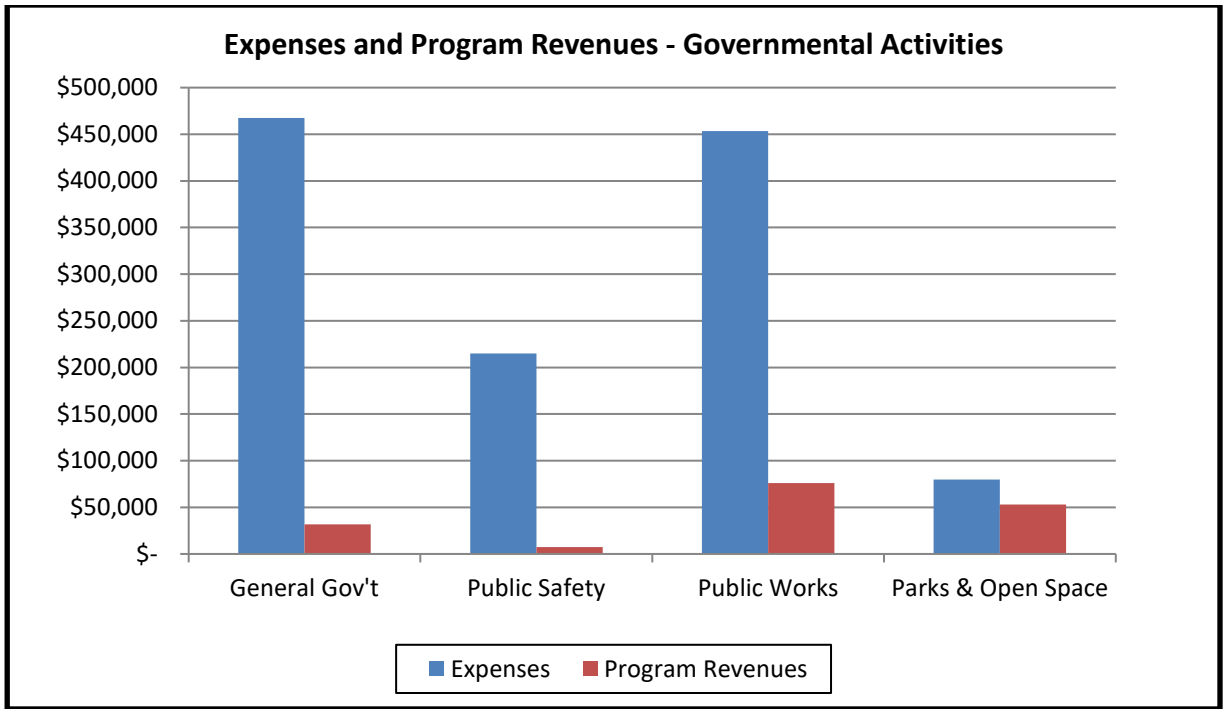
The following chart displays the changes in net position experienced by the Town over the last two years. An analysis of these changes follows.

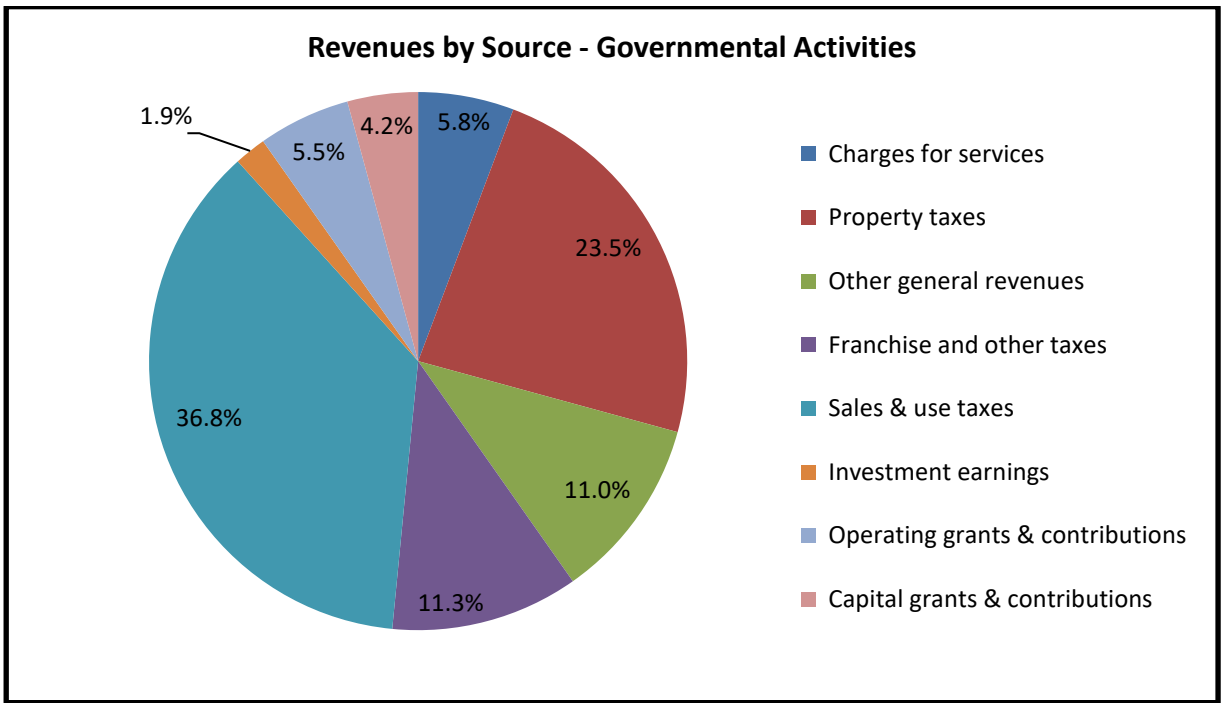
Town of Green Mountain Falls's Condensed Changes in Net Position

	Governmental Activities	
	2025	2024 as Corrected
Program revenues:		
Charges for services	$ 62,312	$ 42,488
Operating grants & contributions	59,875	77,909
Capital grants & contributions	45,830	280,210
General revenues:		
Property taxes	254,009	273,373
Sales & use taxes	397,704	337,995
Franchise & other taxes	122,018	56,049
Investment earnings	20,696	13,696
Other general revenues	118,917	127,008
Total revenues	1,081,361	1,208,728
Program expenses:		
General government	467,408	528,758
Public safety	214,912	180,264
Public works	453,315	471,934
Parks and recreation	79,825	97,346
Total expenses	1,215,460	1,278,302
Increase/(decrease)in net assets	(134,099)	(69,574)
Net Position, Beginning	2,960,847	3,030,421
Net Position, Ending	$ 2,826,748	$ 2,960,847

Governmental Activities
The Town's Governmental Activities' net position had a decrease of $134,099 (-4.5%) in 2025. This decrease was primarily due to $210,882 in depreciation of capital assets during the year. Capital grants and contributions decreased by $234,380 in 2025, primarily due to completed capital projects that had been funded by grants in prior years.

The following two charts illustrate the Governmental Activities revenues and expenses.

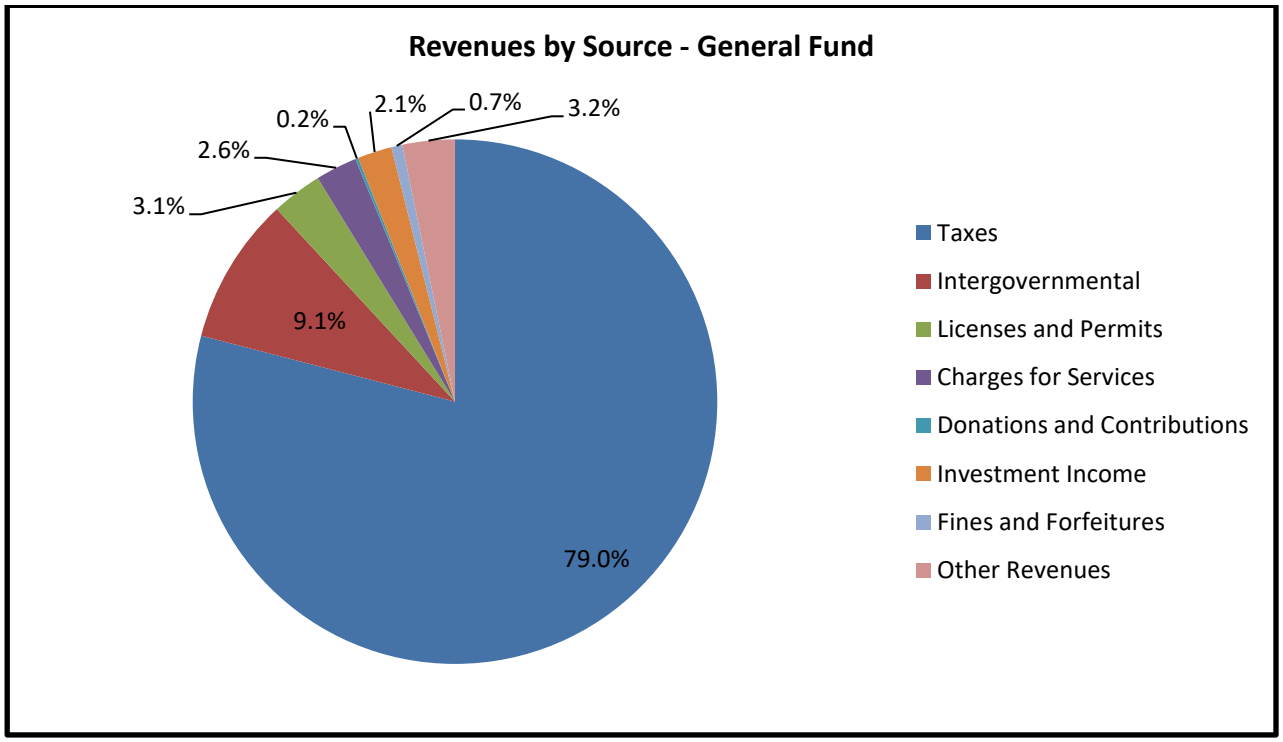


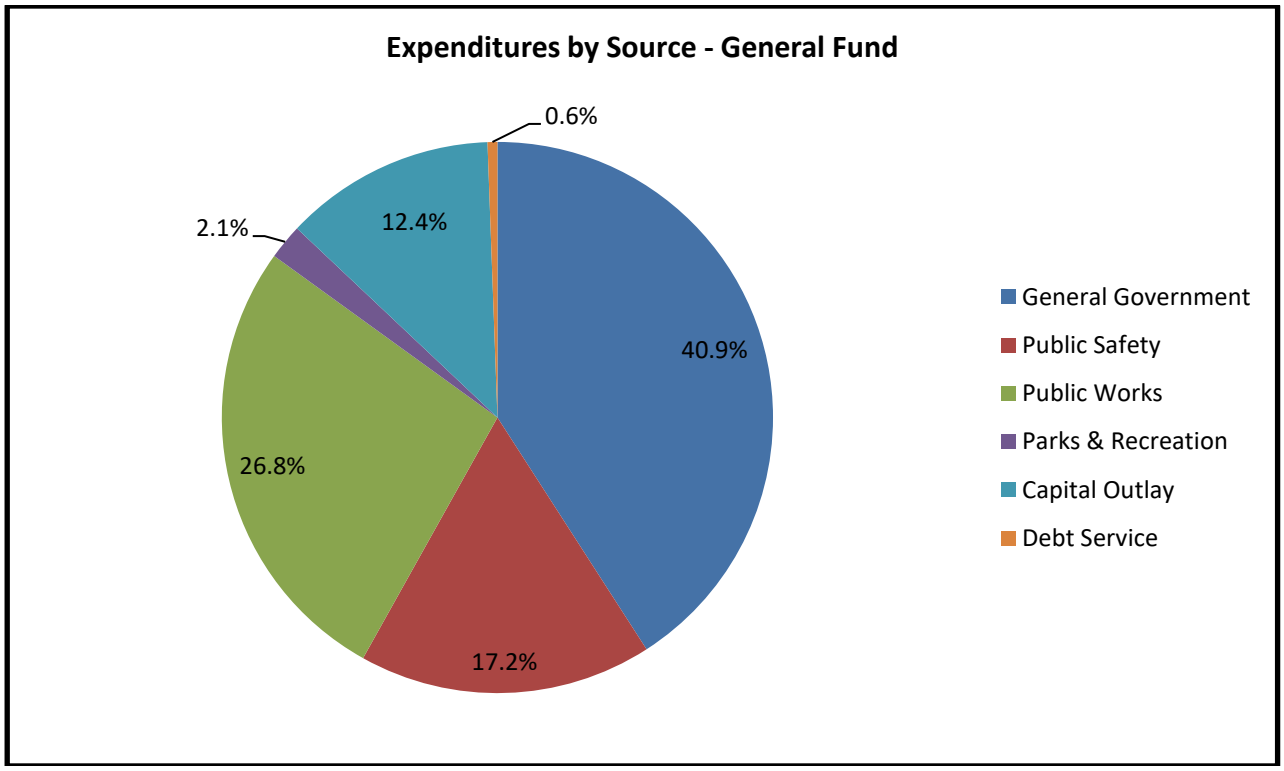


THE TOWN'S FUNDS

As noted earlier, the Town of Green Mountain Falls uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (fund balances) in each fund are shown at year end. At December 31, 2025 the Town's three Governmental funds reported combined fund balances of $668,636. This represented a 1.8% increase from 2024, which had experienced a 24.8% decrease from 2023. The Town's major funds are discussed below.

General Fund. The General Fund is the chief operating fund of the Town of Green Mountain Falls. It accounts for all the general services provided by the Town. At the end of 2025, the fund balance of the General Fund totaled $653,152. This represented an 8.3% increase from the previous year. The following two tables illustrate General Fund revenues and expenditures in 2025.





Capital Improvement Fund. The Capital Improvement Fund tracks revenues and expenditures of capital assets purchased and/or built by the Town. It is primarily funded by grants, donations, capital financing, and periodic transfers from the General Fund. At the end of 2025, the Capital Improvement Fund had a deficit fund balance of -$16,213. Fund revenues are expected to restore the fund balance during 2026.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At December 31, 2025 the Town had invested in a range of capital assets including land, buildings and improvements, infrastructure, machinery and equipment, office equipment, and vehicles. Note 3 of the financial statements provides a summary of these assets. Town capital acquisitions during 2025 included:

Stilling Basin improvements	$ 19,218
2021 Motor Grader	55,500
2023 Skid Steer	76,000
Beginning design of Marshal building	2,743
Beginning engineering for highway sign	3,553
Total Governmental Activities	$ 157,014

Debt Administration. Note 4 of the financial statements provides additional information regarding the Town's long-term debt, which is comprised of financial and equipment leases and a loan from Pikes Peak Rural Transportation Authority. Accrued compensated absences are also shown in the Note. Changes in outstanding loans and lease obligations during 2025 are shown below.

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Equipment/financing leases	$ 17,469	$ 132,815	$ 5,680	$ 144,604
Pikes Peak RTA Loan	43,155	-	43,155	-
Total Debt	$ 60,624	$ 132,815	$ 48,835	$ 144,604

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's 2026 Budget anticipates stable property and sales tax revenue in the General Fund along with operating expenditures similar to 2025. Volatile world-wide energy prices affect inflation, tourism, and costs experienced by the Town. The full economic impact on the Town's 2026 and future budgets has yet to be determined. Town Management monitors revenues and expenditures throughout the year and modifies budgetary spending decisions accordingly.

REQUESTS FOR INFORMATION

This financial report is designed to provide the Town of Green Mountain Falls' residents, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds and assets it manages. If you have questions about this report, or should you desire additional financial information, contact the Town of Green Mountain Falls, P.O. Box 524, 10615 Green Mountain Falls Road, Green Mountain Falls, CO 80819, (719) 684-9414 or visit our website at greenmountainfalls.colorado.gov.

BASIC FINANCIAL STATEMENTS

TOWN OF GREEN MOUNTAIN FALLS, COLORADO

STATEMENT OF NET POSITION
December 31, 2025

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	$ 542,706
Receivables	
Property Taxes	272,842
Other Governments	133,691
Accounts	17,385
Prepaid Expenses	1,075
Capital Assets, Not Depreciated	170,691
Capital Assets, Depreciated Net of Accumulated Depreciation	2,146,105
TOTAL ASSETS	3,284,495
LIABILITIES	
Accounts Payable	14,005
Accrued Salaries and Benefits	6,731
Unearned Revenue	5,485
Noncurrent Liabilities	
Accrued Compensated Absences	11,969
Due in One Year	24,144
Due in More Than One Year	122,572
TOTAL LIABILITIES	184,906
DEFERRED INFLOW OF RESOURCES	
Deferred Property Tax Revenue	272,842
NET POSITION	
Net Investment in Capital Assets	2,172,192
Restricted for Emergencies	35,000
Restricted for Parks and Recreation	31,697
Unrestricted, Unreserved	587,858
TOTAL NET POSITION	$ 2,826,747

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

TOWN OF GREEN MOUNTAIN FALLS, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION: GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	$ 467,408	$ 30,559	$ 1,000	$ -	$ (435,849)
Judicial	-	-	-	-	-
Public Safety	214,912	6,641	765	-	(207,506)
Public Works	453,315	-	58,110	18,015	(377,190)
Parks and Recreation	79,825	25,112	-	27,815	(26,898)
Total Governmental Activities	$ 1,215,460	$ 62,312	$ 59,875	$ 45,830	(1,047,443)

GENERAL REVENUES	
Taxes	
Property & Specific Ownership	254,009
Sales Taxes	333,195
Use Taxes	64,509
Short Term Rental Occupancy	65,714
Franchise	56,304
Other	118,917
Interest	20,696
TOTAL GENERAL REVENUES	913,344
CHANGE IN NET POSITION	(134,099)
NET POSITION, Beginning As Previously Reported	2,940,782
Correction of an Error	20,064
NET POSITION, Beginning As Restated	2,960,846
NET POSITION, Ending	$ 2,826,747

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

TOWN OF GREEN MOUNTAIN FALLS, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	GENERAL FUND	CAPITAL IMPROVEMENTS FUND	NONMAJOR GOVERNMENTAL CONSERVATION TRUST FUND	TOTALS
ASSETS				
Cash and Investments	$ 513,251	$ -	$ 29,455	$ 542,706
Property Taxes Receivable	272,842	-	-	272,842
Due from Other Governments	131,449	-	2,242	133,691
Due from Other Funds	10,946	-	-	10,946
Accounts Receivable	7,494	9,891	-	17,385
Prepaid Expenses	1,075	-	-	1,075
TOTAL ASSETS	937,057	9,891	31,697	978,645
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY				
LIABILITIES				
Accounts Payable	4,332	9,673	-	14,005
Due to Other Funds	-	10,946	-	10,946
Accrued Salaries and Benefits	6,731	-	-	6,731
Unearned Revenue	-	5,485	-	5,485
TOTAL LIABILITIES	11,063	26,104	-	37,167
DEFERRED INFLOW OF RESOURCES				
Deferred Property Tax Revenue	272,842	-	-	272,842
FUND EQUITY				
Fund Balance (Deficit)				
Nonspendable	1,075	-	-	1,075
Restricted for Emergencies	35,000	-	-	35,000
Restricted for Parks and Recreation	-	-	31,697	31,697
Assigned	-	(16,213)	-	(16,213)
Unassigned	617,077	-	-	617,077
TOTAL FUND EQUITY	653,152	(16,213)	31,697	668,636
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	$ 937,057	$ 9,891	$ 31,697	$ 978,645

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance of the Governmental Fund	668,636
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	2,316,796
Long-term liabilities and related items are not due and payable in the current period and are not reported in the funds. These include financing leases payable ($144,604), and accrued compensated absences ($14,081).	(158,685)
Net position of governmental activities	$ 2,826,747

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

TOWN OF GREEN MOUNTAIN FALLS, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	GENERAL FUND	CAPITAL IMPROVEMENTS FUND	NONMAJOR GOVERNMENTAL CONSERVATION TRUST FUND	TOTALS
REVENUES				
Taxes				
Property	$ 231,931	$ -	$ -	$ 231,931
Specific Ownership	22,078	-	-	22,078
Sales Taxes	333,195	-	-	333,195
Use Taxes	64,509	-	-	64,509
Short Term Rental Occupancy	65,714	-	-	65,714
Franchise Taxes	56,304	-	-	56,304
Licenses and Permits	30,559	-	-	30,559
Fines and Forfeitures	6,641	-	-	6,641
Charges for Services	25,112	-	-	25,112
Intergovernmental	89,757	-	7,722	97,479
Donations and Contributions	1,765	20,093	-	21,858
Interest	20,696	-	-	20,696
Miscellaneous	31,552	-	-	31,552
TOTAL REVENUES	979,813	20,093	7,722	1,007,628
EXPENDITURES				
Current				
General Government	435,219	-	-	435,219
Judicial	-	-	-	-
Public Safety	182,611	-	-	182,611
Public Works	285,170	10,203	-	295,373
Parks and Recreation	21,925	2,800	-	24,725
Capital Outlay	131,500	9,891	-	141,391
Current				
Debt Principal	5,680	43,155	-	48,835
Debt Interest	436	-	-	436
TOTAL EXPENDITURES	1,062,541	66,049	-	1,128,590
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(82,728)	(45,956)	7,722	(120,962)
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	132,815	-	-	132,815
Transfers	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	132,815	-	-	132,815
NET CHANGE IN FUND BALANCE	50,087	(45,956)	7,722	11,853
FUND BALANCE, Beginning As Previously Reported	603,065	9,679	23,975	636,719
Correction of an Error	-	20,064	-	20,064
FUND BALANCE, Beginning As Restated	603,065	29,743	23,975	656,783
FUND BALANCE (DEFICIT), Ending	$ 653,152	$ (16,213)	$ 31,697	$ 668,636

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

TOWN OF GREEN MOUNTAIN FALLS, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net Changes in Fund Balance - Total Governmental Fund	$	11,853
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense ($210,882) exceeded capital outlay of $141,391 and contributed capital assets of $15,623 in the current year.		(53,868)
Financing lease proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide financial statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.		(132,815)
Repayment of long-term debt principal is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This includes principal payments of financing lease payable and Pikes Peak RTA loan payable.		48,835
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 the governmental funds. This includes the change in accrued compensated absences.		(8,104)
Change in Net Position of Governmental Activities	$	(134,099)

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Town of Green Mountain Falls was founded in 1890 and is a municipal corporation governed by a Mayor and four-member Board of Trustees elected by the residents. It is located at the base of Pikes Peak and is split between El Paso County and Teller County, with approximately 62% in El Paso County and 38% in Teller County. The Town provides public safety, public works, municipal court, parks and recreation, and general administrative services to its residents.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the Town's more significant accounting policies follows.

Reporting Entity

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

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the Town does not include additional organizations in its report entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the Town. Governmental activities are normally supported by taxes, intergovernmental revenues, and other non-exchange transactions.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses and allocated 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.

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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the granting agency have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable and available". Revenues are considered to be "available" when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers tax revenues to be available if they are collected within 60 days of the end of the current year, except for expenditure driven grants as defined in the following paragraph.

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Franchise fees, grant and similar revenues are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the Town.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

The Town reports the following major governmental funds in the fund financial statements:

General Fund – The General Fund is used to account for the general operations and specific programs of the Town.

Capital Improvements Fund – The Capital Improvements Fund is used to account intergovernmental revenues and donations for capital projects, improvements and acquisition of equipment and vehicles of the Town.

Assets, Liabilities, Net Position/Fund Balance

Investments – Investments are reported at fair value.

Receivables – Due from other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets – Capital assets, which include land, buildings, equipment, are reported in the government-wide financial. Prior to 2017, the Town did not have a specific level for capitalizing capital assets. Beginning in April 2017, the Town approved capitalizing assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives.

Buildings	7 – 40 years
Land Improvements	15 years
Machinery and Equipment	5 – 7 years
Office Equipment	5 – 7 years
Vehicles	5 years

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Net Position/Fund Balance (Continued)

General infrastructure assets, identified as all roads, bridges and other infrastructure, are not reported by the Town.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position and governmental fund balance sheet will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement classification represents a consumption of net position or fund balance that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and governmental fund balance sheet will sometimes report a separate section of *deferred inflows of resources*. This separate financial statement classification represents an acquisition of net position or fund balance that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until then. The Town has an item related to property taxes levied in the current year to be collected in the following year that is reported as deferred inflows of resources at December 31, 2025.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method.

Compensated Absences – Full-time employees of the Town are allowed to accumulate paid time off (PTO). PTO accumulates based on years of service and is capped at a maximum accrual of one year's worth of the employee's normal annual rate of accrual. Employees are paid for unused accrued PTO at the employee's current pay rate at the time upon separation of employment. A liability has been recorded in the Government-wide Financial Statements at December 31, 2025. Compensated absences are liquidated primarily with revenues of the General Fund.

Net Position – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

- Net Investment in Capital Assets – this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- Restricted Net Position – this classification includes liquid assets which have third party limitations on their use.
- Unrestricted Net Position – this classification includes assets that do not have any third party limitations on their use.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the Town had restricted a conservation trust fund amount for future park and recreation expenditures at December 31, 2025.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, the Town Board of Trustees. The constraint may be removed or changed only through formal action of the Town Board of Trustees.
- Assigned – This classification includes amounts that are constrained by the Town's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

- Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The Town has not established a formal policy for its use of restricted and unrestricted fund balance. However, if both the restricted and unrestricted fund balances are available, the Town uses restricted fund balance first, followed by committed, assigned and unassigned.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

The Town has evaluated events subsequent to the year ended December 31, 2025 through September 24, 2026, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2025, follows:

Cash Deposits	$ 40,322
Investments	502,384
Total	**$ 542,706**

NOTE 2: CASH AND INVESTMENTS (Continued)

Cash Deposits

Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to $250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2025, the Town had bank deposits totaling $50,048, all of which were insured by FDIC at December 31, 2025.

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. The Town's investment policy follows State statutes.

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 Local Government Investment Pools, obligation of the United States and certain U.S. government agency securities, 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.

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

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

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

- Certain money market funds
- Guaranteed investment contracts

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

	Maturity	
Colorado Liquid Asset Trust (COLOTRUST)	Weighted Average under 60 days	**$ 502,384**

The Town invested in the Colorado 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 operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers share in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury 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 CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as the 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 is rated AAA by Standard and Poor's. COLOTRUST records its investments at fair value and the Town records its investments in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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NOTE 3: CAPITAL ASSETS

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

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 164,395	$ -	$ -	$ 164,395
Infrastructure	-	6,296	-	6,296
Total Capital Assets, not being depreciated	164,395	6,296	-	170,691
Capital Assets, being depreciated				
Buildings	1,181,459	-	-	1,181,459
Infrastructure	1,153,168	19,218	-	1,172,386
Land Improvements	714,391	-	-	714,391
Machinery and Equipment	378,269	-	-	378,269
Office Equipment	49,771	-	-	49,771
Vehicles	272,832	131,500	25,800	378,532
Total Capital Assets, being depreciated	3,749,890	150,718	25,800	3,874,808
Less accumulated depreciation				
Buildings	(506,433)	(31,336)	-	(537,769)
Infrastructure	(218,690)	(78,721)		(297,411)
Land Improvements	(249,105)	(54,275)	-	(303,380)
Machinery and Equipment	(331,113)	(16,934)	-	(348,047)
Office Equipment	(44,412)	(2,673)	-	(47,085)
Vehicles	(193,868)	(26,943)	(25,800)	(195,011)
Total accumulated depreciation	(1,543,621)	(210,882)	(25,800)	(1,728,703)
Total Capital Assets, being depreciated, net	2,206,269	(60,164)	-	2,146,105
Governmental Activities Capital Assets, net	**$ 2,370,664**	**$ (53,868)**	**$ -**	**$ 2,316,796**

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

General Government	$ 32,189
Public Safety	23,761
Public Works	99,832
Culture and Recreation	55,100
Total	**$ 210,882**

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NOTE 4: LONG-TERM DEBT

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

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025	Due Within One Year
Governmental Activities					
Financial Leases	$ 17,469	$ -	$ 5,680	$ 11,789	$ 5,822
Equipment Lease	-	132,815		132,815	16,210
Pikes Peak RTA Loan	43,155	-	43,155	-	-
Accrued Compensated Absences	5,977	8,104	-	14,081	2,112
	$ 66,601	$ 140,919	$ 48,835	$ 158,685	$ 24,144

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

Financing Leases Payable

During the year ended December 31, 2023, the Town entered into an agreement in the amount of $28,416 to purchase body cameras for the Marshal's office. The Town is making five annual payments in the amount of $6,116 through March 2027, with 2.497% interest per annum.

Equipment Lease

During the year ended December 31, 2025, the Town entered into an agreement in the amount of $132,815 to purchase a motor grader and a skid steer. The Town will make seven annual payments in the amount of $23,126, beginning November 14, 2026, through November 14, 2032, with 5.207% interest per annum.

Pikes Peak RTA Loan Payable

During 2022, the Town received a loan from Pikes Peak Rural Transportation Authority (Pikes Peak RTA) in the amount of $250,000 for the purpose of paying for Stilling Basin project costs. The loan was repaid with the Town's share of capital funding allocations for the years ending December 31, 2023 and 2024. The remaining balance of the loan was repaid by the Town to Pikes Peak RTA in January 2025.

Following is a summary of the future debt service requirements for the financing lease for the year ended December 31, 2025:

NOTE 4: LONG-TERM DEBT (Continued)

Year Ended December 31	Principal	Interest	Total
2026	$ 5,822	$ 294	$ 6,116
2027	5,967	149	6,116
	$ 11,789	$ 443	$ 12,232

Following is a summary of the future debt service requirements for the equipment financing lease for the year ended December 31, 2025:

Year Ended December 31	Principal	Interest	Total
2026	$ 16,210	$ 6,916	$ 23,126
2027	17,054	6,071	23,125
2028	17,942	5,184	23,126
2029	18,876	4,249	23,125
2030	19,859	3,267	23,126
2031	20,893	2,232	23,125
2032	21,981	1,145	23,126
	$ 132,815	$ 29,064	$ 161,879

NOTE 5: PUBLIC ENTITY RISK POOL

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

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

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

NOTE 5: PUBLIC ENTITY RISK POOL (Continued)

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

NOTE 6: PENSION PLANS

During 2024, the Town established pension plans for Town employees to participate in. There are two separate plans (the "Plans"): 401a defined contribution money purchase pension plan; and a 457/Roth deferred compensation pension plan. The Plans are administered by Empower Retirement, LLC. The contribution requirements of each of the Plans' participants and the Town are established and may be amended by the Town Board of Trustees. The Plans are administered by Empower. Employees are eligible to participate immediately upon start of employment. The Town will match 100% of employees contributions up to 3% maximum. Employees are fully vested in the Town's contributions after 3 years of service. During the year ended December 31, 2025, employee contributions totaled $12,427 and $15,715, in the 401a Plan and 457/Roth Plan, respectively. The Town recognized pension expense of $12,427 and $13,349 for the 401a Plan and 457/Roth Plan, respectively. No forfeitures occurred during the year ended December 31, 2025.

NOTE 7: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the Town. Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

On April 7, 1998, voters within the Town authorized the Town to collect, retain and expend the full amount of revenues generated during 1998 and each subsequent year to include non-federal grants for the purpose of: police protection, street maintenance, construction, and for other basic Town services and lawful municipal purposes without increasing existing tax rates or adding any new taxes of any kind notwithstanding any state restrictions on fiscal year spending, including the restrictions of Article X, Section 20 of the Colorado Constitution.

NOTE 7: COMMITMENTS AND CONTINGENCIES (Continued)

On April 3, 2012, the voters of the Town authorized the Town to increase property taxes by $38,500 in 2013 and annually thereafter in such amounts as are received each year by the imposition of an additional mill levy not to exceed 3 mills upon taxable real property within the Town. These revenues may be spent to pay for costs related to funding the Town's general operations and any other lawful municipal purposes. The Town may collect, retain and expend all property tax revenues derived from its entire property tax mill levy as a voter approved revenue change and an exception to limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution.

The Town's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve of $35,000 was reported as restricted fund balance in the General Fund and restricted net position in the Governmental Activities.

Tax Spending Limitation

Section 29-1-1702, Colorado Revised Statutes (C.R.S.), contains limitations on revenues generated from property tax revenues that apply to certain local governments within the State of Colorado.

Annual operating revenue from property taxes is generally limited to a 10.50% increase over a two-year period (5.25% each year); such increase is determined based on a prior assessment period and adjusted for allowable exclusion and exemptions from qualified property tax revenues.

The Town's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

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NOTE 8: PRIOR YEAR RESTATEMENT

During the year ended December 31, 2025, the Town discovered that expenditures related to capital projects were not allocated against grant revenue and the related revenues were not recognized in the correct period.

As a result, beginning balance for unearned revenue and fund balance in the Capital Improvements Fund and Governmental Activities net position have been restated as follows:

Capital Improvements Fund:

Total Liabilities, previously reported at 12/31/2024	$ 35,750
Unearned Revenue	(20,064)
Total Liabilities, as restated at 12/31/2024	$ 15,686
Total Fund Balance previously reported at 12/31/2024	$ 9,679
Unearned Revenue	20,064
Total Fund Balance, as restated at 12/31/2024	$ 29,743

Governmental Activities:

Total Liabilities, previously reported at 12/31/2024	$ 169,212
Unearned Revenue	(20,064)
Total Liabilities, as restated at 12/31/2024	$ 149,148
Total Net Position, previously reported at 12/31/2024	$ 2,940,783
Unearned Revenue	20,064
Total Fund Balance, as restated at 12/31/2024	$ 2,960,847

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF GREEN MOUNTAIN FALLS, COLORADO

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	2025			2024
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Taxes				
Property	$ 240,000	$ 231,931	$ (8,069)	$ 205,585
Specific Ownership	21,500	22,078	578	22,281
Sales Taxes	220,000	333,195	113,195	263,137
Use Taxes	50,000	64,509	14,509	47,833
Short Term Rental Occupancy	70,000	65,714	(4,286)	70,632
Franchise Taxes	53,440	56,304	2,864	56,549
Licenses and Permits	37,675	30,559	(7,116)	35,125
Fines and Forfeitures	15,150	6,641	(8,509)	1,258
Charges for Services	13,000	25,112	12,112	10,505
Intergovernmental	87,080	89,757	2,677	196,329
Donations and Contributions	-	1,765	1,765	-
Interest	20,750	20,696	(54)	7,358
Miscellaneous	-	31,552	31,552	4,401
TOTAL REVENUES	828,595	979,813	151,218	920,993
EXPENDITURES				
Current				
General Government	356,108	435,219	(79,111)	355,254
Judicial	1,600	-	1,600	2,044
Public Safety	147,965	182,611	(34,646)	174,433
Public Works	284,362	285,170	(808)	326,226
Parks and Recreation	42,595	21,925	20,670	20,780
Capital Outlay	-	131,500	(131,500)	-
Debt Service				
Lease Principal	-	5,680	(5,680)	5,406
Lease Interest	-	436	(436)	710
TOTAL EXPENDITURES	832,630	1,062,541	(229,911)	884,853
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,035)	(82,728)	(78,693)	36,140
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	132,815	132,815	-
Transfers In	8,030	-	(8,030)	28,416
TOTAL OTHER FINANCING SOURCES (USES)	8,030	132,815	124,785	28,416
NET CHANGE IN FUND BALANCE	3,995	50,087	46,092	64,556
FUND BALANCE, Beginning	483,700	603,065	119,365	635,762
FUND BALANCE, Ending	$ 487,695	$ 653,152	$ 165,457	$ 700,318

See the accompanying Independent Auditor's Report.

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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

- In the fall, the Mayor and Trustees propose an operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Town to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the Town Board of Trustees.
- All budget appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Legal Compliance

During the year ended December 31, 2025, the General Fund and Capital Improvements Funds actual expenditures exceeded budgeted expenditures by $229,911 and $23,799, respectively. This may be a violation of State statutes.

SUPPLEMENTARY INFORMATION

TOWN OF GREEN MOUNTAIN FALLS, COLORADO

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	2025			2023
	ORGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Intergovernmental				
Lottery Funds	$ 8,030	$ 7,722	$ (308)	$ 9,069
Interest	-	-	-	25
TOTAL REVENUES	8,030	7,722	(308)	9,094
EXPENDITURES				
Current				
Parks and Recreation	-	-	-	5,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,030	7,722	(308)	3,594
OTHER FINANCING SOURCES (USES)				
Transfers Out	(8,030)	-	8,030	-
NET CHANGE IN FUND BALANCE	-	7,722	7,722	3,594
FUND BALANCE, Beginning	14,645	23,975	9,330	22,318
FUND BALANCE, Ending	$ 14,645	$ 31,697	$ 17,052	$ 25,912

See the accompanying Independent Auditor's Report.

TOWN OF GREEN MOUNTAIN FALLS, COLORADO

CAPITAL IMPROVEMENTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	2025			2024
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	ACTUAL
REVENUES				
Donations and Contributions	$ 42,250	$ 20,093	$ (22,157)	$ 66,007
Intergovernmental	-	-	-	178,372
TOTAL REVENUES	42,250	20,093	(22,157)	244,379
EXPENDITURES				
Current				
Public Works	-	10,203	(10,203)	-
Parks and Recreation	-	2,800	(2,800)	-
Capital Outlay	42,250	9,891	32,359	279,110
Debt Service				
Loan Principal	-	43,155	(43,155)	-
TOTAL EXPENDITURES	42,250	66,049	(23,799)	279,110
NET CHANGE IN FUND BALANCE	-	(45,956)	(45,956)	(34,731)
FUND BALANCE, Beginning As Previously Reported	-	9,679	(9,679)	-
Correction of an Error	-	20,064	(20,064)	-
FUND BALANCE, Beginning As Restated	28,373	29,743	1,370	224,529
FUND BALANCE (DEFICIT), Ending	$ 28,373	$ (16,213)	$ (44,586)	$ 189,798

See the accompanying Independent Auditor's Report.

OTHER INFORMATION

LOCAL HIGHWAY FINANCE REPORT

STATE:		
Colorado		
THIS INFORMATION FROM THE RECORDS OF:	**PREPARED BY:**	**REPORT YEAR ENDING DATE(mm/yyyy):**
Town of Green Mountain Falls	Lorraine Trotter lhtrotter@professionalmanagemen	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	0.00	a. Interest on investments	0.00
b. Non-property Taxes and Assessments Imposts	22,077.79	b. Other Misc. Local Receipts	23,603.73
c. Total (a + b)	$ 22,077.79	**c. Total (a + b)**	$ 23,603.73

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	28,749.73	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	3,060.34		
c. Total (a + b)	$ 3,060.34		
4. Total (1 + 2 + 3c)	$ 31,810.07	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

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

See the accompanying Independent Auditor's Report.

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	502,239.98
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 22,077.79
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 23,603.73
5. Transfers from Toll Facilities	
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)	$ 547,921.50
B. Private Contributions	0.00
C. Receipts from State government (from page 1, Item II.C.4)	$ 31,810.07
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 579,731.57

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ -
2. Maintenance:	388,946.25
3. Road and Street Services:	
a. Snow and Ice Removal	44,374.16
b. Other & Traffic Control Operations	2,788.83
c. Total (a + b)	$ 47,162.99
4. General Administration & Miscellaneous	2,076.83
5. Highway Law Enforcement and Safety	141,545.50
6. Total (1 through 5)	$ 579,731.57
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
2. Notes:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	0.00
D. Payments to Toll Facilities	0.00
E. Total Expenditures (A6 + B3 + C + D)	$ 579,731.57

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	0.00	$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)	0.00	$ 132,815.00	$ -	$ 132,815.00

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See the accompanying Independent Auditor's Report.