Town of Ignacio, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2025

HINKLE & COMPANY PC
Strategic Business Advisors

Town of Ignacio, Colorado
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December 31, 2025

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
Town of Ignacio, Colorado
Ignacio, Colorado

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of 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.

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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 one year after the date that the financial statements are issued.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Other Information

Management is responsible for the other information included in the Supplementary Information and the local highway finance report, as listed in the table of contents. The other information comprises the Supplementary Information and the local highway finance report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Hinkle & Company, PC

Englewood, Colorado
July 27, 2026

TOWN OF IGNACIO, COLORADO

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2025

1. Introduction and Overview of the Financial Statements

This Management’s Discussion and Analysis (MD&A) serves as a strategic bridge between traditional compliance-based accounting and proactive financial management. As the Town of Ignacio navigates a period of growth and capital execution, this narrative provides the transparency necessary for citizens and stakeholders to evaluate our stewardship of public resources. Our objective is to move beyond mere reporting, offering a clear view of how the Town’s fiscal decisions support our long-term community vision.

The Financial Puzzle: Two Complementary Perspectives

To understand Ignacio's fiscal health, the annual report presents two distinct viewpoints:

- Government-Wide Financial Statements: Utilizing the Economic Resources Measurement Focus (full accrual accounting), these statements offer a big picture view similar to private-sector reporting. By recording all assets—including long-term infrastructure—and all liabilities, this perspective allows for a long-term assessment of whether the Town's overall financial health has improved or deteriorated during 2025.

- Fund Financial Statements: These statements employ the Current Financial Resources Measurement Focus (modified accrual accounting). This view tracks short-term inflows and outflows, focusing specifically on legal compliance and budgetary control. It ensures that restricted monies, such as those dedicated to utility improvements or housing, are used strictly for their intended purposes. A holistic evaluation of the Town’s 2025 performance requires balancing these two viewpoints, particularly as major initiatives like the Rock Creek Housing Project transition from planning to vertical construction and asset realization.

2. Government-Wide Financial Analysis

The government-wide analysis provides a comprehensive assessment of the Town's net position. In 2025, our financial foundation was characterized by a deliberate expansion of capital assets, bolstered by successful grant acquisitions and a clean independent audit.

Strategic Asset and Audit Evaluation

The Town's financial integrity was affirmed by an independent audit conducted by Hinkle & Company, which resulted in a clean report. The auditors identified no significant deficiencies or material weaknesses, specifically commending our rigorous internal controls and segregation of duties (Initial, Approval, and Recording/Reconciling). This high level of fiscal stewardship allowed the Town to confidently manage a substantial increase in Capital Assets, including:

- Utility Infrastructure: Precision execution of the Natural Gas Pipeline Replacement Phase 5A on Romero Ave, Candelaria Ave, and Becker CR 320 A, alongside the completion of the Browning Storm Drain expansion within the CDOT Right-of-Way.

- Real Estate Milestones: The Town officially closed on the ELHI property, completing the lease-purchase agreement and transitioning this community hub into a permanent asset.

Town of Ignacio, Colorado
Statement of Net Position
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 406,259	$ 31,207	$ 437,466
Restricted Cash and Cash Equivalents	156,367	-	156,367
Property Taxes Receivable	43,108	-	43,108
Accounts Receivable	7,585	275,360	282,945
Due from Other Funds	1,152,575	-	1,152,575
Due from Other Governments	558,302	353,133	911,435
Capital Assets,			
Not Being Depreciated	5,201,982	646,114	5,848,096
Being Depreciated, Net	4,754,987	3,790,083	8,545,070
Total Assets	12,281,165	5,095,897	17,377,062
Deferred Outflows of Resources			
Pensions	232,392	-	232,392
Liabilities			
Accounts Payable	37,380	668	38,048
Accrued Salaries and Benefits	66,838	8,376	75,214
Due to Other Funds	752,650	399,925	1,152,575
Noncurrent Liabilities			
Due Within One Year	109,394	16,699	126,093
Total Liabilities	966,262	425,668	1,391,930
Deferred Inflows of Resources			
Property Taxes	43,108	-	43,108
Pension	6,186	-	6,186
	49,294	-	49,294
Net Position			
Net Investment in Capital Assets	9,956,969	4,436,198	14,393,167
Restricted for:			
Emergencies	85,208	-	85,208
Public Safety	12,191	-	12,191
Parks and Recreation	134,388	-	134,388
Capital Improvements	1,319,343	-	1,319,343
Unrestricted, Unreserved	(10,098)	234,031	223,933
Total Net Position	$ 11,498,001	$ 4,670,229	$ 16,168,230

Grant Revenue and Leveraging

The Town demonstrated exceptional success in leveraging grant funds to protect internal reserves. Key highlights include:

- Housing and Infrastructure Grants: Successful closeout of the IHOI grant with a final payment of $700,760, and the acquisition of $462,000 in Prop 123 funds.

- Renewable Energy Integration: A strategic win for the Town was the securing of an additional $159,900 in IHOI grant funding specifically for solar installations on all 10 homes in the initial Rock Creek phase, adding long-term value and sustainability to the project.

Liability and Debt Assessment

Strategic financing remained a priority. The Ignacio Housing Authority (IHA) closed on a construction loan through First Southwest Bank and utilized the $235,000 Catalyst Revolving Loan Fund to bridge financing gaps. These liabilities are structured as temporary obligations, to be retired through home sales and grant reimbursements, reflecting a transition from the heavy investment of the planning phase to the asset-building phase of vertical construction.

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

		Program Revenues			Net (Expense) Revenue and Change in Net Position — Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total 2025
Primary Government							
Governmental Activities							
General Government	$ 836,998	$ 85,027	$ -	$ 80,349	$ (671,622)	$ -	$ (671,622)
Public Safety	1,224,961	3,552	145,014	-	(1,076,395)	-	(1,076,395)
Public Works	425,689	35,376	-	150,939	(239,374)	-	(239,374)
Parks and Recreation	196,145	-	10,127	886	(185,132)	-	(185,132)
Economic Development	201,852	-	1,952,278	1,335,026	3,085,452	-	3,085,452
Total Governmental Activities	2,885,645	123,955	2,107,419	1,567,200	912,929	-	912,929
Business-Type Activities							
Water	360,973	313,907	-	1,950	-	(45,116)	(45,116)
Gas	434,795	371,240	-	355,183	-	291,628	291,628
Sewer	666,641	630,863	-	950	-	(34,828)	(34,828)
Irrigation	61,965	45,991	-	-	-	(15,974)	(15,974)
Total Business-Type Activities	1,524,374	1,362,001	-	358,083	-	195,710	195,710
Total Primary Government	$ 4,410,019	$ 1,485,956	$ 2,107,419	$ 1,925,283	912,929	195,710	1,108,639
General Revenues							
Taxes:							
Sales and Use Taxes					2,532,632	-	2,532,632
Property Taxes					33,863	-	33,863
Franchise Taxes					1,904	-	1,904
Other Taxes					3,748	-	3,748
Investment Income					27,598	7,496	35,094
Miscellaneous					33,234	-	33,234
Total General Revenues and Transfers					2,632,979	7,496	2,640,475
Change in Net Position					3,545,908	203,206	3,749,114
Net Position, *Beginning of Year*					7,952,093	4,467,023	12,419,116
Net Position, *End of Year*					$ 11,498,001	$ 4,670,229	$ 16,168,230

3. Fund Financial Analysis

While government-wide statements show long-term health, fund-level reporting ensures that restricted monies are utilized as mandated.

Major Fund Performance

- General Fund: The General Fund was instrumental in fronting costs for reimbursable grants. Financially, the fund was impacted by administrative shifts, including the vacancy of the Administrative Assistant position and preparing to transition to a new Town Manager. While the vacancy resulted in temporary administrative pressures, it provided short-term cost savings that helped offset the search and onboarding expenses for new leadership.

- Special Funds (Economic Development/IHA): The Economic Development Fund served as the primary vehicle for Rock Creek. Though the IHA is the ultimate steward of housing, the Town made the strategic decision to track expenses through the Economic Development Fund until the Authority reaches the necessary operational scale to manage all functions independently.

Town of Ignacio, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General	Economic Development	Capital Improvement	*(Nonmajor)* Conservation Trust Fund	Total
Assets					
Cash and Investments	$ 249,191	$ -	$ 22,680	$ 134,388	$ 406,259
Cash and Investments - Restricted	156,367	-	-	-	156,367
Property Taxes Receivable	43,108	-	-	-	43,108
Accounts Receivable	7,585	-	-	-	7,585
Due from Other Funds	-	-	1,152,575	-	1,152,575
Due from Other Governments	400,012	14,002	144,288	-	558,302
Total Assets	$ 856,263	$ 14,002	$ 1,319,543	$ 134,388	$ 2,324,196
Liabilities					
Accounts Payable	$ 37,380	$ -	$ -	$ -	$ 37,380
Due to Other Funds	-	752,650	-	-	752,650
Accrued Salaries and Benefits	11,967	-	-	-	11,967
Total Liabilities	49,347	752,650	-	-	801,997
Deferred Inflows of Resources					
Property Taxes	43,108	-	-	-	43,108
Fund Balance					
Restricted for					
Emergencies	85,208	-	-	-	85,208
Public Safety	12,191	-	-	-	12,191
Parks and Recreation	-	-	-	134,388	134,388
Capital Improvements	-	-	1,319,343	-	1,319,343
Committed for:					
Economic Development	-	(738,648)	-	-	(738,648)
Unrestricted, Unassigned	666,409	-	200	-	666,609
Total Fund Balance	763,808	(738,648)	1,319,543	134,388	1,479,091
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 856,263	$ 14,002	$ 1,319,543	$ 134,388	$ 2,324,196

Strategic Buy-In and Restrictions

In a notable example of strategic narrative, the Board committed $21,366 from the General Fund to the Prop 123 Grant for Phase II of Rock Creek. As a CFO, I view this not as a mere expense, but as a buy-in that unlocked a 7.6x return on investment by securing the $462,000 Prop 123 grant. This commitment ensures that fund stability translates directly into community growth.

4. Budgetary Variances

The budget is Ignacio's legal roadmap. Monitoring variances between original, final, and actual figures is critical for maintaining the liquidity necessary to prevent service disruptions.

Significant Variance Analysis

- Revenue Variances: We saw positive momentum in licensing, with 67 current Business Service Licenses and revenue from the transfer of liquor licenses for Farmers Fresh and Pinon Liquors. New ventures like Irrigo have further strengthened our sales tax base.

- Expense Variances and Remediation: Operational challenges required swift financial action. A fiber optic installation by a third party caused a water main break, leading to a 650,000-gallon water loss.

- Budget Amendments: The Board adopted Ordinance 370 (Amended Budget for 2025) to reconcile these operational realities and shifting project timelines with our legal spending limits.

5. Capital Asset and Long-Term Debt Activity

Capital investments represent the building blocks of Ignacio's 20-year vision. Our management of debt and assets this year was focused on recycling capital for future phases of growth.

Capital Asset Highlights

- **I**nfrastructure: Completion of Phase 5A Natural Gas replacement and the Browning Storm Drain expansion in the CDOT ROW.

- Fleet Modernization: Acquisition of a 2024 F350 utility truck and a 2025 F750 dump truck, ensuring the Public Works fleet can meet maintenance demands.

- Real Estate Accounting Shift: The official closing on the ELHI property represents a significant accounting shift. This move converted a long-term lease-purchase liability into a permanent asset on the Town's books, eliminating future lease expenses and securing the property's value for the community.

Debt and Funding Activity

The Town is currently pursued a $700,000 funding request to La Plata County. This request is intended to repay the Town for the match provided for Phase I infrastructure.

6. Currently Known Facts, Decisions, or Conditions

This section looks forward to the economic and legislative drivers that will impact Ignacio's 2026 fiscal cycle.

- Leadership Transition: The Town has successfully hired a new Town Manager, effective January 2026. This leadership transition marks a new era of strategic planning and fiscal management.

- Utility Rate Structures: To address rate hikes from SUIT and ensure the sustainability of our infrastructure, the Town has adopted a sewer rate increase to $64.34. A comprehensive 2026 utility rate analysis is planned to ensure our fee structures remain equitable and solvent.

- Legislative Impacts and Strategic Grants: While the Board rejected Ordinance 368 (Natural Medicine), it successfully adopted Ordinance 369 (Fast Track LUDC Updates). By meeting these "Fast Track" requirements, the Town qualified for a $50,000 DOLA Planning Grant, which will be utilized to complete a land use study of town owned property.

- Future Growth: Planning is underway for the Phase II Rock Creek launch (11 additional homes) and the 150/250 Celebration in 2026, both of which will drive economic activity in the coming year.

7. Request for Information

This report is part of an ongoing dialogue regarding the Town's financial health and strategic direction. Transparency is a cornerstone of our administration, and we welcome public engagement. For additional information or questions regarding this report, please contact the Clerk/Treasurer's office: Town of Ignacio Town Hall 540 Goddard Ave P.O. Box 459 Ignacio, CO 81137. Additional financial data and public reports are available on the Town's official website at townofignacio.colorado.gov .

Basic Financial Statements

Town of Ignacio, Colorado
Statement of Net Position
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 406,259	$ 31,207	$ 437,466
Restricted Cash and Cash Equivalents	156,367	-	156,367
Property Taxes Receivable	43,108	-	43,108
Accounts Receivable	7,585	275,360	282,945
Due from Other Funds	1,152,575	-	1,152,575
Due from Other Governments	558,302	353,133	911,435
Capital Assets,			
Not Being Depreciated	5,201,982	646,114	5,848,096
Being Depreciated, Net	4,754,987	3,790,083	8,545,070
Total Assets	12,281,165	5,095,897	17,377,062
Deferred Outflows of Resources			
Pensions	232,392	-	232,392
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Accounts Payable	37,380	668	38,048
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Due Within One Year	109,394	16,699	126,093
Total Liabilities	966,262	425,668	1,391,930
Deferred Inflows of Resources			
Property Taxes	43,108	-	43,108
Pension	6,186	-	6,186
	49,294	-	49,294
Net Position			
Net Investment in Capital Assets	9,956,969	4,436,198	14,393,167
Restricted for:			
Emergencies	85,208	-	85,208
Public Safety	12,191	-	12,191
Parks and Recreation	134,388	-	134,388
Capital Improvements	1,319,343	-	1,319,343
Unrestricted, Unreserved	(10,098)	234,031	223,933
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Town of Ignacio, Colorado
Statement of Activities
For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total 2025
Primary Government							
Governmental Activities							
General Government	$ 836,998	$ 85,027	$ -	$ 80,349	$ (671,622)	$ -	$ (671,622)
Public Safety	1,224,961	3,552	145,014	-	(1,076,395)	-	(1,076,395)
Public Works	425,689	35,376	-	150,939	(239,374)	-	(239,374)
Parks and Recreation	196,145	-	10,127	886	(185,132)	-	(185,132)
Economic Development	201,852	-	1,952,278	1,335,026	3,085,452	-	3,085,452
Total Governmental Activities	2,885,645	123,955	2,107,419	1,567,200	912,929	-	912,929
Business-Type Activities							
Water	360,973	313,907	-	1,950	-	(45,116)	(45,116)
Gas	434,795	371,240	-	355,183	-	291,628	291,628
Sewer	666,641	630,863	-	950	-	(34,828)	(34,828)
Irrigation	61,965	45,991	-	-	-	(15,974)	(15,974)
Total Business-Type Activities	1,524,374	1,362,001	-	358,083	-	195,710	195,710
Total Primary Government	$ 4,410,019	$ 1,485,956	$ 2,107,419	$ 1,925,283	912,929	195,710	1,108,639
	General Revenues						
	Taxes:						
	Sales and Use Taxes				2,532,632	-	2,532,632
	Property Taxes				33,863	-	33,863
	Franchise Taxes				1,904	-	1,904
	Other Taxes				3,748	-	3,748
	Investment Income				27,598	7,496	35,094
	Miscellaneous				33,234	-	33,234
	Total General Revenues and Transfers				2,632,979	7,496	2,640,475
	Change in Net Position				3,545,908	203,206	3,749,114
	Net Position, *Beginning of Year*				7,952,093	4,467,023	12,419,116
	Net Position, *End of Year*				$ 11,498,001	$ 4,670,229	$ 16,168,230

Town of Ignacio, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General	Economic Development	Capital Improvement	(Nonmajor) Conservation Trust Fund	Total
Assets					
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Cash and Investments - Restricted	156,367	-	-	-	156,367
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Accounts Receivable	7,585	-	-	-	7,585
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Due from Other Governments	400,012	14,002	144,288	-	558,302
Total Assets	$ 856,263	$ 14,002	$ 1,319,543	$ 134,388	$ 2,324,196
Liabilities					
Accounts Payable	$ 37,380	$ -	$ -	$ -	$ 37,380
Due to Other Funds	-	752,650	-	-	752,650
Accrued Salaries and Benefits	11,967	-	-	-	11,967
Total Liabilities	49,347	752,650	-	-	801,997
Deferred Inflows of Resources					
Property Taxes	43,108	-	-	-	43,108
Fund Balance					
Restricted for					
Emergencies	85,208	-	-	-	85,208
Public Safety	12,191	-	-	-	12,191
Parks and Recreation	-	-	-	134,388	134,388
Capital Improvements	-	-	1,319,343	-	1,319,343
Committed for:					
Economic Development	-	(738,648)	-	-	(738,648)
Unrestricted, Unassigned	666,409	-	200	-	666,609
Total Fund Balance	763,808	(738,648)	1,319,543	134,388	1,479,091
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 856,263	$ 14,002	$ 1,319,543	$ 134,388	$ 2,324,196

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

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

Total Fund Balance of Governmental Funds	$ 1,479,091
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	9,956,969
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Accrued Payroll	(54,871)
Accrued Compensated Absences	(109,394)
Pension related items are applicable to future reporting periods and, therefore, are not reported in the governmental funds.	
Net Pension Liability	-
Deferred Outflows	232,392
Deferred Inflows	(6,186)
Total Net Position of Governmental Activities	$ 11,498,001

Town of Ignacio, Colorado

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

	General	Economic Development	Capital Improvement	*(Nonmajor)* Conservation Trust Fund	Total
Revenues					
Taxes	$ 2,169,631	$ -	$ 402,516	$ -	$ 2,572,147
Licenses and Permits	12,757	-	-	-	12,757
Intergovernmental	195,990	1,952,278	1,566,314	10,127	3,724,709
Fines and Forfeitures	559	-	-	-	559
Charges for Services	60,549	-	-	-	60,549
Investment Income	24,527	-	1	3,070	27,598
Miscellaneous	144,976	-	-	-	144,976
Total Revenues	2,608,989	1,952,278	1,968,831	13,197	6,543,295
Expenditures					
Current					
General Government	687,884	-	-	-	687,884
Public Safety	1,111,440	-	-	-	1,111,440
Public Works	368,036	-	-	-	368,036
Parks and Recreation	35,711	-	-	-	35,711
Capital Outlay	140,631	4,167,737	260,275	-	4,568,643
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	2,343,702	4,167,737	260,275	-	6,771,714
Excess Revenues Over (Under) Expenditures	265,287	(2,215,459)	1,708,556	13,197	(228,419)
Other Financing Sources (Uses)					
Transfers In	-	1,683,423	-	-	1,683,423
Transfers Out	(1,543,834)	-	(139,589)	-	(1,683,423)
Other Financing Sources (Uses)	(1,543,834)	1,683,423	(139,589)	-	-
Net Change in Fund Balance	(1,278,547)	(532,036)	1,568,967	13,197	(228,419)
Fund Balance, *Beginning of Year*	2,042,355	(206,612)	(249,424)	121,191	1,707,510
Fund Balance, *End of Year*	$ 763,808	$ (738,648)	$ 1,319,543	$ 134,388	$ 1,479,091

Town of Ignacio, Colorado

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

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

Net Change in Fund Balance of Governmental Funds	$	(228,419)
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital Outlays		4,053,996
Depreciation Expense		(431,653)
Disposals		(111,742)
Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		
Principal Payments on Capital Leases		366,666
Change in Pension Liability		-
Change in Pension Related Deferred Outflows		(47,470)
Change in Pension Related Deferred Inflows		(2,184)
Change in Accrued Payroll		(54,871)
Change in Accrued Compensated Absences		1,585
Change in Net Position of Governmental Activities	$	3,545,908

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

	Water Fund	Gas Fund	Sewer Fund	(Nonmajor) Irrigation Fund	Total
Assets					
Current Assets					
Cash and Cash Equivalents	$ -	$ -	$ 26,255	$ 4,952	$ 31,207
Accounts Receivable	30,552	405,367	191,621	953	628,493
Inventory	-	-	-	-	-
Total Current Assets	30,552	405,367	217,876	5,905	659,700
Noncurrent Assets					
Capital Assets,					
Net of Accumulated Depreciation	1,604,286	2,110,223	417,078	304,611	4,436,198
Total Noncurrent Assets	1,604,286	2,110,223	417,078	304,611	4,436,198
Total Assets	1,634,838	2,515,590	634,954	310,516	5,095,898
Liabilities					
Current Liabilities					
Accounts Payable	(29)	698	-	-	669
Dut to Other Funds	11,119	388,806	-	-	399,925
Accrued Liabilities	2,640	2,640	2,409	687	8,376
Compensated Absences, Current Portion	5,264	5,264	4,802	1,369	16,699
Total Current Liabilities	18,994	397,408	7,211	2,056	425,669
Net Position					
Net Investment in Capital Assets	1,604,286	2,110,223	417,078	304,611	4,436,198
Unrestricted	11,558	7,959	210,665	3,849	234,031
Total Net Position	$ 1,615,844	$ 2,118,182	$ 627,743	$ 308,460	$ 4,670,229

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

	Water Fund	Gas Fund	Sewer Fund	*(Nonmajor)* Irrigation Fund	Total
Operating Revenues					
Charges for Services	$ 313,907	$ 371,240	$ 630,863	$ 45,991	$ 1,362,001
Total Operating Revenues	313,907	371,240	630,863	45,991	1,362,001
Operating Expenses					
Commodity Purchases	126,126	181,020	-	-	307,146
Personnel Services	150,320	150,320	130,690	39,333	470,663
Contracted Services	3,301	61	474,061	150	477,573
Supplies	22,551	8,724	23,871	9,901	65,047
Repairs and Maintenance	-	-	-	-	-
Administrative	5,070	14,667	154	-	19,891
Utilities	-	-	-	999	999
Depreciation	53,605	80,003	37,865	11,582	183,055
Total Operating Expenses	360,973	434,795	666,641	61,965	1,524,374
Net Operating Income (Loss)	(47,066)	(63,555)	(35,778)	(15,974)	(162,373)
Non-Operating Revenues (Expenses)					
Tap Fees	1,950	2,050	950	-	4,950
Intergovernmental	-	353,133	-	-	353,133
Interest Income	1,737	5,384	24	351	7,496
Net Income (Loss) Before Contributed Capital	(43,379)	297,012	(34,804)	(15,623)	203,206
Contributed Capital and Transfers					
Capital Outlay	-	-	-	-	-
Transfers In	-	-	-	-	-
Total Transfers	-	-	-	-	-
Change in Net Position	(43,379)	297,012	(34,804)	(15,623)	203,206
Net Position, *Beginning of Year*	1,659,223	1,821,170	662,547	324,083	4,467,023
Net Position, *End of Year*	$ 1,615,844	$ 2,118,182	$ 627,743	$ 308,460	$ 4,670,229

See Notes to the Financial Statements.

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

	Water Fund	Gas Fund	Sewer Fund	*(Nonmajor)* Irrigation Fund	Total
Cash Flows From Operating Activities					
Cash Received from Customers	$ 317,879	$ 11,712	$ 615,763	$ 45,777	$ 991,131
Cash Paid to Suppliers	(145,929)	184,334	(498,086)	(11,050)	(470,731)
Cash Paid to Employees	(148,420)	(148,420)	(128,821)	(38,911)	(464,572)
Net Cash Provided by Operating Activities	23,530	47,626	(11,144)	(4,184)	55,828
Cash Flows From Noncapital Financing Activities					
Inntergovernmental	-	353,133	-	-	353,133
Transfers Between Funds	-	-	-	-	-
Net Cash Used by Capital and Related Financing Activities	-	353,133	-	-	353,133
Cash Flows From Capital and Related Financing Activities					
Acquisition of Capital Assets	-	(646,114)	(153,464)	-	(799,578)
Tap Fees	1,950	2,050	950	-	4,950
Net Cash Used by Capital and Related Financing Activities	1,950	(644,064)	(152,514)	-	(794,628)
Cash Flows From Investing Activities					
Interest Received	1,737	5,384	24	351	7,496
Net Cash Used by Capital and Related Financing Activities	1,737	5,384	24	351	7,496
Net Change in Cash and Cash Equivalents	27,217	(237,921)	(163,634)	(3,833)	(378,171)
Cash and Cash Equivalents, *Beginning of Year*	(27,217)	237,921	189,889	8,785	409,378
Cash and Cash Equivalents, *End of Year*	$ -	$ -	$ 26,255	$ 4,952	$ 31,207
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities:					
Net Operating Income	$ (47,066)	$ (63,555)	$ (35,778)	$ (15,974)	$ (162,373)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities					
Depreciation Expense	53,605	80,003	37,865	11,582	183,055
Changes in Assets and Liabilities Related to Operations					
Accounts Receivable	3,972	(359,528)	(15,100)	(214)	(370,870)
Accounts Payable	11,119	388,806	-	-	399,925
Accrued Liabilities	1,900	1,900	1,869	422	6,091
Net Cash Provided by Operating Activities	$ 23,530	$ 47,626	$ (11,144)	$ (4,184)	$ 55,828

See Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

Town of Ignacio, Colorado (the Town) is a statutory municipality with a mayor - Board form of government with six elected Board members.

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

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

In the fund financial statements, 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 Town, except those required to be accounted for in another fund.
>
> The *Economic Development Fund* is used to account for revenues and expenditures for economic development for the Town.
>
> The *Capital Improvement Fund* accounts for the acquisition or construction of major capital facilities, (other than those belonging to enterprise funds).

The Town also reports the following major proprietary fund:

> The *Water Fund* accounts for the financial activities associated with the provision of water services.
>
> The *Gas Fund* accounts for the financial activities associated with the provision of natural gas services.
>
> The *Sewer Fund* accounts for the financial activities associated with the sanitation services.

The Town reports the following non-major governmental fund:

> The *Conservation Trust Fund* accounts for the revenues from the State's Conservation Trust Fund to be spent for maintenance and services of Town parks and recreation areas.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets *(Continued)*

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.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

Building and Improvements	10 - 40 years
Utility Plant and Distribution System	7 - 50 years
Machinery, Equipment and Vehicles	7 - 20 years
Infrastructure	15 - 25 years

Compensated Absences

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type 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 assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources *(Continued)*

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

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

Use of Estimates

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

Compensated Absences

Vacation and sick leave are accrued as earned. Accumulated unpaid vacation and vested sick leave amounts are recorded in the government-wide financial statements by fund. Upon termination, accrued unpaid vacation and sick leave will be paid to the employee. Accrued compensated absences are liquidated by the fund that incurred the liability during the employee's employment.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

<u>Fund Balance Classification</u> *(Continued)*

The classifications used in the governmental fund financial statements are as follows:

> Nonspendable - This classification includes amounts that are not in spendable form (such as inventory or prepaid expenses) or are 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 has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the Town has classified the fund balance in the Conservation Trust Fund as restricted because their use is restricted by State Statute.
>
> Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town's committed resources are presented in the governmental fund balance sheet as of December 31, 2025.
>
> 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 would typically use Restricted fund balances first, followed by committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

<u>Net Position</u>

The government-wide and business-type fund 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 is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position is liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third-party limitations on their use.

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. 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 revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Subsequent Events

The Town has evaluated subsequent events through July 27, 2026, the date the financial statements were available to be issued.

Note 2: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

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

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

Note 3: Cash Deposits and Investments

Deposits

A summary of deposits and investments as of December 31, 2025 follows:

Petty Cash	$	100
Cash Deposits		238,640
Investments		355,093
Total	$	593,833

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

At December 31, 2025, the Town had deposits with financial institutions with a carrying amount of $253,640. The bank balances with the financial institutions totaling $210,612 of which $250,000 were covered by the FDIC and $355,093 were collateralized with securities held by the financial institution and covered by eligible collateral as determined by the PDPA.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities my invest. Authoritized investments include obligations of the United States and certain U.S. government 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; certain money market funds; and, guaranteed investment contracts. The Town's investment policy follows Colorado statues.

Local Government Investment Pool - At December 31, 2025, the Town had $778,760 invested in COLOTRUST, an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST operates similar to money market funds and each share is equal in value to $1.00. COLOTRUST is rated AAAm by Standard and Poor's. Investments are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Note 3: Cash Deposits and Investments (Continued)

Investments *(Continued)*

Fair Value Measurements - GASB 72, Fair Value Measurement and Application, establishes a hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

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

Note 4: Capital Assets

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

Governmental Activities	Balance 12/31/24	Additions	Reclass & Transfers	Deletions	Balance 12/31/25
Capital Assets, *Not Being Depreciated*					
Land	$ 1,382,220	$ -	$ -	$ (111,742)	$ 1,270,478
Construction in Progress	1,575,352	3,931,504	(1,575,352)	-	3,931,504
Total Capital Assets, *Not Being Depreciated*	2,957,572	3,931,504	(1,575,352)	(111,742)	5,201,982
Capital Assets, *Being Depreciated*					
Buildings and Improvements	1,156,397	-	-	-	1,156,397
Machinery and Equipment	364,493	17,947	-	(10,604)	371,836
Vehicles	692,461	104,545	-	(282,873)	514,133
Infrastructure	2,843,157	-	1,575,352	-	4,418,509
Total Capital Assets, *Being Depreciated*	$ 5,056,508	$ 122,492	$ 1,575,352	$ (293,477)	$ 6,460,875
Less Accumulated Depreciation					
Buildings and Improvements	$ (474,950)	$ (41,374)	$ -	$ -	$ (516,324)
Machinery and Equipment	(183,931)	(29,480)	-	10,604	(202,807)
Vehicles	(484,092)	(44,050)	-	282,873	(245,269)
Infrastructure	(424,739)	(316,749)	-	-	(741,488)
Total Accumulated Depreciation	(1,567,712)	(431,653)	-	293,477	(1,705,888)
Total Capital Assets, *Being Depreciated, Net*	3,488,796	(309,161)	1,575,352	-	4,754,987
Governmental Activities Capital Assets, Net	$ 6,446,368	$ 3,622,343	$ -	$ (111,742)	$ 9,956,969

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

Governmental Activities	
General Government	$ 40,431
Public Safety	113,521
Public Works	149,965
Parks & Recreation	12,514
Affordable Housing	115,222
Total	$ 431,653

Note 4: Capital Assets (Continued)

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

Business-Type Activities	Balance 12/31/24	Additions	Reclass & Transfers	Deletions	Balance 12/31/25
Capital Assets, *Not Being Depreciated*					
Construction in Progress	$ -	$ 646,114	$ -	$ -	$ 646,114
Total Capital Assets, *Not Being Depreciated*	-	646,114	-	-	646,114
Capital Assets, *Being Depreciated*					
Utility Plant	5,473,256	-	-	-	5,473,256
Irrigation System	462,842		-	-	462,842
Machinery and Equipment	298,967	153,464	-	-	452,431
Total Capital Assets, *Being Depreciated*	6,235,065	153,464	-	-	6,388,529
Total Capital Assets	6,235,065	153,464	-	-	6,388,529
Less: Accumulated depreciation					
Utility Plant	(2,026,625)	(137,759)	4,151	-	(2,160,233)
Irrigation System	(146,649)	(11,582)	-	-	(158,231)
Machinery and Equipment	(242,117)	(33,714)	(4,151)	-	(279,982)
	(2,415,391)	(183,055)	-	-	(2,598,446)
Total Capital Assets, *Being Depreciated, Net*	3,819,674	(29,591)	-	-	3,790,083
Business-Type Activities Capital Assets, *Net*	$ 3,819,674	$ 616,523	$ -	$ -	$ 4,436,197

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

Business-type Activities	
Water	$ 53,605
Gas	80,003
Sewer	37,865
Irrigation	11,582
Total	$ 183,055

Note 5: Long-Term Debt

Governmental Activities

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

Governmental Activities	Balance 12/31/24	Additions	Deletions	Balance 12/31/25	Due Within One Year
Note Payable	$ 366,666	$ -	$ (366,666)	$ -	$ -
Compensated Absences	110,979	66,927	(68,512)	109,394	109,394
Total	$ 477,645	$ 66,927	$ (435,178)	$ 109,394	$ 109,394

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

Business-Type Activities

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

Business-Type Activities	Balance 12/31/24	Additions	Deletions	Balance 12/31/25	Due Within One Year
Compensated Absences	$ 18,894	$ 20,882	$ (23,077)	$ 16,699	$ 16,699
Total	$ 18,894	$ 20,882	$ (23,077)	$ 16,699	$ 16,699

Note Payable - ELHI Property

During fiscal year 2023, the Town entered into an agreement for the purchase of the ELHI Property to be paid in three annual installments of $366,667, bearing no interest, and maturing in July 2025. During 2025, the Town made its final payment of $366,666.

Note 6: Retirement Commitments

General Employees Retirement - Deferred Compensation Plan

Town employees, except for public safety employees, are covered under a 401(a) defined contribution plan through the Ignacio Retirement Plan maintained and administered by the International Town Manager’s Association Retirement Corporation, through MissionSquare. Employees covered by this plan are eligible to participate from the date of employment. Under the terms of the plan, participants are required to contribute at minimum 5% of their base salary while another 5% contribution on the employee’s base salary is made by the Town. Vesting begins immediately upon participation with 100% vesting occurring after one year of credited services. Forfeitures by employees who leave employment before one year of services is used to reduce the Town’s current period contribution requirement.

During the year ended December 31, 2025, the Town contributions were $61,961 equal to the required contribution.

Note 6: Retirement Commitments (Continued)

FPPA Statewide Retirement Plans

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

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

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

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

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

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

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

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

Note 6: Retirement Commitments (Continued)

FPPA Statewide Retirement Plans *(Continued)*

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

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

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

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

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

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

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

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

Note 6: Retirement Commitments (Continued)

FPPA Statewide Retirement Plans *(Continued)*

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

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

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

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

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

Note 6: Retirement Commitments (Continued)

FPPA Statewide Retirement Plans *(Continued)*

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

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

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

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

The Town's contributions to the Plan for the year ended December 31, 2025, were $74,451, equal to the required contributions.

The Town and eligible employees are required to contribute to the SRP Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership.

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

Note 6: Retirement Commitments (Continued)

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

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

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

At December 31, 2024, the Town's proportion of the Statewide Retirement Plan was 0.06067819%, which was a increase of 0.00743817% from its proportion measured at December 31, 2023.

For the year ended December 31, 2025, the Town recognized pension expense for the SRP plan of $112,009.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Retirement Plan		
Differences between expected and actual experience	$ 112,598	$ (3,650)
Net difference between projected and actual earnings on plan investments	6,695	-
Changes in assumptions and other inputs	38,648	-
Changes in proportion	-	(2,536)
Contributions subsequent to the measurement date	74,451	-
Total	$ 232,392	$ (6,186)

Note 6: Retirement Commitments (Continued)

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

Town contributions to the SRP plan subsequent to the measurement date were $74,451 and will be recognized as an increase or decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Year Ended December 31,		
2026	$	86,603
2027		9,700
2028		10,476
2029		19,945
2030		14,026
Thereafter		11,005
Total	$	151,755

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

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
Includes Inflation at	2.5%

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

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

Note 6: Retirement Commitments (Continued)

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent).

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2024, are summarized in the following table:

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

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 6: Retirement Commitments (Continued)

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

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

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

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension (asset) liability	$ 296,104	$ -	$ -

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

Note 7: 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.

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

Note 8: Interfund Transfers

Interfund transfers for the year ended December 31, 2025 were as follows:

Transfers Out	Transfers In	Amount
General Fund		$ 1,543,834
	Economic Development Fund	(1,683,423)
Capital Improvement Fund		139,589
Total		$ -

Note 9: Commitments and Contingencies

Litigation

The Town is not involved in any pending and threatened litigation as of December 31, 2025.

Note 9: Commitments and Contingencies (Continued)

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In November 1996, voters within the Town approved the collection, retention, and expenditure of all the revenues generated by the Town in 1996 and subsequent years through 2019, notwithstanding the provisions of the Amendment. No such election took place during 2025 to continue this provision, but revenues for 2025 remained in compliance with TABOR limitations.

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 $85,208 was recorded in the General Fund.

Required Supplementary Information

Town of Ignacio, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	Original	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Taxes				
Property Taxes	$ 41,000	$ 41,000	$ 33,863	$ (7,137)
Specific Ownership Taxes	4,300	4,300	3,748	(552)
Town Sales Taxes	550,000	550,000	805,033	255,033
County Sales Taxes	1,100,000	1,100,000	1,324,577	224,577
Franchise Taxes	600	600	1,904	1,304
Payment in Lieu of Taxes	700	700	506	(194)
Total Taxes	1,696,600	1,696,600	2,169,631	473,031
Licenses and Permits				
Liquor Licenses	3,000	3,000	3,593	593
Permits	6,865	6,865	2,649	(4,216)
Business Licenses	2,200	2,200	2,680	480
Animal Licenses	600	600	735	135
Other Licenses	3,000	3,000	3,100	100
Total Licenses and Permits	15,665	15,665	12,757	(2,908)
Intergovernmental				
Cigarette Taxes	1,200	1,200	1,428	228
Motor Vehicle Registration	5,000	5,000	3,552	(1,448)
Mineral Lease	13,000	13,000	9,734	(3,266)
Highway User Tax	26,000	26,000	32,569	6,569
Severance Tax	37,000	37,000	886	(36,114)
County Road and Bridge	4,800	4,800	2,807	(1,993)
Other Intergovernmental	142,660	142,660	145,014	2,354
Total Intergovernmental	229,660	229,660	195,990	(33,670)
Fines and Forfeitures	1,000	1,000	559	(441)
Charges for Services:				
Trash	54,000	54,000	59,284	5,284
Snow Removal	2,500	2,500	-	(2,500)
Planning Zoning Fees	1,500	1,500	-	(1,500)
Other Fees	1,620	1,620	1,265	(355)
Total Charges for Services	59,620	59,620	60,549	929
Interest Income	50,000	50,000	24,527	(25,473)
Other Revenues	236,000	236,000	144,976	(91,024)
Total Revenues	2,288,545	2,288,545	2,608,989	320,444

(Continued)

Town of Ignacio, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025
(Continued)

	Original	Final Budget	Actual	Variance *Positive (Negative)*
Expenditures				
Current				
General Government				
Legislative				
Personnel Services	$ 12,954	$ 12,954	$ 14,926	$ (1,972)
Purchased Services	4,600	4,600	-	4,600
Total Legislative	17,554	17,554	14,926	2,628
Administration				
Personnel Services	190,469	190,469	200,613	(10,144)
Supplies	59,311	59,311	25,904	33,407
Purchased Services	122,760	122,760	82,029	40,731
Repairs and Maintenance	54,957	54,957	87,589	(32,632)
Grants and Contributions	30,500	30,500	30,500	-
Utilities	18,500	18,500	41,876	(23,376)
Other	24,558	24,558	117,817	(93,259)
Total Administration	501,055	501,055	586,328	(85,273)
Community Development				
Purchased Services	20,000	20,000	2,239	17,761
Supplies	500	500	516	(16)
Other	87,502	87,502	210	87,292
Total Community Services	108,002	108,002	2,965	105,037
Total General Government	626,611	626,611	604,219	22,392
Public Safety				
Personnel Services	1,056,258	1,056,258	1,127,350	(71,092)
Supplies	11,500	11,500	15,177	(3,677)
Purchased Services	10,600	10,600	-	10,600
Repairs and Maintenance	24,000	24,000	14,545	9,455
Grants and Contributions	17,239	17,239	16,239	1,000
Other	20,685	20,685	21,794	(1,109)
Total Public Safety	1,140,282	1,140,282	1,195,105	(54,823)
Public Works				
Personnel Services	201,149	201,149	199,489	1,660
Supplies	14,000	14,000	19,775	(5,775)
Purchased Services	47,750	47,750	68,357	(20,607)
Repairs and Maintenance	100,700	100,700	46,821	53,879
Utilities	1,400	1,400	2,644	(1,244)
Other	45,350	45,350	30,950	14,400
Total Public Works	410,349	410,349	368,036	42,313
Parks and Recreation				
Supplies	2,000	2,000	5,288	(3,288)
Other	32,500	32,500	30,423	2,077
Total Culture and Recreation	34,500	34,500	35,711	(1,211)

(Continued)

Town of Ignacio, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025
(Continued)

	Original	Final Budget	Actual	Variance *Positive (Negative)*
Capital Outlay	$ 251,865	$ 251,865	$ 140,631	$ 111,234
Total Expenditures	2,463,607	2,463,607	2,343,702	119,905
Excess Revenues Over (Under) Expenditures	$ (175,062)	$ (175,062)	$ 265,287	$ 440,349
Other Financing Sources (Uses)				
Proceeds from sale of assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(366,667)	(366,667)	(1,543,834)	(1,177,167)
Net Change in Fund Balance	(541,729)	(541,729)	(1,278,547)	(736,818)
Fund Balance, *Beginning of Year*	1,889,518	1,889,518	2,042,355	152,837
Fund Balance, *End of Year*	$ 1,347,789	$ 1,347,789	$ 763,808	$ (583,981)

Town of Ignacio, Colorado

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
Fire & Police Pension Association of Colorado Statewide Retirement Plan
For the Year Ended December 31, 2025

	12/31/24	12/31/23	12/31/22	12/31/21	12/31/20
Proportionate Share of the Net Pension Asset					
Town's Proportion of the Net Pension Assets	0.06067819%	0.05324002%	0.06346000%	0.06232900%	0.05717500%
Town's Proportion Share of the Net Pension Asset (Liability)	$ -	$ -	$ 56,328	$ (337,783)	$ (124,128)
Town's Covered Payroll	$ 661,650	$ 581,926	$ 552,111	$ 501,765	$ 459,229
Town's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	0.0%	0.0%	10.2%	-67.3%	-27.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%	100.0%	97.6%	116.2%	106.7%

	12/31/25	12/31/24	12/31/23	12/31/22	12/31/21
Town Contribution					
Statutorily Required Contribution	$ 74,451	$ 66,162	$ 55,283	$ 49,690	$ 42,650
Contributions in Relation to the Statutorily Required Contribution	(74,451)	(66,162)	(55,283)	(49,690)	(42,650)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Town's Covered Payroll	$ 709,056	$ 661,650	$ 581,926	$ 552,111	$ 501,765
Contributions as a Percentage of Covered Payroll	10.50%	10.00%	9.50%	9.00%	8.50%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years information is available.

(Continued)

Town of Ignacio, Colorado

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
Fire & Police Pension Association of Colorado Statewide Retirement Plan
For the Year Ended December 31, 2025
(Continued)

	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
Proportionate Share of the Net Pension Asset					
Town's Proportion of the Net Pension Assets	0.06390200%	0.06957100%	0.07348300%	0.07419900%	0.08506600%
Town's Proportion Share of the Net Pension Asset (Liability)	$ (36,140)	$ 87,958	$ (105,716)	$ 26,812	$ (1,500)
Town's Covered Payroll	$ 470,967	$ 466,032	$ 429,818	$ 379,740	$ 412,378
Town's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	-7.7%	18.9%	-24.6%	7.1%	-0.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.9%	95.2%	106.3%	98.2%	100.1%

	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
Town Contribution					
Statutorily Required Contribution	$ 36,739	$ 37,678	$ 34,386	$ 30,379	$ 32,990
Contributions in Relation to the Statutorily Required Contribution	(36,739)	(37,678)	(34,386)	(30,379)	(32,990)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Town's Covered Payroll	$ 459,229	$ 470,967	$ 429,818	$ 379,740	$ 412,378
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years information is available.

Note 1: Stewardship, Compliance, and Accountability

Budgets

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

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

- Management submits to the Town Board a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Board.
- All appropriations lapse at year end.

Supplementary Information

Town of Ignacio, Colorado
Budgetary Comparison Schedule
Economic Development Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Intergovernmental Revenue	$ 190,400	$ 190,400	$ 1,952,278	$ 1,761,878
Investment Income	-	-	-	-
Total Revenues	190,400	190,400	1,952,278	1,761,878
Expenditures				
Capital Outlay	582,067	582,067	4,167,737	(3,585,670)
Total Expenditures	582,067	582,067	4,167,737	(3,585,670)
Excess of Revenues Over (Under) Expenditures	(391,667)	(391,667)	(2,215,459)	(1,823,792)
Other Financing Sources (Uses)				
Transfers In	366,667	366,667	1,683,423	1,316,756
	366,667	366,667	1,683,423	1,316,756
Net Change in Fund Balance	(25,000)	(25,000)	(532,036)	(507,036)
Fund Balance, *Beginning of Year*	62,256	62,256	(206,612)	(268,868)
Fund Balance, *End of Year*	$ 37,256	$ 37,256	$ (738,648)	$ (775,904)

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

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Sales Tax	$ 275,000	$ 275,000	$ 402,516	$ 127,516
Intergovernmental Revenue	1,629,736	1,629,736	1,566,314	(63,422)
Interest Income	4,700	4,700	1	(4,699)
Total Revenues	1,909,436	1,909,436	1,968,831	59,395
Expenditures				
Capital Outlay	1,249,895	1,249,895	399,864	850,031
Total Expenditures	1,249,895	1,249,895	399,864	850,031
Net Change in Fund Balance	659,541	659,541	1,568,967	909,426
Fund Balance, *Beginning of Year*	191,697	191,697	(249,424)	(441,121)
Fund Balance, *End of Year*	$ 851,238	$ 851,238	$ 1,319,543	$ 468,305

Town of Ignacio, Colorado
Budgetary Comparison Schedule
Conservation Trust Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Intergovernmental Revenue	$ 37,000	$ 37,000	$ 10,127	$ (26,873)
Interest Income	2,500	2,500	3,070	570
Total Revenues	39,500	39,500	13,197	(26,303)
Expenditures				
Other	42,000	42,000	-	(42,000)
Total Expenditures	42,000	42,000	-	(42,000)
Net Change in Fund Balance	(2,500)	(2,500)	13,197	15,697
Fund Balance, *Beginning of Year*	120,492	106,116	121,191	15,075
Fund Balance, *End of Year*	$ 117,992	$ 103,616	$ 134,388	$ 30,772

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

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges For Services	$ 317,635	$ 317,635	$ 313,907	$ (3,728)
Tap Fees	7,600	7,600	1,950	(5,650)
Other Income	15,102	15,102	-	(15,102)
Interest Income	1,000	1,000	1,737	737
Total Revenue	341,337	341,337	317,594	(23,743)
Expenses				
Commodity Purchases	145,000	145,000	126,126	18,874
Personnel Services	156,050	156,050	150,320	5,730
Contracted Services	2,000	2,000	3,301	(1,301)
Supplies	30,500	30,500	22,551	7,949
Repairs and Maintenance	-	-	-	-
Administrative	3,275	3,275	5,070	(1,795)
Utilities	-	-	-	-
Total Expenses	336,825	336,825	307,368	29,457
Net Operating Income	4,512	4,512	10,226	5,714
Nonoperating Revenues (Expenses)				
Transfers In	-	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	-	-
Net Income (Loss) Before Change in Net Position, *Budgetary Basis*	$ 4,512	$ 4,512	10,226	$ 5,714
Reconciliation to GAAP Basis				
Capital Outlay			-	
Depreciation			(53,605)	
Change in Net Position, *GAAP Basis*			$ (43,379)	

Town of Ignacio, Colorado
Budgetary Comparison Schedule
Gas Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges for Services	$ 562,400	$ 562,400	$ 371,240	$ (191,160)
Tap Fees	6,500	6,500	2,050	(4,450)
Grant Income	372,000	372,000	353,133	(18,867)
Interest Income	4,000	4,000	5,384	1,384
Total Revenue	944,900	944,900	731,807	(213,093)
Expenses				
Commodity Purchases	340,000	340,000	181,020	158,980
Personnel Services	156,050	156,050	150,320	5,730
Contracted Services	2,000	2,000	61	1,939
Supplies	22,500	22,500	8,724	13,776
Repairs and Maintenance	4,500	4,500	-	4,500
Administrative	9,900	9,900	14,667	(4,767)
Capital Outlay	600,000	600,000	646,114	(46,114)
Total Expenses	1,134,950	1,134,950	1,000,906	134,044
Net Operating Income	(190,050)	(190,050)	(269,099)	(79,049)
Transfers				
Transfers In	-	-	-	-
Change in Net Position, *Budgetary Basis*	$ (190,050)	$ (190,050)	(269,099)	$ (79,049)
Reconciliation to GAAP Basis				
Capital Outlay			646,114	
Depreciation			(80,003)	
Change in Net Position, *GAAP Basis*			$ 297,012	

Town of Ignacio, Colorado
Budgetary Comparison Schedule
Sewer Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges For Services	$ 631,296	$ 631,296	$ 630,863	$ (433)
Tap Fees	2,500	2,500	950	(1,550)
Other Income	41,458	41,458	-	(41,458)
Interest Income	50	50	24	(26)
Total Revenue	675,304	675,304	631,837	(43,467)
Expenses				
Personnel Services	130,180	130,180	130,690	(510)
Contracted Services	428,303	428,303	474,061	(45,758)
Supplies	25,500	25,500	23,871	1,629
Repairs and Maintenance	-	-	-	-
Administrative	850	850	154	696
Capital Outlay	130,712	130,712	153,464	(22,752)
Total Expenses	715,545	715,545	782,240	(66,695)
Net Operating Income	(40,241)	(40,241)	(150,403)	(110,162)
Net Income (Loss) Before Contributed Capital	(40,241)	(40,241)	(150,403)	(110,162)
Transfers				
Transfers In	-	-	-	-
Change in Net Position, *Budgetary Basis*	$ (40,241)	$ (40,241)	(150,403)	$ (110,162)
Reconciliation to GAAP Basis				
Capital Outlay			153,464	
Depreciation			(37,865)	
Change in Net Position, *GAAP Basis*			$ (34,804)	

Town of Ignacio, Colorado
Budgetary Comparison Schedule
Irrigation Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges For Services	$ 46,680	$ 46,680	$ 45,991	$ (689)
Other Income	5,000	5,000	-	(5,000)
Interest Income	375	375	351	(24)
Total Revenue	52,055	52,055	46,342	(5,713)
Expenses				
Personnel Services	37,997	37,997	39,333	(1,336)
Contracted Services	500	500	150	350
Supplies	2,500	2,500	9,901	(7,401)
Administrative	3,681	3,681	-	3,681
Utilities	488	488	999	(511)
Total Expenses	45,166	45,166	50,383	(5,217)
Budgetary Basis	$ 6,889	$ 6,889	(4,041)	$ (10,930)
Reconciliation to GAAP Basis				
Depreciation			(11,582)	
Change in Net Position, *GAAP Basis*			$ (15,623)	

Compliance Section

State Compliance

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: IGNACIO	PREPARED BY: DEE WESNER dwesner@townofignacio.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	33,863.00	a. Interest on investments	0.00
b. Non-property Taxes and Assessments Imposts	3,748.00	b. Other Misc. Local Receipts	3,552.00
c. Total (a + b)	$ 37,611.00	**c. Total (a + b)**	$ 3,552.00

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	32,569.00	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	2,807.00		
c. Total (a + b)	$ 2,807.00		
4. Total (1 + 2 + 3c)	$ 35,376.00	**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	0.00
c. Construction Costs	0.00
d. Total Capital Outlay (a+ b + c)	$ -

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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	
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 37,611.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 3,552.00
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)	$ 41,163.00
B. Private Contributions	0.00
C. Receipts from State government (from page 1, Item II.C.4)	$ 35,376.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 76,539.00

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:	2,023.00
3. Road and Street Services:	
a. Snow and Ice Removal	0.00
b. Other & Traffic Control Operations	1,000.00
c. Total (a + b)	$ 1,000.00
4. General Administration & Miscellaneous	50,000.00
5. Highway Law Enforcement and Safety	22,523.93
6. Total (1 through 5)	$ 75,546.93
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)	$ 75,546.93

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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