Annual Financial Report

Town of Kersey

Kersey, Colorado

For the Year Ended December 31, 2025

Tim Chavies & Associates, Inc.

Certified Public Accountants
1707 61st Avenue, Suite 101
Greeley, Colorado 80634
(970) 356-2284 / Fax (970) 353-9701

TOWN OF KERSEY, COLORADO

Table of Contents
December 31, 2025

Tim Chavies & Associates, Inc.

Certified Public Accountants
1707 61st Avenue, Suite 101
Greeley, Colorado 80634
(970) 356-2284 / Fax (970) 353-9701

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Kersey
Kersey, Colorado

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the Town of Kersey, State of Colorado 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Kersey, State of Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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 of Kersey, State of Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8, budgetary comparison information on pages 37-48, and the Schedule of Proportionate Share of Pension Liability and Schedule of Contributions on page 49 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 inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Kersey, State of Colorado's basic financial statements. The budgetary comparisons on pages 50-61 and the local highway finance report on pages 62-63 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparisons on pages 50-61, and local highway finance report on pages 62-63 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Tim Chavies & Associates, Inc.

Tim Chavies & Associates, Inc.
Certified Public Accountants

Greeley, Colorado
July 24, 2026

TOWN OF KERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

This section of Town of Kersey, State of Colorado's (the "Town") 2025 annual financial report presents management's discussion and analysis of the Town's financial performance for the year ended December 31, 2025. The Management Discussion and Analysis ("MD&A") should be read in conjunction with the Town's financial statements, including the notes to financial statements and supplemental information that immediately follow this section.

ORGANIZATION AND PURPOSE

The Town was incorporated in 1908 as a political subdivision of the State of Colorado and operated under a Town Board form of government. The following services are provided by the Town: public safety, public works (streets, trash, communicable disease control, street lighting), parks and recreation, water and sewer service and general administration.

FINANCIAL HIGHLIGHTS

The property tax revenue for 2025 was generated from taxable property with the 2024 gross total assessed value certification of $32,924,930 in Weld County, Colorado. The Town established a mill levy of 17.205 for the General Fund. Other significant matters are as follows:

- The net position of the Town increased by $2,327,853 during 2025, compared to prior year increase of $1,040,643. The 2025 increase is due to an increase of property taxes, sales taxes, capital assets, contributions, grant money received, lidar citations and sale of assets.
- The Town capitalized $2,241,197 of capital assets, and recorded depreciation and amortization of $729,614 during 2025. In 2024 the Town capitalized $1,732,006 and recorded depreciation and amortization of $685,923.
- Implementation of the Photo Radar program that generated new revenue.
- Numerous updates to the municipal code to comply with changing Colorado legislation.
- Strategic planning work sessions for Main Street Programs and Safe Streets for All.
- Community Center staffing transition to include enhanced community engagement and events.
- Capital street projects and maintenance.
- Installation of Broadband from ALLO throughout the town and in some of our growth management Area.
- Continued work on economic development and business licensing.
- Grant-funded projects – largest being EPA for Grain Elevator.
- Kohler Park improvements

OVERVIEW OF THE FINANCIAL STATEMENTS

The Town's financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the Town's finances utilizing the full accrual method of accounting.

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

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

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include the General Fund, Street Fund, Conservation Trust Fund and Capital Fund. The business-type activities of the Town include the Water Fund, Sewer Fund and Stormwater Fund. The Town does not have any component units.

Fund Financial Statements focus on current available resources and are organized and operated on the basis of funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual basis of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances on spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. The Town maintains four governmental funds (General, Street, Capital and Conservation Trust).

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. These funds are used to account for services in which the Town charges customers a fee. The Town maintains three proprietary funds (Water, Sewer and Stormwater). The Stormwater Fund was created in 2024.

The Town does not have any **Fiduciary Funds.**

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide, business-type activities and fund financial statements.

Other Information includes certain required supplementary information containing budgetary comparison schedules of revenues, expenditures and changes in fund balances for all funds.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE
Condensed financial information from the **Statement of Net Position** at December 31, 2025:

	Governmental Activities	Business-Type Activities	Total
Current assets	$ 7,813,922	$ (328,739)	$ 7,485,183
Noncurrent assets	9,768,557	5,212,169	14,980,726
Total Assets	**17,582,479**	**4,883,430**	**22,465,909**
Total Deferred Outflows	**112,322**	-	**112,322**
Current liabilities	1,221,957	25,593	1,247,550
Noncurrent liabilities	133,105	14,022	147,127
Total Liabilities	**1,355,062**	**39,615**	**1,394,677**
Total Deferred Inflows	**568,267**	-	**568,267**
Net investment in capital assets	9,756,654	5,212,169	14,968,823
Restricted	5,508,575	-	5,508,575
Unrestricted	506,243	(368,354)	137,889
Total Net Position	**$ 15,771,472**	**$ 4,843,815**	**$ 20,615,287**

The restricted portion of net position ($5,508,575) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($137,889) may be used to meet the Town's obligations to citizens and creditors.

Condensed financial information from the **Statement of Activities** at December 31, 2025:

Revenues	Governmental Activities	Business-Type Activities	Total
Program Revenues:			
Charges for services	$ 141,739	$ 1,170,600	$ 1,312,339
General Revenues:			
Taxes	2,325,950	-	2,325,950
Licenses and permits	445,333	-	445,333
Intergovermental revenues	130,409	-	130,409
Fines and forfeitures	1,635,248	-	1,635,248
Earnings on investment	86,743	28,584	115,327
Other	1,822,772	-	1,822,772
Total Revenues	**6,588,194**	**1,199,184**	**7,787,378**
Expenses:			
General government	1,136,358	-	1,136,358
Public safety	1,939,168	-	1,939,168
Public works	419,387	-	419,387
Parks and recreation	403,017	-	403,017
Other	285,023	-	285,023
Water	-	677,192	677,192
Sewer	-	557,850	557,850
Stormwater	-	41,530	41,530
Total Expenses	**4,182,953**	**1,276,572**	**5,459,525**
Change in Net Position	**2,405,241**	**(77,388)**	**2,327,853**
Net Position - beginning	13,366,231	4,921,203	18,287,434
Net Position - ending	**$ 15,771,472**	**$ 4,843,815**	**$ 20,615,287**

Net position increased to $20,615,287, an increase of $2,327,853 from 2024. The increase was affected by the Town capital assets, contributions, grants, property tax, sales tax increases, permits, photo radar citations and sale of assets.

FINANCIAL ANALYSIS OF THE FUNDS

Governmental funds: The Town's functions are reported in the General Fund, Street Fund, Conservation Trust Fund and Capital Fund. The focus of these funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the Town's net resources available for spending at the end of its fiscal year.

As of December 31, 2025, the Town's governmental funds reported combined ending fund balances of $6,029,508, an increase of $878,243 in comparison with 2024. Approximately 8.64% of this total amount ($520,933) constitutes *unrestricted* fund balance, which is available for spending at the government's discretion. The reminder of the fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed for encumbrances or Tabor.

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

Fiduciary funds: As mentioned earlier, the Town does not have any of these types of funds.

Budgetary Highlights

The budgets are prepared in accordance with accounting principles generally accepted in the United States of America. Budget and actual comparison schedules are provided in the other supplementary information section of this report. The budget and actual comparison schedules show the original adopted budget, the final revised budget, actual results, and variance between the final budget and actual results for all funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (Net of Depreciation and Amortization)

	Governmental Activities	Business-Type Activities	Total
Land	$ 716,515	$ 4,826	$ 721,341
Water rights	-	3,210,865	3,210,865
Construction in progress	1,474,849	-	1,474,849
Utility system	-	5,683,254	5,683,254
Equipment	1,718,357	405,480	2,123,837
Buildings and improvements	8,226,907	-	8,226,907
Streets and improvements	5,643,943	-	5,643,943
Right-to-use assets	16,187	-	16,187
Total Capital Assets	**17,796,758**	**9,304,425**	**27,101,183**
Less: Accumulated depreciation and amortization	(8,028,201)	(4,092,256)	(12,120,457)
Net Capital Assets	**$ 9,768,557**	**$ 5,212,169**	**$ 14,980,726**

Capital assets – net of depreciation increased $989,476 during 2025 due to capital outlay (assets acquired) less depreciation (See Note 5 for further discussion).

DEBT ADMINISTRATION

The Town is debt free.

The Town leased a vehicle for the police department in 2025. As of December 31, 2025 the lease obligation was $11,903. (See Note 7 for further discussion)

ECONOMIC FACTORS

- Through the budget, the Board of Trustees approves the direction of the priorities of the Town and allocates and establishes priorities.
- The Town continues to pursue grant opportunities for capital construction projects, master planning and equipment.

- The Town staff is working with all development opportunities to expand our tax base, job opportunities and amenities for residences and visitors. The Town will continue to pursue grant opportunities for Capital Improvement Projects, planning, safety and general infrastructure projects.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the Town's finances for those who have an interest in the Town. If you have any questions about the report or need additional financial information, please contact Town Clerk at 446 First Street, Kersey, Colorado 80644. Phone (970) 353-1681.

BASIC FINANCIAL STATEMENTS

TOWN OF KERSEY, COLORADO

Statement of Net Position

Government-Wide

December 31, 2025

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash on hand and in checking	$ 3,146,823	$ (2,626,711)	**$ 520,112**
Cash on deposit - county treasurer	937	-	**937**
Cash in savings	1,248,650	977,828	**2,226,478**
Total Cash	4,396,410	(1,648,883)	**2,747,527**
Certificates of deposit	17,095	-	**17,095**
Local government investment pools	1,309,372	1,226,503	**2,535,875**
Total Investments	1,326,467	1,226,503	**2,552,970**
Property taxes receivable	566,490	-	**566,490**
Accounts receivable	1,524,555	82,744	**1,607,299**
Accrued interest receivable	-	-	**-**
Prepaid expenses	-	10,897	**10,897**
Total Current Assets	7,813,922	(328,739)	**7,485,183**
Noncurrent Assets:			
Net pension asset	-	-	**-**
Restricted assets:			
Local government investment pools	-	-	**-**
Total Restricted Assets	-	-	**-**
Capital Assets:			
Capital assets, not being depreciated	2,191,364	3,215,691	**5,407,055**
Capital assets, being depreciated - net	7,561,905	1,996,478	**9,558,383**
Right-to-use assets, being amortized - net	15,288	-	**15,288**
Net Capital Assets	9,768,557	5,212,169	**14,980,726**
Total Noncurrent Assets	9,768,557	5,212,169	**14,980,726**
Total Assets	17,582,479	4,883,430	**22,465,909**
DEFERRED OUTFLOWS			
Deferred outflows related to pensions	112,322	-	**112,322**
LIABILITIES			
Current Liabilities:			
Accounts payable	1,217,924	25,593	**1,243,517**
Payroll taxes payable	-	-	**-**
Accrued interest payable	-	-	**-**
Current portion - long-term obligations	4,033	-	**4,033**
Total Current Liabilities	1,221,957	25,593	**1,247,550**
Noncurrent Liabilities:			
Compensated absences	125,235	14,022	**139,257**
Lease obligations	11,903	-	**11,903**
Less: portion due within one year	(4,033)	-	**(4,033)**
Net pension liability	-	-	**-**
Total Noncurrent Liabilities	133,105	14,022	**147,127**
Total Liabilities	1,355,062	39,615	**1,394,677**
DEFERRED INFLOWS			
Unearned revenue - property taxes	566,490	-	**566,490**
Deferred inflows related to pensions	1,777	-	**1,777**
Total Deferred Inflows	568,267	-	**568,267**
NET POSITION			
Net investment in capital assets	9,756,654	5,212,169	**14,968,823**
Restricted	5,508,575	-	**5,508,575**
Unrestricted	506,243	(368,354)	**137,889**
Total Net Position	**$ 15,771,472**	**$ 4,843,815**	**$ 20,615,287**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Activities

Government-Wide

December 31, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions / Programs	Expenses	Charges for Services	Capital Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government						
Governmental Activities:						
General government	$ (1,136,358)	$ -	$ -	$ (1,136,358)	$ -	**$ (1,136,358)**
Public safety	(1,939,168)	-	-	(1,939,168)	-	**(1,939,168)**
Public works	(419,387)	97,415	-	(321,972)	-	**(321,972)**
Parks and recreation	(403,017)	44,324	-	(358,693)	-	**(358,693)**
Health and welfare	(6,356)	-	-	(6,356)	-	**(6,356)**
Legislative	(24,153)	-	-	(24,153)	-	**(24,153)**
Judicial	(24,213)	-	-	(24,213)	-	**(24,213)**
Library	(7,565)	-	-	(7,565)	-	**(7,565)**
Seniors	(99,526)	-	-	(99,526)	-	**(99,526)**
IT services	(123,125)			(123,125)		**(123,125)**
Interest on debt	(85)	-	-	(85)	-	**(85)**
Total Governmental Activities	(4,182,953)	141,739	-	(4,041,214)	-	**(4,041,214)**
Business-Type Activities:						
Water fund	(677,192)	551,234	-	-	(125,958)	**(125,958)**
Sewer fund	(557,850)	505,143	-	-	(52,707)	**(52,707)**
Stormwater fund	(41,530)	114,223	-	-	72,693	**72,693**
Total Business-Type Activities	(1,276,572)	1,170,600	-	-	(105,972)	**(105,972)**
Total Primary Government	$ (5,459,525)	$ 1,312,339	$ -	(4,041,214)	(105,972)	**(4,147,186)**
General Revenues:						
Taxes				2,325,950	-	**2,325,950**
Licenses and permits				445,333	-	**445,333**
Intergovernmental revenue				130,409	-	**130,409**
Fines and forfeitures				1,635,248	-	**1,635,248**
Miscellaneous income				121,103	-	**121,103**
Earnings on investments				86,743	28,584	**115,327**
Sale of assets				(12,590)	-	**(12,590)**
Contributions				37,159	-	**37,159**
Loan proceeds				12,558	-	**12,558**
Insurance proceeds				75,480		**75,480**
Grants				1,601,284	-	**1,601,284**
Transfers				-	-	**-**
Pension net increase (decrease)				(12,222)	-	**(12,222)**
Total General Revenues				6,446,455	28,584	**6,475,039**
Change in Net Position				2,405,241	(77,388)	**2,327,853**
Net Position-beginning of year				13,366,231	4,921,203	**18,287,434**
Net Position-End of Year				**$ 15,771,472**	**$ 4,843,815**	**$ 20,615,287**

TOWN OF KERSEY, COLORADO

Balance Sheet

Governmental Funds

December 31, 2025

	General	Street	Capital	(Nonmajor) Conservation Nonmajor	Total
ASSETS					
Current Assets:					
Cash on hand and in checking	$ (991,644)	$ 2,346,774	$ 1,929,023	$ (137,330)	**$ 3,146,823**
Cash on deposit - county treasurer	-	937	-	-	**937**
Cash in savings	596,716	195,563	195,559	260,812	**1,248,650**
Total Cash	(394,928)	2,543,274	2,124,582	123,482	**4,396,410**
Certificates of deposit	17,095	-	-	-	**17,095**
Local government investment pools	760,577	215,950	332,845	-	**1,309,372**
Total Investments	777,672	215,950	332,845	-	**1,326,467**
Property taxes receivable	566,490	-	-	-	**566,490**
Accounts receivable	1,484,650	39,905	-	-	**1,524,555**
Accrued interest receivable	-	-	-	-	**-**
Due from other funds	-	-	-	-	**-**
Total Current Assets	2,433,884	2,799,129	2,457,427	123,482	**7,813,922**
Noncurrent Assets:					
Restricted local government investment pools	-	-	-	-	**-**
Total Noncurrent Assets	-	-	-	-	-
Total Assets	2,433,884	2,799,129	2,457,427	123,482	**7,813,922**
DEFERRED OUTFLOWS					
Grant expenditures paid in advance of meeting timing requirements	-	-	-	-	**-**
Total Assets & Deferred Outflows	$ 2,433,884	$ 2,799,129	$ 2,457,427	$ 123,482	**$ 7,813,922**
LIABILITIES					
Current Liabilities:					
Accounts payable	$ 1,204,593	$ 13,331	$ -	$ -	**$ 1,217,924**
Payroll taxes payable	-	-	-	-	**-**
Due to other funds	-	-	-	-	**-**
Total Current Liabilities	1,204,593	13,331	-	-	**1,217,924**
Total Liabilities	1,204,593	13,331	-	-	**1,217,924**
DEFERRED INFLOWS					
Unearned revenue - property taxes	566,490	-	-	-	**566,490**
Total Liabilities & Deferred Inflows	1,771,083	13,331	-	-	**1,784,414**
FUND BALANCE					
Non-spendable	-	-	-	-	**-**
Restricted:					
Tabor	141,868	-	-	-	**141,868**
Streets	-	2,785,798	-	-	**2,785,798**
Parks and recreation	-	-	-	123,482	**123,482**
Capital projects	-	-	2,457,427	-	**2,457,427**
SLRFR program	-	-	-	-	**-**
Committed	-	-	-	-	**-**
Assigned	-	-	-	-	**-**
Unassigned	520,933	-	-	-	**520,933**
Total Fund Balance	662,801	2,785,798	2,457,427	123,482	**6,029,508**
Total Fund Balance, Liabilities & Deferred Inflows	**$ 2,433,884**	**$ 2,799,129**	**$ 2,457,427**	**$ 123,482**	**$ 7,813,922**

Reconciliation of the Balance Sheet to the Statement of Net Position

Total Governmental Fund Balance	**$ 6,029,508**
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital assets	**17,796,758**
Less: accumulated depreciation	**(8,028,201)**
Long-term liabilities, including capital leases, are not due and payable in the current period, therefore, they are not reported in the funds:	
Compensated absences	**(125,235)**
Lease obligation	**(11,903)**
Net pension asset and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position	**110,545**
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due:	
Accrued interest payable	**-**
Net Position of Governmental Activities	**$ 15,771,472**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

December 31, 2025

	General	Street	Capital	(Nonmajor) Conservation Trust	Total
Revenues:					
Taxes	$ 2,027,771	$ 286,527	$ 11,652	$ -	**$ 2,325,950**
Licenses and permits	445,333	-	-	-	**445,333**
Intergovernmental revenue	20,335	92,297	-	17,777	**130,409**
Charges for services	97,415	-	-	-	**97,415**
Parks and recreation	44,324	-	-	-	**44,324**
Judicial	1,635,248	-	-	-	**1,635,248**
Earnings on investments	68,983	5,717	10,794	1,249	**86,743**
Miscellaneous revenues	96,178	24,925	-	-	**121,103**
Total Revenues	4,435,587	409,466	22,446	19,026	**4,886,525**
Expenditures:					
General government	693,476	14,541	-	-	**708,017**
Public safety	1,878,000	-	-	-	**1,878,000**
Public works	86,591	214,316	-	-	**300,907**
Parks and recreation	354,479	-	-	26,879	**381,358**
Health and welfare	6,356	-	-	-	**6,356**
Legislative	24,153	-	-	-	**24,153**
Judicial	24,213	-	-	-	**24,213**
Library	7,565	-	-	-	**7,565**
Seniors	99,526	-	-	-	**99,526**
IT services	123,125	-	-	-	**123,125**
Capital outlay	1,881,705	319,148	-	-	**2,200,853**
Debt service	740	-	-	-	**740**
Total Expenditures	5,179,929	548,005	-	26,879	**5,754,813**
Excess (Deficiency) of Revenues over Expenditures	(744,342)	(138,539)	22,446	(7,853)	**(868,288)**
Other Financing Sources (Uses):					
Sale of assets	20,050	-	-	-	**20,050**
Contributions	37,159	-	-	-	**37,159**
Loan proceeds	12,558	-	-	-	**12,558**
Insurance proceeds	75,480	-	-	-	**75,480**
Grants	1,601,284	-	-	-	**1,601,284**
Transfers in	-	-	-	-	-
Transfers out	-	-		-	-
Total Other Financing Sources (Uses)	1,746,531	-	-	-	**1,746,531**
Net Change in Fund Balance	1,002,189	(138,539)	22,446	(7,853)	**878,243**
Fund Balance - beginning of year	(339,388)	2,924,337	2,434,981	131,335	**5,151,265**
Fund Balance - End of Year	**$ 662,801**	**$ 2,785,798**	**$ 2,457,427**	**$ 123,482**	**$ 6,029,508**

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:

Net Change in Fund Balance - Total Governmental Funds		**$ 878,243**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate to those expenditures over the life of the assets.		
Capital assets sold	**$ (32,640)**	
Capital asset purchased	**2,200,853**	
Depreciation expense	**(565,989)**	
The net effect of transactions involving capital assets (sales, trade-ins)		**1,602,224**
Loan proceeds provide current financial resources to the governmental funds and repayment of debt principal is an expenditure in the governmental funds, but the proceeds increase and repayment reduces long-term liabilities in the statement to net position:		
Issuance of long-term debt		**(12,558)**
Lease obligations		**655**
Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Change in compensated absences		**(51,101)**
Accrued interest		**-**
Net pension asset and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position		**(12,222)**
Change in Net Position of Governmental Activities		**$ 2,405,241**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2025

	Business-Type Activities			
	Water	Sewer	Stormwater	Total
ASSETS				
Current Assets:				
Cash on hand and in checking	$ (1,869,364)	$ (841,343)	$ 83,996	**$ (2,626,711)**
Cash on deposit - county treasurer	-	-	-	**-**
Cash in savings	391,135	586,693	-	**977,828**
Total Cash	(1,478,229)	(254,650)	83,996	**(1,648,883)**
Certificates of deposit	-	-	-	**-**
Local government investment pools	578,652	647,851	-	**1,226,503**
Total Investments	578,652	647,851	-	**1,226,503**
Accounts receivable	33,188	39,752	9,804	**82,744**
Accrued interest receivable	-	-	-	**-**
Prepaid expenses	10,897	-	-	**10,897**
Due from other funds	-	-	-	**-**
Total Current Assets	(855,492)	432,953	93,800	**(328,739)**
Capital Assets:				
Capital assets, not being depreciated	3,211,465	4,226	-	**3,215,691**
Capital assets, being depreciated - net	893,196	1,103,282	-	**1,996,478**
Right-to-use assets, being amortized - net	-	-	-	**-**
Net Capital Assets	4,104,661	1,107,508	-	**5,212,169**
Total Assets	3,249,169	1,540,461	93,800	**4,883,430**
DEFERRED OUTFLOWS				
Grant expenditures paid in advance of meeting timing requirements	-	-	-	**-**
Total Assets & Deferred Outflows	3,249,169	1,540,461	93,800	**4,883,430**
LIABILITIES				
Current Liabilities:				
Accounts payable	909	24,684	-	**25,593**
Payroll taxes payable	-	-	-	**-**
Accrued interest payable	-	-	-	**-**
Due to other funds	-	-	-	**-**
Current portion of long-term debt	-	-	-	**-**
Total Current Liabilities	909	24,684	-	**25,593**
Long Term Liabilities:				
Compensated absences	7,550	6,472	-	**14,022**
Less: portion due within one year	-	-	-	**-**
Total Long Term Liabilities	7,550	6,472	-	**14,022**
Total Liabilities	8,459	31,156	-	**39,615**
DEFERRED INFLOWS				
Unearned revenue	-	-	-	**-**
Total Liabilities & Deferred Inflows	8,459	31,156	-	**39,615**
NET POSITION				
Net investment in capital assets	4,104,661	1,107,508	-	**5,212,169**
Restricted for operations and maintenance	-	-	-	**-**
Unrestricted:				
Designated for subsequent year's expenditures	133,739	-	-	**133,739**
Undesignated	(997,690)	401,797	93,800	**(502,093)**
Total Net Position	**$ 3,240,710**	**$ 1,509,305**	**$ 93,800**	**$ 4,843,815**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

December 31, 2025

	Business-Type Activities			
	Water	Sewer	Stormwater	Total
Operating Revenues:				
Charges for services	$ 551,234	$ 503,794	$ 112,874	**$ 1,167,902**
Other operating revenues	-	1,349	1,349	**2,698**
Total Operating Revenues	551,234	505,143	114,223	**1,170,600**
Operating Expenses:				
General	42,986	40,835	-	**83,821**
Administrative	93,311	85,100	41,530	**219,941**
System operations	494,946	314,239	-	**809,185**
Depreciation	45,949	117,676	-	**163,625**
Total Operating Expenses	677,192	557,850	41,530	**1,276,572**
Operating Income (Loss)	(125,958)	(52,707)	72,693	**(105,972)**
Non-Operating Revenues (Expenses)				
Earnings on investments	11,433	17,151	-	**28,584**
Miscellaneous revenues	-	-	-	**-**
Interest expense	-	-	-	**-**
Proceeds from sale of assets	-	-	-	**-**
Total Non-operating Revenues (Expenses)	11,433	17,151	-	**28,584**
Income (Loss) before contributions and transfers	(114,525)	(35,556)	72,693	**(77,388)**
Contributions	-	-	-	**-**
Transfers In (Out)	-	-	-	**-**
Change in Net Position	(114,525)	(35,556)	72,693	**(77,388)**
Total Net Position - beginning of year	3,355,235	1,544,861	21,107	**4,921,203**
Total Net Position - End of Year	**$ 3,240,710**	**$ 1,509,305**	**$ 93,800**	**$ 4,843,815**

See accompanying notes to the basic financial statements

TOWN OF KERSEY, COLORADO

Statement of Cash Flows

Proprietary Funds

December 31, 2025

	Business-Type Activities			
	Water	Sewer	Stormwater	Total
Cash Flows From Operating Activities:				
Cash received from customers	$ 549,749	$ 489,981	$ 109,701	**$ 1,149,431**
Cash payments to employees	(125,142)	(117,087)	(34,156)	**(276,385)**
Cash payments to suppliers	(503,725)	(311,504)	(7,374)	**(822,603)**
Internal activity - payments to other funds	-	-	-	**-**
Net Cash Flows From Operating Activities	(79,118)	61,390	68,171	**50,443**
Cash Flows From Non-capital Financing Activities:				
Operating transfers in	-	-	-	**-**
Operating transfers out	-	-	-	**-**
Grants	-	-	-	**-**
Net Cash Flows From Non-capital Financing Activities	-	-	-	**-**
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	-	(40,344)	-	**(40,344)**
Proceeds from long-term debt	-	-	-	**-**
Contributions	-	-	-	**-**
Capital lease obligation payments	-	-	-	**-**
Principal payments on long-term debt	-	-	-	**-**
Interest payments on long-term debt	-	-	-	**-**
Net Cash Flows From Capital and Related Financing Activities	-	(40,344)	-	**(40,344)**
Cash Flows From Investing Activities:				
Interest on investments	11,433	17,151	-	**28,584**
Change in investments	(10,185)	(15,277)	-	**(25,462)**
Net Cash Flows From Investing Activities	1,248	1,874	-	**3,122**
Net Increase (Decrease) in Cash and Cash Equivalents	(77,870)	22,920	68,171	**13,221**
Cash and Cash Equivalents - January 1	(1,400,359)	(277,570)	15,825	**(1,662,104)**
Cash and Cash Equivalents - December 31	**$ (1,478,229)**	**$ (254,650)**	**$ 83,996**	**$ (1,648,883)**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	$ (125,958)	$ (52,707)	$ 72,693	**$ (105,972)**
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	45,949	117,676	-	**163,625**
Changes in assets and liabilities:				
Receivables	(1,485)	(15,162)	(4,522)	**(21,169)**
Prepaid expenses	(972)	-	-	**(972)**
Due from other funds	-	-	-	**-**
Payables and other accrued expenses	3,348	11,583	-	**14,931**
Due to other funds	-	-	-	**-**
Net Cash Flows From Operating Activities	**$ (79,118)**	**$ 61,390**	**$ 68,171**	**$ 50,443**

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Kersey, Colorado (Town), was incorporated in 1908 as a statutory town. The statutes provide that the mayor is the chief administrative officer and that the Board of Trustees shall be the policy-making authority. The following services are currently offered by the Town: General government, public safety, and public works (streets, trash, communicable disease control, street lighting), parks and recreation, and water, sewer, and stormwater service.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices are described below.

Reporting Entity

The reporting entity consists of only the Town, a primary government that is a general-purpose local government. This primary government has a separately elected governing body and it is legally separate, as well as financially independent of other state and local governments. A component unit may be a financial benefit or burden to the primary government and is a legally separate organization of which the elected officials of the primary government are financially accountable. The Town does not have any component units.

New Accounting Pronouncements

GASB Statement No 102, *Certain Risk Disclosures*. This statement establishes and addresses financial reporting regarding certain concentrations or constraints and related events that have a substantial impact and negatively affect the level of service a government provides. Implementation had no impact to the Town's financial statements.

Basic Financial Statements

Government-Wide Financial Statements consist of Statement of Net Position and Statement of Activities; these statements report information about the reporting entity as a whole. These statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred, regardless of the timing of the related cash flows.

Governmental Fund Financial Statements consist of Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance for all major governmental funds and non-major funds aggregated. These statements are presented on the "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recognized when received in cash, except for revenues subject to accrual (generally 60 days after year-end) are recognized when due.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (continued)

The Town reports the following **Governmental Funds**:

- **General Fund (major)** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Street Fund (major)** is a special revenue fund of the Town. It is funded by sales tax, specific ownership tax, highway user's tax, motor vehicle fees and various other revenue sources. The expenditures represent the cost of maintaining the Town's streets.
- **Capital Projects Fund (major)** are special revenue fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes. (See Note 13 for further discussion)
- **Conservation Trust Fund (nonmajor)** is a special revenue fund used to account for revenues derived primarily from intergovernmental revenues (Colorado Lottery) and earnings on investments. The use of these funds is legally restricted to the following activities: acquisition, development and maintenance of new conservation sites or for capital improvements or maintenance for recreation purposes on any public site (parks, trails, sports facilities, arenas or community centers).

The Town reports the following **Proprietary Funds**:

- **Water Fund (major)** is used to account for the water use fees and the expenses associated with providing water services to Town residents.
- **Sewer Fund (major)** is used to account for the sewer use fees and the expenses associated with providing wastewater services to Town residents.
- **Stormwater Fund (major)** is used to account for the stormwater use fees and the expenses associated with the operation and maintenance, administration, debt service and system management functions.

The Town does not have any **Fiduciary Funds**.

Required supplementary information includes Management's Discussion and Analysis which includes an analytical overview of the Town's financial activities. In addition, budgetary comparison schedules are presented for all funds that compare the adopted and modified budget with actual results.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until that time.

Lease-related amounts are recognized at the inception of the lease. The right-to-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the lease term.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Town recognizes and measures its leases in accordance with GASB Statement No 87, *Leases*. The Town was a lessee of the Town Hall subject to mutual covenants and conditions. The Town determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Town recognizes a right-to-use asset and lease liability at the commencement date of the lease.

The Town has elected, for all underlying classes of assets, to not recognize right-to-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Town is reasonably certain to exercise. The Town recognize lease cost associated with short-term leases on a straight-line basis over the lease term.

Budgets and Budgetary Accounting

An annual budget and appropriation resolutions is adopted by the Town in accordance with the Colorado State Statutes. The budget for all funds is prepared on a basis consistent with generally accepted accounting principles (GAAP), except that bond and loan proceeds are treated as other financing sources and debt service principal payments and capital outlays are treated as expenditures.

Budgeted amounts are as originally adopted or as increased by supplemental appropriations. Budget appropriations lapse at year-end. Budgetary comparisons with actual revenues and expenditures are included as required supplemental information for the General and Street funds and as other supplemental information for the Conservation Trust Fund, Capital Projects Fund, Water Fund, and the Sewer Fund.

The following is a summary of the original, total revisions and revised budgets for those funds with amended budgets in year 2025:

Governmental Funds	Original Budget	Total Revisions	Revised Budget
General Fund	$ 5,554,952	$ 718,846	$ 6,273,798
Street Fund	476,568	70,000	546,568
Capital Projects Fund	-	-	-
Conservation Trust Fund	23,800	7,000	30,800
Business-Type:			
Water Fund	712,191	-	712,191
Sewer Fund	479,748	6,000	485,748
Stormwater Fund	29,253	12,500	41,753
Total	**$ 7,276,512**	**$ 814,346**	**$ 8,090,858**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (continued)

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

- On or before August 25, the Weld County Assessor submits to the Town the new assessed valuation and other amounts needed to compute the statutory property tax revenue limit.
- On or before October 15, the Budget Committee submits to the Town Board of Trustees a proposed operating budget for the following fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- On or before December 15, the Town certifies the mill levy to the Board of County Commissioners.
- On or before December 22, the Board of County Commissioners certifies the levy against the assessed valuation on all taxable properties.
- Prior to December 31, the Town legally adopts the budget.

The Town incurred expenditures in excess of appropriations in the Street Fund for the year ended December 31, 2025, which may be in violation of the Local Government Budget Law.

Designated for Subsequent Year's Expenditures

Designated fund balance is the portion of the fund balance that is appropriated in the succeeding year's budget.

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*. The Town allows employees to accumulate paid time off (PTO) in varying amounts with maximum accrual based on years of service. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not be used for time off or settled in cash. Accrued compensated absences are recognized as expenses when earned by the employees for the government-wide financial statements and the proprietary fund financial statements. Compensated absences are recognized as expenditures when paid in the governmental fund financial statements. Upon termination of employment from the Town, an employee will be compensated for all accrued PTO that has been earned through the last day of work.

Compensated absences liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at year end plus an additional amount for salary-related payments such as Social Security and Medicare taxes and Statewide Retirement Plan contributions computed using rates in effect at that date. The Town has recorded a liability of $139,257 at December 31, 2025.

Cash and Cash Equivalents

For purposes of the basic financial statements and the statement of cash flows, the Town considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

The Town pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Town's investments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash and Investments

The Town received funds from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. This program is intended to provide support to State, territorial, local and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents and businesses. These funds may only be used in compliance with section 603(c.) of the Social Security Act, Treasury's regulations implementing that section, and guidance issued by the Treasury.

Investments

Investments are carried at fair value plus accrued interest with net appreciation or depreciation on investments included in earnings on investments. (See Note 3 for further discussion)

Inventory

Inventory is generally stated at cost in the Water Fund and Sewer Fund, applying the first-in, first-out inventory flow method.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the governmental-wide financial statements. The Town records its property and equipment at historical cost. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During year ended December 31, 2025, no interest was capitalized. The Town's capitalization level is $2,500 for capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Water rights	0
Buildings and improvements	20 to 40
Machinery and equipment	5 to 10
Utility systems	15 to 50

Construction in Progress

Construction in progress includes design and construction costs that accumulate until completion or installation of the respective project, at which time the total cost is transferred to depreciate capital assets.

Use of Estimates

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables are considered fully collectible and therefore are reported at their gross value.

Equity - Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

Equity - Fund Balance

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

(1) ***Nonspendable Fund Balance*** – the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
(2) ***Restricted Fund Balance*** – the portion of fund balance that is constrained to be used for a specific purpose by external parties (creditors, grantors, or contributors), enabling legislation or constitutional provisions. The Town's fund balance is restricted for tabor, street improvement, parks and recreation and capital projects.
(3) ***Committed Fund Balance*** – the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making, the Town Board. The constraint may be removed or changed only through formal action of the Town's Board through approval of resolutions.
(4) ***Assigned Fund Balance*** – the portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town Board to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
(5) ***Unassigned Fund Balance*** – the residual portion of fund balance that does not meet any of the criteria described above. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Article X, Section 20, of the Colorado Constitution contains several limitations, including raising revenue, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes that it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance.

The amendment excludes from its provisions Enterprises. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than ten percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. On April 7, 1998, voters approved Ordinance 1-1998 regarding the Town's retention of revenues collected in excess of the fiscal spending limits for 1998, also to be effective for all years thereafter. In addition, voters approved to allow the Town to maintain its operating mill levy at 17.205 mills in 2008 (for 2009 collection) and for a period not to exceed 10 years, qualifying as a TABOR voter approved revenue change and, if applicable, an authorized exception to the statutory 5.5% tax revenue growth limitation. Then in 2016, voters approved to extend operating mill levy for another period not to exceed 10 years. Considering the above interpretation of TABOR, the governing board believes that it is in compliance with its fiscal requirements for the year December 31, 2025.

The Amendment requires that Emergency Reserves be established. The reserves must be at least three percent of the fiscal year spending (excluding bonded debt service). The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has restricted $141,868 for this purpose.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are reported in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and in checking	$ 3,146,823	$ (2,626,711)	$ 520,112
Cash with county treasurer	937	-	937
Cash in savings	1,248,650	977,828	2,226,478
Investments:			
Certificates of deposit	17,095	-	17,095
Local government investment pools	1,309,372	1,226,503	2,535,875
Restricted: Local government investment pools	-	-	-
Total	**$ 5,722,877**	**$ (422,380)**	**$ 5,300,497**

Cash deposits and investments consist of the following:

	Governmental Activities	Business-Type Activities	Total
Cash on hand and deposit	$ 937	$ -	$ 937
Bank accounts	4,395,473	(1,648,883)	2,746,590
Investments	1,326,467	1,226,503	2,552,970
Total	**$ 5,722,877**	**$ (422,380)**	**$ 5,300,497**

Cash Deposits

As of December 31, 2025, the carrying amount of the Town's deposits was $2,746,590 and the corresponding bank balance was $2,937,571.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Cash Deposits (continued)

Custodial Credit Risk is the risk that, in the event of the failure of a bank failure, the government's deposits may not be returned to it. Town bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the Town's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (CPDPA). The CPDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate uninsured deposits.

The State Regulatory Commissions for banks are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which a political subdivision may invest, which 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
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2025, the Town had the following investments:

	S&P	Investment Maturities in Years				
	Rating	Less than 1	1 to 5	6 to 10	More than 10	Total
Certificates of deposit	-	$ 17,095	$ -	$ -	$ -	$ 17,095
Local govt investment pools:						
Colotrust Prime and Plus+	AAAm	2,418,981	-	-	-	2,418,981
Colotrust EDGE	AAAf	116,894	-	-	-	116,894
Total		**$ 2,552,970**	**$ -**	**$ -**	**$ -**	**$ 2,552,970**

The Town's policy is to hold investments until maturity and to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands.

Interest Rate Risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The Town investment portfolio does not contain investments that exceed the five-year limitation imposed by Colorado Statutes.

Credit Risk is the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligations to the Town. The Town's investment policy follows Colorado Revised Statues.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)
Investments (continued)
Concentration of Credit Risk is the risk of loss attributed to the magnitude of a Town's investment in a single issuer. The Town has no such policy limiting how much can be with one financial institution.

Custodial Credit Risk is the risk that, in the event of the failure of the issuer or counterparty, the Town will not be able to recover the value of its investment or related collateral securities that are in the possession of an outside party. The Town had custodial credit risk for its investments at December 31, 2025.

Local Governmental Investment Pools, the Town had investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST), a local government investment pool, comprised of three funds: COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. PRIME invests only in U.S. Treasury and government agencies, while PLUS+ invests in U.S. Treasury, government agencies and in the highest-rated commercial paper. These two investment pools are rated AAAm by S&P Global Ratings and operate similar to a money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. EDGE invests in money market instruments and medium-term notes and is rated AAAf by Fitch Ratings. EDGE is characterized by a higher weighted average maturity (beyond 60 days) and a longer target duration than either PRIME or PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. For more information on COLOTRUST call (303) 864-7474 or go to www.colotrust.com.

Fair Value of Investments, the Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There are three levels of inputs that may be used to measure fair value, as follows:

Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

The Town's investment in COLOTRUST is measured at net asset value, equal to $1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. There is not an investment component to be valued under GASB Statement 72, *Fair Value Measurement and Application*.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Income

Investment income, is reported in the financial statements as follows:

Investment Income:	Governmental Activities	Business-Type Activities	Total
Interest income	$ 86,742	$ 28,584	$ 115,326
Net increase (decrease) in the fair value of investments	1	-	1
Total	**$ 86,743**	**$ 28,584**	**$ 115,327**

The net increase (decrease) in the fair value of investments represents the difference in fair value from one year to the next.

NOTE 4 - PROPERTY TAXES RECEIVABLE

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. Property taxes levied by the General Fund in the current year, 2025, to be collected in the subsequent year, 2026 are accrued as a receivable as of December 31, 2025 and offset by an unearned revenue account.

The Town's property tax calendar for 2025 is as follows:

Lien Date	January 1, 2025
Levy Date	November 1, 2025
Tax bills mailed	January 1, 2026
First installment due	February 28, 2026
Second installment due	June 15, 2026
If paid in full, due	April 30, 2026
Tax sale – delinquent taxes	November 15, 2026

NOTE 5 – CAPITAL ASSETS

The following is a summary of capital assets for the **Governmental Activities** as of December 31, 2025:

Governmental Activities	Beg Balance	Additions	Retirements	End Balance
Capital Assets, not being depreciated:				
Land	$ 716,515	$ -	$ -	$ 716,515
Construction in progress	802,954	1,331,912	(660,017)	1,474,849
Total Capital Assets, not being depreciated	**1,519,469**	**1,331,912**	**(660,017)**	**2,191,364**
Capital Assets, being depreciated:				
Buildings and improvements	7,135,295	1,091,612	-	8,226,907
Street and improvements	5,334,505	309,438	-	5,643,943
Equipment	1,719,380	111,721	(112,744)	1,718,357
Total Capital Assets, being depreciated	**14,189,180**	**1,512,771**	**(112,744)**	**15,589,207**
Less: Accumulated Depreciation for:				
Buildings and improvements	(1,485,970)	(364,215)	-	(1,850,185)
Street and improvements	(4,856,449)	(58,683)	-	(4,915,132)
Equipment	(1,199,897)	(142,192)	80,104	(1,261,985)
Total Accumulated Depreciation	**(7,542,316)**	**(565,090)**	**80,104**	**(8,027,302)**
Total Capital Assets, being depreciated - Net	**6,646,864**	**947,681**	**(32,640)**	**7,561,905**
Right-to-Use Assets, being amortized:				
Equipment	-	**16,187**	-	**16,187**
Total Right-to-Use Assets, being amortized	-	**16,187**	-	**16,187**
Less: Accumulated Amortization for:				
Equipment	-	**(899)**	-	**(899)**
Total Accumulated Amortization	-	**(899)**	-	**(899)**
Total Right-to-Use Assets, being amortized - Net	-	**15,288**	-	**15,288**
Capital Assets - Net	**$ 8,166,333**	**$ 2,294,881**	**$ (692,657)**	**$ 9,768,557**

Depreciation expense was charged to Governmental Activities as follows:	
General government	$ 364,682
Public safety	60,269
Public works	118,480
Health and welfare	-
Culture and recreation	21,659
Total Depreciation Expense - Governmental Activities	**$ 565,090**

Amortization expense was charged to Governmental Activities as follows:	
General government	$ -
Public safety	899
Public works	-
Health and welfare	-
Culture and recreation	-
Total Amortization Expense - Governmental Activities	**$ 899**

NOTE 5 – CAPITAL ASSETS (CONTINUED)

The following is a summary of capital assets for the **Business-Type Activities** as of December 31, 2025:

Business-Type Activities	Beg Balance	Additions	Retirements	End Balance
Capital Assets, not being depreciated				
Land	$ 4,826	$ -	$ -	$ 4,826
Water rights	3,210,865	-	-	3,210,865
Construction in progress	-	-	-	-
Total Capital Assets, not being depreciated	**3,215,691**	**-**	**-**	**3,215,691**
Capital Assets, being depreciated				
Utility system	5,642,910	40,344	-	5,683,254
Equipment	405,480	-	-	405,480
Total Capital Assets, being depreciated	**6,048,390**	**40,344**	**-**	**6,088,734**
Less: Accumulated Depreciation for:				
Utility system	(3,547,598)	(150,623)	-	(3,698,221)
Equipment	(381,033)	(13,002)	-	(394,035)
Total Accumulated Depreciation	**(3,928,631)**	**(163,625)**	**-**	**(4,092,256)**
Total Capital Assets, being depreciated - Net	**2,119,759**	**(123,281)**	**-**	**1,996,478**
Capital Assets - Net	**$ 5,335,450**	**$ (123,281)**	**$ -**	**$ 5,212,169**

Depreciation expense was charged to Business-Type Activities as follows:	
Water fund	$ 45,949
Sewer fund	117,676
Stormwater fund	-
Total Depreciation Expense - Business-Type Activities	**$ 163,625**

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2025 were as follows:

Governmental Activities	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General Fund	$ -	$ -	$ -	$ -
Street Fund	-	-	-	
Conservation Trust Fund	-	-	-	-
Capital Fund	-	-	-	-
Total Governmental Activities	-	-	-	-
Business-Type Activities				
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Stormwater Fund	-	-	-	-
Total Business-Type Activities	-	-	-	-
Total	**$ -**	**$ -**	**$ -**	**$ -**

NOTE 7 – LONG-TERM OBLIGATIONS

Lease Obligations

The Town leases a vehicle for the police department under a non-cancelable lease expiring on October 1, 2028. The lease obligation is financed with Nissan Motor Acceptance Company LLC for 36-months with payments of $370 per month.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2025 are as follows:

Year Ending	Principal	Interest	Total
2026	$ 4,033	$ 411	$ 4,444
2027	4,215	229	4,444
2028	3,655	48	3,703
2029	-	-	-
2030	-	-	-
Thereafter	-	-	-
Total	**$ 11,903**	**$ 688**	**$ 12,591**

Other Debt and Line of Credit

The Town has no other debt or unused lines of credit.

Changes in Long-Term Obligations

	Beg Balance	Additions	Reductions	End Balance	Due Within One Year
Governmental Activities:					
Compensated absences	$ 74,134	$ 51,101 *	$ -	$ 125,235	$ -
Lease liability	-	12,558	(655)	11,903	4,033
Total Governmental Activities	74,134	63,659	(655)	137,138	4,033
Business-Type Activities:					
Compensated absences	8,259	5,763 *	-	14,022	-
Total Business-Type Activities	8,259	5,763	-	14,022	-
Total	**$ 82,393**	**$ 69,422**	**$ (655)**	**$ 151,160**	**$ 4,033**

*The change in the compensated absences is presented as a net change. The Town believes that the current portion of compensated absences is negligible and is therefore not reported.

NOTE 8 - RISK MANAGEMENT

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 subcontractors; and natural disasters.

For risks related to property and liability and worker's compensation, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity form 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 and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

NOTE 8 - RISK MANAGEMENT (CONTINUED)

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 losses, 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 coverage at reasonable costs.

All income and assets of CIRSA shall be at all time 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 ability to significantly affect the operations of the unit. The Town has not significantly changed its insurance coverage over the past three years, nor have any settlements exceeded coverage during the same period.

The Town purchases commercial insurance for all items not covered by CIRSA. Settled claims for these risks have not exceeded insurance coverage the past three years.

NOTE 9 – CONTINGENCIES

In the opinion of the Town's management and counsel, there is no material pending or threatened litigation, claims, and assessments. Furthermore, the Town's management and counsel are unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed as of December 31, 2025.

The Town has received federal and state grants for specific purpose that are subject to review and audit by the grantor agencies, as well as matching obligations from the Town. Such reviews and audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management of the Town believes any potential disallowed items, if any, would not affect the fairness of the presentation of the financial statements at December 31, 2025. The Town prepares its Schedule of Expenditures of Federal Awards (SEFA) on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. For the year ending December 31, 2025, no SEFA was required to be filed due to this cash basis reporting.

Subsequent to year end (See Note 13), the Town approved a refund of certain citations. Eligible individuals have an application to submit for the refund of a citation paid during the year ended December 31, 2025. Because this is a newly established refund program, historical application, rejection, and payout rates do not exist. As of the date of these financial statements there were issued, refund applications pending formal review and approval by the Town. Those pending claims are subject to compliance verification and eligibility requirements. Because these claims do not yet constitute due and payable obligations, no fund liability or accounts payable have been recorded for the pending amount in the accompanying financial statements. The ultimate outcome of these pending claims and their total impact on the Town's financial position cannot be determined at this time.

NOTE 10 – RETIREMENT PLAN

Plan Description

Town employees may voluntarily contribute to the Voluntary Investment Program (457 Plan), an Internal Revenue Code Section 457 defined contribution plan administered by the ICMA-RC. Investments are managed by the plan's administrator under several different investment options, or combinations thereof. The choice of the investment option(s) is made by the participants. The Town has no management control over the assets of the plan. Accordingly, the assets of the plan are not included in these financial statements.

NOTE 10 – RETIREMENT PLAN (CONTINUED)

Funding Policy

The 457 Plan is funded by voluntary member contributions up to a maximum limit set by the IRS ($23,500 for the calendar year 2025). Catch-up contributions up to $7,500 for the calendar year 2025 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRS Section 414(v). The Town contributes 3% of the employee's salary into this plan. The Town's cost under the Plan as of December 31, 2025 was $23,468.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are the solely the property and rights of the participants. The Town has no liability for losses under the plan and authorizes the benefits terms and authority to amend those terms.

NOTE 11 – STATEWIDE RETIREMENT PLAN

Plan Description

The Statewide Retirement Plan (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 and 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 offices in the money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose service are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in the 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 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 and 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. The Town enrolls all full-time police officers in the Plan.

NOTE 11 – STATEWIDE RETIREMENT PLAN (CONTINUED)

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 a combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

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

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

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 members' 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 members' highest three years base salary for each year of credited service up to ten 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 of 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 bases 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 by both the employers and members.

NOTE 11 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Contributions (continued)

Contribution rates at December 31, 2024 are as follows:

	Member	Employer	Total
Defined Benefit Component	12.00%	10.00%	22.00%
Statewide Death and Disability Plan (SWD&D)	1.70%	1.70%	3.40%
	13.70%	11.70%	25.40%

Member contributions will increase 0.5% annually through 2022 to a total of 12.0% of base salary. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13.0% of base salary.

Contribution rates for members and employers of affiliated social security employers:

	Member	Employer	Total
Statewide Defined Benefit Plan (SWBD)	6.00%	5.00%	11.00%
Statewide Death and Disability Plan (SWD&D)	1.70%	1.70%	3.40%
	7.70%	6.70%	14.40%

Member contributions to SWBD will increase 0.25% annually through 2022 to a total of 6.0% of base salary. Employer contributions to SWBD will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of base salary.

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 employers 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 by 2030. In 2024, the total minimum combined member and employer contribution rate was 17.00 percent.

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 Contribution rate from July 1, 2024 through June 30, 2025 is 14.56 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.

Pension Liability (Asset)

At December 31, 2025, the Town reported $0 for its proportionate share of the net pension liability (asset). The net pension liability was measured as of December 31, 2024, and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on the Town's share of contributions relative to the contributions of all participants.

NOTE 11 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Deferred Outflows/Inflows of Resources by Source

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Pension contributions subsequent to measurement date	$ 27,106	$ -	$ 27,106
Difference between expected and actual experiences	56,812	1,777	55,035
Assumption changes	20,333	-	20,333
Net difference between projected and actual earnings on pension plan investments	8,071	-	8,071
Total	**$ 112,322**	**$ 1,777**	**$ 110,545**

The $27,106 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2025	$ 23,236
2026	34,333
2027	2,428
2028	3,601
2029	7,915
Thereafter	11,926
Total	**$ 83,439**

Actuarial Assumptions

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

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2025	January 1, 2024
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization method	N/A	Level % of Payroll, Open
Amortization period	N/A	30 Years
Long-term investment rate of return *	7.00%	7.00%
Projected salary increases *	4.25% - 11.75%	4.25% - 11.75%
Cost of living adjustments (COLA)	0.00%	0.00%
* Includes inflation at	2.50%	2.50%

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

NOTE 11 – STATEWIDE RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (continued)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	33.0%	7.00%
Equity Long/Short	6.0%	6.20%
Private Markets	34.0%	8.80%
Fixed Income - Rates	7.0%	5.00%
Fixed Income - Credit	7.0%	6.50%
Absolute Return	9.0%	5.70%
Cash	4.0%	4.20%
Total	**100.0%**	

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

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

NOTE 11 – STATEWIDE RETIREMENT PLAN (CONTINUED)

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%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Regarding the sensitivity of the net pension liability to changes in the single discount rates, the following presents the Town's proportionate share of the net pension liability / (asset), calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

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). The long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.77% (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%.

	1% Decrease **6.00%**	Current Rate **7.00%**	1% Increase **8.00%**
Pension Plan's Net Pension Liability / (Asset)	**$ 115,372**	**$ -**	**$ -**

Pension Plan Fiduciary Net Position

Detailed information about FPPA's plan fiduciary net position is available in the separately issued comprehensive annual financial report of the FPPA plan.

NOTE 12 – SHORT-TERM DEBT

The Town had no short-term debt obligations and had no borrowing during the year ending December 31, 2025.

	Beg Balance	Additions	Reductions	End Balance
Short-Term Debt	$ -	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**	**$ -**

Other Debt and Line of Credit

The Town has no other debt or unused lines of credit.

NOTE 13 – SUBSEQUENT EVENTS

The Town evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through July 24, 2026, the date on which the financial statements were issued, and identified events or transactions that would have a material impact the financial statements.

On January 13, 2026, the Town's Board of Trustees formally approved the notice of refund for $340 speeding citations paid as a result of citation issued May 2025 - November 2025 through the photo radar camera on County Road 49. The individual who paid the citation must initiate the refund application process, and they have a six-month window to complete their request, which ends August 3, 2026.

Subsequent to year end, but prior to the issuance of the financial statements, the Town received several refund applications under this newly established refund process. Of the total applications processed, $151,840 were formally approved for payment. Because these approved claims provide additional evidence regarding conditions existing at the balance sheet date, the accompanying financial statements have been adjusted to recognize a $151,840 reduction in revenues and a corresponding accounts payable liability.

Additionally, applications remain pending review and approval as of the date of financial statement issuance. These pending claims are subject to compliance verification and eligibility requirements and have not been recognized as liabilities in the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF KERSEY, COLORADO

Schedule of Revenues

Budget to Actual - ***General Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Taxes:					
General property taxes	$ 495,827	$ 495,827	**$ 494,715**	$ (1,112)	$ 580,158
Interest on delinquent taxes	1,000	1,000	**2,811**	1,811	1,761
Sales tax	1,172,942	1,172,942	**1,432,162**	259,220	1,052,808
Franchise tax	85,000	85,000	**70,971**	(14,029)	76,254
Lodging tax	29,000	29,000	**27,112**	(1,888)	24,534
Total Taxes	1,783,769	1,783,769	**2,027,771**	244,002	1,735,515
Licenses, Permits and Fees:					
Amusement machine tax	225	225	**-**	(225)	225
Employment occupation tax	1,500	1,500	**1,500**	-	1,500
Carry out bag fee	550	550	**348**	(202)	505
Business license	2,000	2,000	**1,461**	(539)	3,619
Liquor license	1,500	1,500	**829**	(671)	1,554
Mosquito control fee	6,800	6,800	**7,784**	984	5,975
Animal license	750	750	**440**	(310)	535
Impound fee	500	500	**-**	(500)	-
Development fee	-	-	**-**	-	-
Building permits	45,000	45,000	**432,971**	387,971	35,235
Total Licenses, Permits and Fees	58,825	58,825	**445,333**	386,508	49,148
Intergovernmental Revenues:					
Cigarette taxes	3,500	3,500	**3,182**	(318)	3,470
Severance tax	129,309	129,309	**17,153**	(112,156)	78,032
Total Intergovernmental Revenues	132,809	132,809	**20,335**	(112,474)	81,502
Charges for Services:					
Refuse collection charge	83,700	83,700	**96,067**	12,367	76,124
Late fees	1,000	1,000	**1,348**	348	3,250
Total Charges for Services	84,700	84,700	**97,415**	12,715	79,374
Parks and Recreation:					
Park reservations	1,500	1,500	**2,291**	791	765
T-ball/coach pitch registration	4,200	4,200	**4,175**	(25)	4,685
Baseball registration	5,000	5,000	**9,122**	4,122	5,327
Softball registration	3,000	3,000	**4,286**	1,286	3,464
Basketball registration	3,500	3,500	**712**	(2,788)	8,662
Basketball (5-7) registration	350	350	**43**	(307)	2,552
Adult fitness	500	500	**29**	(471)	-
Soccer registration	2,500	2,500	**3,970**	1,470	3,439
Soccer (5-7) registration	2,500	2,500	**1,178**	(1,322)	2,389
Soccer llittle kicks registration	2,500	2,500	**-**	(2,500)	1,024
Swimming registration	-	-	**-**	-	-
Youth volleyball	7,000	7,000	**10,465**	3,465	9,804
Flag football	1,500	1,500	**2,087**	587	2,378
Summer activities	-	-	**-**	-	-
Winter activities	-	-	**-**	-	-
United way	2,500	2,500	**1,143**	(1,357)	1,500
Miscellaneous rec programs	-	-	**-**	-	-
Camps/clinics	750	750	**-**	(750)	590
Community fitness	500	500	**207**	(293)	-
Special events	1,500	1,500	**2,018**	518	1,188
Older adult programs	11,550	11,550	**2,598**	(8,952)	11,550
Total Parks and Recreation	50,850	50,850	**44,324**	(6,526)	59,317

(continued on next page)

Schedule of Revenues

Budget to Actual - ***General Fund (continued)***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Judicial:					
Fines and forfeitures	$ 138,488	$ 138,488	**$ 86,070**	(52,418)	$ 121,573
Traffic calming surcharge	17,000	17,000	**10,775**	(6,225)	14,567
Lidar citations	-	1,682,920	**1,533,350**	(149,570)	-
ATV registrations	-	-	**-**	-	-
Police reports	500	500	**621**	121	479
SOE fees	500	500	**579**	79	2,816
Court costs	5,000	5,000	**3,853**	(1,147)	5,491
Surcharge	150	150	**-**	(150)	-
Total Judicial	161,638	1,844,558	**1,635,248**	(209,310)	144,926
Earnings on Investments:					
Earnings on investments	1,500	1,500	**68,983**	67,483	75,687
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investments	1,500	1,500	**68,983**	67,483	75,687
Miscellaneous Revenues:					
Donations	4,200	4,200	**-**	(4,200)	2,200
Donations - kersey days	40,000	40,000	**37,159**	(2,841)	29,676
Miscellaneous revenues	70,141	70,141	**77,278**	7,137	91,715
Credit card fees	2,500	2,500	**-**	(2,500)	-
Oil and gas royalties	10,000	10,000	**5,586**	(4,414)	5,695
Insurance proceeds	-	-	**-**	-	-
IT contributions	14,250	14,250	**-**	(14,250)	14,250
Building rental	5,500	5,500	**13,314**	7,814	5,869
Contributions	-	-	**-**	-	-
Sale of assets	-	-	**20,050**	20,050	51,850
Insurance proceeds	-	-	**75,480**	75,480	-
Loan proceeds	-	-	**12,558**	12,558	-
Grant proceeds	3,218,857	3,218,857	**1,601,284**	(1,617,573)	572,757
Total Miscellaneous Revenue	3,365,448	3,365,448	**1,842,709**	(1,522,739)	774,012
Total Revenue	**$ 5,639,539**	**$ 7,322,459**	**$ 6,182,118**	**$ (1,140,341)**	**$ 2,999,481**

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **General Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

Non-GAAP Budgetary Basis	2025 Original Budget	2025 Final Budget	2025 Actual	2025 Variance - Favorable (Unfavorable)	2024 Actual
General Government:					
General:					
Workmen's compensation	$ 24,366	$ 24,366	**$ 27,971**	$ (3,605)	$ 23,989
Auditing	4,410	4,410	**5,510**	(1,100)	5,205
Bank charges	3,129	3,129	**8,540**	(5,411)	4,335
Credit card charges	4,000	4,000	**34,400**	(30,400)	12,446
Treasurer's fee	4,864	4,864	**4,965**	(101)	5,887
Insurance	20,042	20,042	**21,694**	(1,652)	21,300
Professional services	-	-	**-**	-	-
IT services	-	-	**-**	-	-
Bad debt	-	-	**-**	-	927
Total General	60,811	60,811	**103,080**	(42,269)	74,089
Administrative:					
Salaries	285,071	285,071	**292,892**	(7,821)	224,976
Payroll taxes	22,000	22,000	**22,684**	(684)	17,622
Health insurance	10,000	10,000	**20,556**	(10,556)	10,552
Cafeteria plan	4,500	4,500	**6,923**	(2,423)	5,192
Dental insurance	300	300	**-**	300	294
AFLAC coverage	-	-	**5,225**	(5,225)	-
Life insurance	150	150	**64**	86	152
Short-term disability insurance	720	720	**1,018**	(298)	422
Long-term disability insurance	1,500	1,500	**383**	1,117	421
E 457 retirement contribution	8,467	8,467	**8,597**	(130)	6,373
Cont. education, seminars, training	5,000	5,000	**2,941**	2,059	6,448
Pre-employment	500	500	**795**	(295)	789
Legal services	54,000	54,000	**45,246**	8,754	43,258
Publishing	1,000	1,000	**1,004**	(4)	1,040
Web publishing	-	-	**4,500**	(4,500)	900
Online code	800	800	**1,118**	(318)	963
Dues and subscriptions	5,500	5,500	**6,130**	(630)	7,259
Fuel	500	500	**29**	471	445
Miscellaneous	15,000	15,000	**5,007**	9,993	11,070
Document storage	3,750	3,750	**4,064**	(314)	3,496
Special events	5,000	5,000	**1,772**	3,228	5,165
Postage	750	750	**7,278**	(6,528)	827
Professional services	51,000	51,000	**45,337**	5,663	55,797
Tuition assistance	2,500	2,500	**-**	2,500	-
Repairs and maintenance - building	14,000	14,000	**21,502**	(7,502)	12,069
Repairs and maintenance - equip/mach	300	300	**859**	(559)	759
Repairs and maintenance - office equip	500	500	**72**	428	-
Repairs and maintenance - vehicles	500	500	**46**	454	1,183
TH cleaning	3,250	3,250	**4,373**	(1,123)	4,411
Supplies - general	2,000	2,000	**15,917**	(13,917)	9,163
Supplies - office	5,000	5,000	**6,194**	(1,194)	8,958
Telephone expense	2,500	2,500	**2,258**	242	3,240
Travel and meetings	12,000	12,000	**12,821**	(821)	7,162
Utility expense	4,000	4,000	**6,692**	(2,692)	6,130
Electronic monitoring	4,000	4,000	**3,825**	175	4,716
TM vehicle allowance	9,000	9,000	**9,000**	-	6,750
Total Administrative	535,058	535,058	**567,122**	(32,064)	468,002
Elections:					
Publishing	-	-	**-**	-	53
Coordinated elections	-	-	**-**	-	1,335
Supplies - general	-	-	**-**	-	10
Total Elections	-	-	**-**	-	1,398

(continued on next page)

Schedule of Expenditures

*Budget to Actual - **General Fund (continued)***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
General Government: (continued)					
Planning and Zoning:					
Salaries	$ 3,000	$ 3,000	**$ 1,450**	$ 1,550	$ 600
Payroll taxes	50	50	**111**	(61)	46
Professional services	30,000	30,000	**13,887**	16,113	33,870
Supplies - general	250	250	**35**	215	60
Ed marketing	2,000	2,000	**-**	2,000	-
Dues and subscriptions	7,000	7,000	**3,391**	3,609	2,560
Annexation incentives	20,000	20,000	**4,400**	15,600	-
Business development fund	30,000	30,000	**-**	30,000	-
Professional services	-	-	**-**	-	-
Total Planning and Zoning	92,300	92,300	**23,274**	69,026	37,136
Total General Government	688,169	688,169	**693,476**	(5,307)	580,625
Public Safety:					
Police:					
Salaries	597,055	597,055	**602,243**	(5,188)	592,578
Overtime pay	5,000	5,000	**-**	5,000	-
Payroll taxes	40,000	40,000	**44,142**	(4,142)	43,908
Health insurance	71,198	71,198	**71,392**	(194)	70,057
Dental insurance	2,681	2,681	**855**	1,826	2,793
Life insurance	910	910	**840**	70	1,184
Short-term disability insurance	1,734	1,734	**2,083**	(349)	2,021
Long-term disability insurance	-	-	**55**	(55)	-
E 457 retirement contribution	28,585	28,585	**40,344**	(11,759)	26,989
Cont. education, seminars, training	2,000	2,000	**3,510**	(1,510)	750
Pre-employment exams	1,500	1,500	**1,296**	204	819
Legal	-	-	**-**	-	-
Web publishing	-	-	**-**	-	900
Clothing and uniforms	6,500	6,500	**7,430**	(930)	5,131
Crime prevention	500	500	**585**	(85)	1,235
Juvenile assessment center	600	600	**339**	261	433
Dues and subscriptions	7,500	7,500	**6,455**	1,045	7,083
Gas, oil, diesel fuel, etc.	15,000	15,000	**15,510**	(510)	17,725
Investigations	1,000	1,000	**1,080**	(80)	550
Weld county communications	25,500	25,500	**24,463**	1,037	25,201
Postage	150	150	**149**	1	173
Lidar adminstration	-	718,846	**697,597**	21,249	-
Record management	3,250	3,250	**2,600**	650	1,625
Repairs and maintenance - building	1,500	1,500	**1,128**	372	770
Repairs and maintenance - equip/mach	1,000	1,000	**823**	177	431
Repairs and maintenance - office equip	1,000	1,000	**120**	880	373
Repairs and maintenance - vehicles	5,000	5,000	**16,026**	(11,026)	7,173
Supplies - general	1,500	1,500	**1,093**	407	2,229
Supplies - office	2,000	2,000	**989**	1,011	3,208
Telephone expense	7,000	7,000	**6,412**	588	7,046
Travel and meetings	3,000	3,000	**6,699**	(3,699)	2,405
Utility expense	2,500	2,500	**2,988**	(488)	2,616
Ammunition, taser, bodycam	18,500	18,500	**24,243**	(5,743)	10,217
Total Police	853,663	1,572,509	**1,583,489**	(10,980)	837,623
Other Protection					
Publishing	-	-	**-**	-	-
Animal shelter fees	2,000	2,000	**2,560**	(560)	1,240
Supplies - general	300	300	**96**	204	174
Building inspection fees	30,000	30,000	**291,855**	(261,855)	28,226
Total Other Protection	32,300	32,300	**294,511**	(262,211)	29,640
Total Public Safety	885,963	1,604,809	**1,878,000**	(273,191)	867,263

(continued on next page)

Schedule of Expenditures

Budget to Actual - ***General Fund (continued)***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Public Works:					
Sanitation					
Administrative transfer	$ -	$ -	**$ -**	$ -	$ -
Auditing	1,820	1,820	**1,820**	-	1,735
Postage	500	500	**733**	(233)	905
Trash collection	75,383	75,383	**78,059**	(2,676)	82,961
Clean-up day roll operations	5,595	5,595	**5,979**	(384)	9,397
Total Sanitation	83,298	83,298	**86,591**	(3,293)	94,998
Total Public Works	83,298	83,298	**86,591**	(3,293)	94,998
Parks and Recreation:					
Parks:					
Salaries	102,082	102,082	**60,362**	41,720	60,288
Payroll taxes	9,187	9,187	**4,543**	4,644	4,541
Health insurance	4,624	4,624	**4,939**	(315)	4,809
Dental insurance	266	266	**455**	(189)	236
Life insurance	330	330	**94**	236	284
Short-term disability insurance	155	155	**198**	(43)	161
Long-term disability insurance	115	115	**77**	38	115
E 457 retirement contribution	1,500	1,500	**1,243**	257	922
Clothing allowance	250	250	**125**	125	-
Gas, oil, diesel fuel	950	950	**715**	235	
Repairs and maintenance - parks	2,500	2,500	**719**	1,781	16,560
Supplies - general	750	750	**3,567**	(2,817)	5,118
Tree city usa	3,600	3,600	**3,553**	47	3,600
Utilities	500	500	**69**	431	232
Equipment rental	5,000	5,000	**5,643**	(643)	4,185
Total Parks	131,809	131,809	**86,302**	45,507	101,051
Recreation:					
Salaries - part-time	125,350	125,350	**128,647**	(3,297)	105,336
Payroll taxes	11,282	11,282	**9,051**	2,231	7,441
Health and dental insurance	18,118	18,118	**24,228**	(6,110)	17,005
E 457 retirement contribution	3,760	3,760	**3,372**	388	2,229
Cont. education, seminar, training	400	400	**-**	400	450
Web publishing	4,500	4,500	**200**	4,300	980
Dues and subscriptions	2,000	2,000	**2,989**	(989)	741
Miscellaneous	1,050	1,050	**1,332**	(282)	759
Background checks	2,000	2,000	**2,019**	(19)	3,117
Building rental fees	4,500	4,500	**4,518**	(18)	3,349
Repairs and maintenance	500	500	**1,910**	(1,410)	322
Baseball - supplies and fees	4,000	4,000	**8,118**	(4,118)	6,088
Softball - supplies and fees	1,500	1,500	**4,758**	(3,258)	2,923
Basketball - supplies and fees	5,500	5,500	**10,957**	(5,457)	8,937
Supplies - concession	-	-	**-**	-	-
Supplies - uniforms	3,000	3,000	**7,003**	(4,003)	4,708
Supplies - office	1,500	1,500	**1,002**	498	1,916
Soccer - supplies and fees	4,000	4,000	**1,261**	2,739	2,836
Flag football - supplies and fees	700	700	**2,515**	(1,815)	558
Volleyball - supplies and fees	3,000	3,000	**5,858**	(2,858)	6,200
Kersey days	40,000	40,000	**43,471**	(3,471)	28,716
Telephone expense	1,500	1,500	**1,980**	(480)	2,103
Travel and meetings	1,500	1,500	**2,622**	(1,122)	559
Camps/clincs	500	500	**-**	500	-
Paint/field markings	1,500	1,500	**366**	1,134	-
Total Recreation	241,660	241,660	**268,177**	(26,517)	207,273
Total Parks and Recreation	373,469	373,469	**354,479**	18,990	308,324

(continued on next page)

TOWN OF KERSEY, COLORADO
Schedule of Expenditures
*Budget to Actual - **General Fund (continued)***
Year Ended December 31, 2025
With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Health and Welfare:					
Chemicals	$ 6,800	$ 6,800	**$ 6,356**	$ 444	$ 6,174
Total Health and Welfare	6,800	6,800	**6,356**	444	6,174
Legislative:					
Mayor and trustee fees	10,800	10,800	**10,500**	300	11,750
Payroll taxes	908	908	**803**	105	899
Legal services	4,700	4,700	**4,510**	190	4,510
Publishing	-	-	**1,731**	(1,731)	1,619
Public relations	4,000	4,000	**-**	4,000	-
Supplies - office	500	500	**556**	(56)	42
Travel and meetings	6,000	6,000	**6,053**	(53)	2,807
Donation	-	-	**-**	-	-
Total Legislative	26,908	26,908	**24,153**	2,755	21,627
Judicial:					
Legal services	15,000	15,000	**15,206**	(206)	14,386
Municipal judge	4,200	4,200	**7,350**	(3,150)	4,900
Payroll taxes	-	-	**-**	-	-
Dues and subscriptions	-	-	**-**	-	-
Juror fees	-	-	**-**	-	-
Postage	200	200	**336**	(136)	411
Professional services	1,200	1,200	**1,280**	(80)	1,250
Supplies - office	500	500	**41**	459	836
Total Judicial	21,100	21,100	**24,213**	(3,113)	21,783
Library:					
Salaries	-	-	**-**	-	-
Payroll taxes	-	-	**-**	-	-
Building rent	3,473	3,473	**3,749**	(276)	3,583
Repairs and maintenance	1,500	1,500	**259**	1,241	775
Supplies - general	-	-	**-**	-	-
Utility expense	3,500	3,500	**3,557**	(57)	3,698
Total Library	8,473	8,473	**7,565**	908	8,056
Seniors:					
Salaries	23,920	23,920	**17,403**	6,517	25,419
Payroll taxes	2,153	2,153	**1,331**	822	1,915
Health and dental insurance	-	-	**-**	-	728
E 457 retirement contribution	-	-	**-**	-	148
Miscellaneous expenses	1,000	1,000	**505**	495	-
Repairs and maintenance	6,000	6,000	**8,662**	(2,662)	14,154
Supplies - general	2,000	2,000	**1,064**	936	1,192
Utility expense	11,400	11,400	**11,103**	297	9,022
Seasonal events and programs	24,500	24,500	**13,279**	11,221	-
Professional services	20,000	20,000	**46,179**	(26,179)	37,602
Total Seniors	90,973	90,973	**99,526**	(8,553)	90,180
IT Services					
IT services	109,620	109,620	**123,125**	(13,505)	89,245
Total IT Services	109,620	109,620	**123,125**	(13,505)	89,245
Capital Outlay					
General government	3,110,179	3,110,179	**1,766,506**	1,343,673	835,582
Public safety - police	150,000	150,000	**111,489**	38,511	153,985
Parks and recreation	-	-	**3,710**	(3,710)	31,639
Total Capital Outlay	3,260,179	3,260,179	**1,881,705**	1,378,474	1,021,206
Debt Service					
Principal	-	-	**655**	(655)	-
Interest	-	-	**85**	(85)	-
Total Debt Service	-	-	**740**	(740)	-
Total Expenditures	**$ 5,554,952**	**$ 6,273,798**	**$ 5,179,929**	**$ 1,093,869**	**$ 3,109,481**

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

*Budget to Actual - **General Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Revenues:					
Taxes	$ 1,783,769	$ 1,783,769	**$ 2,027,771**	$ 244,002	$ 1,735,515
Licenses and permits	58,825	58,825	**445,333**	386,508	49,148
Intergovernmental revenues	132,809	132,809	**20,335**	(112,474)	81,502
Charges for services	84,700	84,700	**97,415**	12,715	79,374
Parks and recreation	50,850	50,850	**44,324**	(6,526)	59,317
Judicial	161,638	1,844,558	**1,635,248**	(209,310)	144,926
Earnings on investments	1,500	1,500	**68,983**	67,483	75,687
Miscellaneous revenues	3,365,448	3,365,448	**1,842,709**	(1,522,739)	774,012
Total Revenues	5,639,539	7,322,459	**6,182,118**	(1,140,341)	2,999,481
Transfers In:					
Street Fund	-	-	**-**	-	-
Conservation Trust Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	-
Total Revenues and Transfers	5,639,539	7,322,459	**6,182,118**	(1,140,341)	2,999,481
Expenditures:					
General government	688,169	688,169	**693,476**	(5,307)	580,625
Public safety	885,963	1,604,809	**1,878,000**	(273,191)	867,263
Public works	83,298	83,298	**86,591**	(3,293)	94,998
Parks and recreation	373,469	373,469	**354,479**	18,990	308,324
Health and welfare	6,800	6,800	**6,356**	444	6,174
Legislative	26,908	26,908	**24,153**	2,755	21,627
Judicial	21,100	21,100	**24,213**	(3,113)	21,783
Library	8,473	8,473	**7,565**	908	8,056
Seniors	90,973	90,973	**99,526**	(8,553)	90,180
IT services	109,620	109,620	**123,125**	(13,505)	89,245
Capital outlay	3,260,179	3,260,179	**1,881,705**	1,378,474	1,021,206
Debt service	-	-	**740**	(740)	-
Total Expenditures	5,554,952	6,273,798	**5,179,929**	1,093,869	3,109,481
Transfers Out:					
Street Fund	-	-	**-**	-	-
Conservation Trust Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	20,000
Sewer Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	20,000
Total Expenditures and Transfers	5,554,952	6,273,798	**5,179,929**	1,093,869	3,129,481
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ 84,587	$ 1,048,661	**1,002,189**	$ (46,472)	(130,000)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**1,881,705**		1,021,206
Capital assets sold			**(32,640)**		(56,607)
Depreciation and amortization expense			**(492,442)**		(448,353)
Debt proceeds			**(12,558)**		-
Lease obligations			**655**		-
Compensated absences			**(51,101)**		(10,253)
Accrued interest payable			**-**		-
Net pension liability (asset)			**(12,222)**		59,807
Change in Net Position			**$ 2,283,586**		**$ 435,800**

TOWN OF KERSEY, COLORADO

Schedule of Revenues

*Budget to Actual - **Street Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Taxes:					
Motor vehicle sales and use tax	$ 7,270	$ 7,270	**$ 5,022**	$ (2,248)	$ 5,941
Sales tax	400,000	400,000	**261,418**	(138,582)	518,478
Specific ownership tax	21,000	21,000	**20,087**	(913)	20,292
Total Taxes	428,270	428,270	**286,527**	(141,743)	544,711
Intergovernmental Revenues:					
Highway users tax	60,269	60,269	**73,917**	13,648	74,295
Motor vehicles registration fee	9,000	9,000	**7,141**	(1,859)	7,959
County road and bridge	12,000	12,000	**11,239**	(761)	16,911
Total Intergovernmental Revenues	81,269	81,269	**92,297**	11,028	99,165
Earnings on Investments:					
Earnings on investments	500	500	**5,717**	5,217	6,129
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investments	500	500	**5,717**	5,217	6,129
Miscellaneous Revenues:					
Streets reimbursements	500	500	**-**	(500)	-
Traffic calming surcharge	16,500	16,500	**10,125**	(6,375)	13,937
Maintenance income	1,500	1,500	**4,500**	3,000	-
Other income	250	250	**10,300**	10,050	1,440
Grants	-	-	**-**	-	-
Contributions	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	-
Total Miscellaneous Revenue	18,750	18,750	**24,925**	6,175	15,377
Total Revenues	**$ 528,789**	**$ 528,789**	**$ 409,466**	**$ (119,323)**	**$ 665,382**

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **Street Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
General Government:					
General:					
Workmen's compensation	$ 6,202	$ 6,202	**$ 4,784**	$ 1,418	$ 3,443
Auditing	2,205	2,205	**2,730**	(525)	2,603
Legal services	-	-	**-**	-	-
Publishing	-	-	**-**	-	-
Professional services	-	-	**849**	(849)	1,202
IT services	4,750	4,750	**-**	4,750	4,750
Total General	13,157	13,157	**8,363**	4,794	11,998
Administrative:					
Salaries	-	-	**-**	-	-
Payroll taxes	-	-	**-**	-	-
Health insurance	-	-	**-**	-	-
Life insurance	-	-	**-**	-	-
E 457 retirement coverage	-	-	**-**	-	-
Online code	500	500	**168**	332	-
Postage	50	50	**-**	50	150
Professional services	-	-	**-**	-	963
Repairs and maintenance	500	500	**-**	500	-
TH cleaning	3,500	3,500	**4,013**	(513)	3,822
Supplies - office	600	600	**1,997**	(1,397)	911
Total Administrative	5,150	5,150	**6,178**	(1,028)	5,846
Total General Government	18,307	18,307	**14,541**	3,766	17,844
Public Works:					
Operations:					
Salaries	77,089	77,089	**95,430**	(18,341)	71,378
Payroll taxes	6,751	6,751	**7,046**	(295)	5,260
Health insurance	5,778	5,778	**7,100**	(1,322)	6,200
Dental insurance	167	167	**273**	(106)	172
AFLAC coverage	150	150	**37**	113	142
Life insurance	67	67	**21**	46	70
Short-term disability insurance	149	149	**306**	(157)	155
Long-term disability insurance	107	107	**112**	(5)	111
E 457 retirement coverage	2,250	2,250	**2,339**	(89)	1,703
Cont. education, seminars, training	500	500	**-**	500	-
Clothing and uniforms	750	750	**601**	149	752
Dues and subscriptions	125	125	**1,859**	(1,734)	1,075
Gas, oil, diesel fuel, etc.	5,000	5,000	**2,899**	2,101	1,617
Professional services	2,778	2,778	**6,430**	(3,652)	11,833
Repairs and maintenance - building	-	-	**1,735**	(1,735)	848
Repairs and maintenance - equip/mach	2,500	2,500	**4,834**	(2,334)	3,832
Repairs and maintenance - signs	4,500	4,500	**2,737**	1,763	10,674
Repairs and maintenance - streets	10,000	10,000	**5,462**	4,538	6,690
Repairs and maintenance - marking	11,000	11,000	**8,550**	2,450	274
Repairs and maintenance - vehicles	5,000	5,000	**9,781**	(4,781)	4,197
Repairs and maintenance - cr 55	5,000	5,000	**-**	5,000	1,260
Street cleaning	10,000	10,000	**8,046**	1,954	3,920
Snow removal	35,000	35,000	**7,000**	28,000	13,125
Street lights	15,000	15,000	**29,621**	(14,621)	12,949
Supplies - general	3,500	3,500	**6,512**	(3,012)	6,799
Telephone expense	1,900	1,900	**1,786**	114	1,904
Travel and meetings	200	200	**35**	165	288
Utility expense	3,000	3,000	**3,764**	(764)	3,559
Total Operations	208,261	208,261	**214,316**	(6,055)	170,787
Total Public Works	208,261	208,261	**214,316**	(6,055)	170,787
Capital Outlay	250,000	320,000	**319,148**	852	245,600
Total Capital Outlay	250,000	320,000	**319,148**	852	245,600
Total Expenditures	**$ 476,568**	**$ 546,568**	**$ 548,005**	**$ (1,437)**	**$ 434,231**

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

*Budget to Actual - **Street Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Revenues:					
Taxes	$ 428,270	$ 428,270	**$ 286,527**	$ (141,743)	$ 544,711
Licenses and permits	-	-	**-**	-	-
Intergovernmental revenues	81,269	81,269	**92,297**	11,028	99,165
Charges for services	-	-	**-**	-	-
Parks and recreation	-	-	**-**	-	-
Judicial	-	-	**-**	-	-
Earnings on investments	500	500	**5,717**	5,217	6,129
Miscellaneous revenues	18,750	18,750	**24,925**	6,175	15,377
Total Revenues	528,789	528,789	**409,466**	(119,323)	665,382
Transfers In:					
General Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	-
Total Revenues and Transfers	528,789	528,789	**409,466**	(119,323)	665,382
Expenditures:					
General government	18,307	18,307	**14,541**	3,766	17,844
Public safety	-	-	**-**	-	-
Public works	208,261	208,261	**214,316**	(6,055)	170,787
Parks and recreation	-	-	**-**	-	-
Health and welfare	-	-	**-**	-	-
Legislative	-	-	**-**	-	-
Judicial	-	-	**-**	-	-
Library	-	-	**-**	-	-
Seniors	-	-	**-**	-	-
Capital outlay	250,000	320,000	**319,148**	852	245,600
Total Expenditures	476,568	546,568	**548,005**	(1,437)	434,231
Transfers Out:					
General Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	-
Total Expenditures and Transfers	476,568	546,568	**548,005**	(1,437)	434,231
Excess (Deficit) of Revenues and Transfers over Expenditures and Transfers	$ 52,221	$ (17,779)	**(138,539)**	$ (120,760)	231,151
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**319,148**		245,600
Capital assets sold			**-**		-
Depreciation expense			**(73,547)**		(64,117)
Change in Net Position			**$ 107,062**		**$ 412,634**

TOWN OF KERSEY, COLORADO

Budgetary Comparison Schedule

*Budget to Actual - **Capital Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Revenues:					
Taxes:					
Use tax	$ 47,380	$ 47,380	**$ 11,652**	$ (35,728)	$ 38,390
Total Taxes	47,380	47,380	**11,652**	(35,728)	38,390
Earnings on Investment:					
Earnings on investments	56,000	56,000	**10,793**	(45,207)	11,872
Net increase (decrease) in fair value of investments	-	-	**1**	1	4
Total Earnings on Investment	56,000	56,000	**10,794**	(45,206)	11,876
Miscellaneous Revenues:					
Road development fees	1,150	1,150	**-**	(1,150)	-
Drainage fees	600	600	**-**	(600)	-
Park fees	1,700	1,700	**-**	(1,700)	-
Contributions	-	-	**-**	-	-
Grant proceeds	-	-	**-**	-	-
Total Miscellaneous Revenues	3,450	3,450	**-**	(3,450)	-
Transfers In:					
General Fund	-	-	**-**	-	-
Street Fund	-	-	**-**	-	-
Sewer Fund	76,667	76,667	**-**	(76,667)	76,667
Water Fund	-	-	**-**	-	112,500
Total Transfers In	76,667	76,667	**-**	(76,667)	189,167
Total Revenues and Transfers	183,497	183,497	**22,446**	(161,051)	239,433
Expenditures:					
Park planning	-	-	**-**	-	-
Capital Outlay:					
Equipment	-	-	**-**	-	-
Projects	-	-	**-**	-	-
Vehicles & machinery	-	-	**-**	-	-
Total Expenditures	-	-	**-**	-	-
Transfers Out:					
General Fund	-	-	**-**	-	-
Street Fund	-	-	**-**	-	-
Sewer Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	-
Total Expenditures and Transfers	-	-	**-**	-	-
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ 183,497	$ 183,497	**22,446**	$ (161,051)	239,433
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		-
Depreciation expense			**-**		-
Change in Net Position			**$ 22,446**		**$ 239,433**

TOWN OF KERSEY, COLORADO

Budgetary Comparison Schedule

Budget to Actual - ***Conservation Trust Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

Non-GAAP Budgetary Basis	2025 Original Budget	2025 Final Budget	2025 **Actual**	2025 Variance - Favorable (Unfavorable)	**2024** Actual
Revenues:					
Intergovernmental Revenue:					
State lottery funds	$ 20,000	$ 20,000	**$ 17,777**	$ (2,223)	$ 18,122
Total Intergovernmental Revenue	20,000	20,000	**17,777**	(2,223)	18,122
Earnings on Investment:					
Earnings on investments	300	300	**1,249**	949	1,159
Net increase (decrease) in fair value of investments	-	-	**-**	-	-
Total Earnings on Investment	300	300	**1,249**	949	1,159
Miscellaneous Revenues:					
Park fees	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	-
Transfers In:					
General Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	-
Total Revenues and Transfers	20,300	20,300	**19,026**	(1,274)	19,281
Expenditures:					
Parks:					
Chemicals	2,500	2,500	**2,113**	387	45
Professional services	-	-	**-**	-	-
Repairs and maintenance - building	1,000	8,000	**5,964**	2,036	1,296
Repairs and maintenance - equip	2,000	2,000	**2,129**	(129)	1,665
Repairs and maintenance - turf	6,500	6,500	**5,441**	1,059	876
Tree trimming	4,000	4,000	**2,200**	1,800	245
Park Equipment	1,000	1,000	**7,167**	(6,167)	-
Supplies - general	1,800	1,800	**1,865**	(65)	434
Supplies - office	-	-	**-**	-	-
Capital outlay	5,000	5,000	**-**	5,000	-
Total Parks	23,800	30,800	**26,879**	3,921	4,561
Community Center:					
Repairs and maintenance - building	-	-	**-**	-	-
Repairs and maintenance - equip	-	-	**-**	-	-
Supplies - general	-	-	**-**	-	-
Supplies - office	-	-	**-**	-	-
Total Community Center	-	-	**-**	-	-
Total Expenditures	23,800	30,800	**26,879**	3,921	4,561
Transfers Out:					
General Fund	-	-	**-**	-	-
Total Transfers Out	-	-	**-**	-	-
Total Expenditures and Transfers	23,800	30,800	**26,879**	3,921	4,561
Excess (Deficit) of Revenues Over Expenditures and Transfers	$ (3,500)	$ (10,500)	**(7,853)**	$ 2,647	14,720
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital asset purchases capitalized			**-**		-
Depreciation expense			**-**		-
Change in Net Position			**$ (7,853)**		**$ 14,720**

TOWN OF KERSEY, COLORADO

Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions

Fire and Police Pension Association of Colorado (FPPA)

For The Last 10 Years (to be built prospectively)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ending December 31	2024	2023	2022	2021	2020	2019	2018	2017 *	2016	2015
Town's proportion of the net pension liability (asset)	0.0236420%	0.0228920%	0.0155467%	0.0139240%	0.0153290%	0.0161900%	0.0144200%	0.0175200%	N/A	N/A
Town's proportionate share of the net pension liability (asset)	$ -	$ -	$ 13,729	$ (75,461)	$ (33,280)	$ (9,158)	$ 18,230	$ -	N/A	N/A
Town's covered payroll	$ 493,564	$ 451,442	$ 269,393	$ 224,764	$ 246,550	$ 238,700	$ 193,175	$ 153,692	N/A	N/A
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	5.10%	-33.57%	-13.50%	-3.84%	9.44%	0.00%	N/A	N/A
Plan fiduciary net position as a percentage of total pension liability (asset)	100.00%	100.00%	97.60%	116.20%	106.70%	101.90%	95.20%	106.30%	N/A	N/A

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending December 31	2024	2023	2022	2021	2020	2019	2018	2017 *	2016	2015
Contractually required contribution	24,878	21,366	12,111	9,528	9,850	9,548	7,727	6,148	N/A	N/A
Contribution in relation to the contractually required contribution	(24,878)	(21,366)	(12,111)	(9,528)	(9,850)	(9,548)	(7,727)	(6,148)	N/A	N/A
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Town's covered payroll	$ 493,564	$ 451,442	$ 269,393	$ 224,764	$ 246,550	$ 238,700	$ 193,175	$ 153,692	N/A	N/A
Contributions as a percentage of covered payroll	5.00%	4.75%	4.50%	4.24%	4.00%	4.00%	4.00%	4.00%	N/A	N/A

* year started with FPPA

SUPPLEMENTAL INFORMATION

TOWN OF KERSEY, COLORADO

Schedule of Revenues

*Budget to Actual - **Water Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Operating Revenues:					
Water sales	$ 598,649	$ 598,649	**$ 523,770**	$ (74,879)	$ 484,168
Tap fees	14,000	14,000	**-**	(14,000)	-
Bulk water sales	7,500	7,500	**14,353**	6,853	1,889
Water purchased	-	-	**-**	-	-
Hydrant fees	2,500	2,500	**2,350**	(150)	7,050
Late fees	3,500	3,500	**7,761**	4,261	5,220
Meter charges	2,500	2,500	**-**	(2,500)	-
Miscellaneous	-	-	**3,000**	3,000	1,000
Total Operating Revenues	628,649	628,649	**551,234**	(77,415)	499,327
Earnings on Investment:					
Earnings on investments	600	600	**11,433**	10,833	12,508
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investment	600	600	**11,433**	10,833	12,508
Miscellaneous Revenues:					
Contributions from customers	-	-	**-**	-	300,000
Contributions from subdividers	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	-
Loan proceeds	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	300,000
Total Revenues	**$ 629,249**	**$ 629,249**	**$ 562,667**	**$ (66,582)**	**$ 811,835**

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **Water Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Operating Expenditures:					
General:					
Workmen's compensation	$ 8,860	$ 8,860	**$ 9,366**	$ (506)	$ 6,886
Auditing	3,640	3,640	**3,640**	-	3,470
Bank charges	150	150	**10**	140	108
Credit card charges	-	-	**127**	(127)	189
Legal services	-	-	**-**	-	-
Publishing	200	200	**258**	(58)	262
Web publishing	-	-	**-**	-	900
Insurance	29,663	29,663	**29,585**	78	30,964
Dues and subscriptions	150	150	**-**	150	-
Professional services	-	-	**-**	-	2,552
Bookkeeping services	-	-	**-**	-	-
IT services	4,750	4,750	**-**	4,750	4,750
Total General	47,413	47,413	**42,986**	4,427	50,081
Administrative:					
Salaries	86,044	86,044	**67,986**	18,058	61,765
Payroll taxes	7,557	7,557	**5,072**	2,485	4,538
Health insurance	3,022	3,022	**5,846**	(2,824)	3,323
Dental insurance	118	118	**-**	118	117
AFLAC coverage	350	350	**-**	350	-
Life insurance	68	68	**27**	41	85
Short-term disability insurance	181	181	**351**	(170)	219
Long-term disability insurance	155	155	**151**	4	190
E 457 retirement contribution	2,519	2,519	**1,987**	532	1,780
Cont. education, seminars, training	250	250	**-**	250	-
Online code	299	299	**755**	(456)	963
Dues and subscriptions	1,500	1,500	**3,237**	(1,737)	2,697
Postage	400	400	**908**	(508)	953
Professional services	-	-	**-**	-	1,983
Repairs and maintenance	500	500	**943**	(443)	-
TH cleaning	3,800	3,800	**4,012**	(212)	3,822
Hydrant deposit refund	1,500	1,500	**-**	1,500	-
Supplies - office	1,200	1,200	**2,036**	(836)	1,045
Travel and meetings	150	150	**-**	150	-
Total Administrative	109,613	109,613	**93,311**	16,302	83,480

(continued on next page)

Schedule of Expenditures

*Budget to Actual - **Water Fund (continued)***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Operating Expenditures:					
System Operations:					
Salaries	$ 52,035	$ 52,035	**$ 57,156**	$ (5,121)	$ 50,694
Payroll taxes	4,683	4,683	**3,936**	747	3,587
Health insurance	5,029	5,029	**4,618**	411	5,204
Dental insurance	108	108	**95**	13	109
AFLAC coverage	75	75	**14**	61	69
Life insurance	53	53	**14**	39	54
Short-term disability insurance	130	130	**235**	(105)	118
Long-term disability insurance	91	91	**84**	7	84
E 457 retirement coverage	1,561	1,561	**1,583**	(22)	1,476
Cont. education, seminars, training	600	600	**-**	600	-
Pre-employment exam	-	-	**-**	-	-
Administrative transfer	-	-	**-**	-	-
Clothing and uniforms	750	750	**577**	173	675
Dues and subscriptions	600	600	**2,829**	(2,229)	425
Gas, oil, diesel fuel, etc.	2,000	2,000	**2,187**	(187)	3,158
Postage	100	100	**50**	50	-
Professional services	1,200	1,200	**274**	926	1,630
Repairs and maintenance - building	500	500	**2,056**	(1,556)	965
Repairs and maintenance - equip/mach	4,000	4,000	**3,097**	903	162
Repairs and maintenance - hydrant	3,000	3,000	**-**	3,000	585
Repairs and maintenance - office equip	-	-	**-**	-	56
Repairs and maintenance - valve box	1,000	1,000	**-**	1,000	-
Repairs and maintenance - vehicles	4,000	4,000	**3,713**	287	573
Repairs and maintenance - water lines	12,000	12,000	**5,257**	6,743	3,835
Repairs and maintenance - water tower	5,000	5,000	**5,374**	(374)	10,489
Supplies - general	1,000	1,000	**3,644**	(2,644)	656
Telephone expense	1,800	1,800	**1,568**	232	1,904
Travel and meetings	150	150	**35**	115	329
Utility expense	7,700	7,700	**7,652**	48	7,819
Water (potable) - testing	3,500	3,500	**1,690**	1,810	3,494
Water assessments	30,000	30,000	**31,731**	(1,731)	29,285
Water usage	300,000	300,000	**350,769**	(50,769)	302,901
Bad debt	-	-	**-**	-	-
Asset management	-	-	**4,708**	(4,708)	-
Total System Operation & Maintenance	442,665	442,665	**494,946**	(52,281)	430,336
Total Operating Expenditures	599,691	599,691	**631,243**	(31,552)	563,897
Non-Operating Expenditures:					
Capital Outlay	-	-	**-**	-	465,200
Debt Service:					
Principal	-	-	**-**	-	-
Interest	-	-	**-**	-	-
Total Non-Operating Expenditures	-	-	**-**	-	465,200
Total Expenditures	**$ 599,691**	**$ 599,691**	**$ 631,243**	**$ (31,552)**	**$ 1,029,097**

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***Water Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Revenues:					
Operating revenues	$ 628,649	$ 628,649	**$ 551,234**	$ (77,415)	$ 499,327
Earnings on investment	600	600	**11,433**	10,833	12,508
Miscellaneous revenues	-	-	**-**	-	300,000
Total Revenues	629,249	629,249	**562,667**	(66,582)	811,835
Transfers In:					
General Fund	-	-	**-**	-	20,000
Capital Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	20,000
Total Revenues and Transfers	629,249	629,249	**562,667**	(66,582)	831,835
Expenditures:					
General	47,413	47,413	**42,986**	4,427	50,081
Administrative	109,613	109,613	**93,311**	16,302	83,480
System operations	442,665	442,665	**494,946**	(52,281)	430,336
Non-operating expenditures	-	-	**-**	-	465,200
Total Expenditures	599,691	599,691	**631,243**	(31,552)	1,029,097
Transfers Out:					
General Fund	-	-	**-**	-	-
Capital Fund	112,500	112,500	**-**	112,500	112,500
Sewer Fund	-	-	**-**	-	-
Total Transfers Out	112,500	112,500	**-**	112,500	112,500
Total Expenditures and Transfers	712,191	712,191	**631,243**	80,948	1,141,597
Excess (Deficiency) of Revenues over Expenditures	$ (82,942)	$ (82,942)	**(68,576)**	$ 14,366	(309,762)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**-**		465,200
Capital assets sold			**-**		-
Depreciation expense			**(45,949)**		(54,972)
Capital lease obligation payments			**-**		-
Long-term debt - proceeds			**-**		-
Long-term debt - payments			**-**		-
Change in Net Position			**$ (114,525)**		**$ 100,466**

TOWN OF KERSEY, COLORADO

Schedule of Revenues

Budget to Actual - ***Sewer Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Operating Revenues:					
Sewer service	$ 508,604	$ 508,604	**$ 503,794**	$ (4,810)	$ 376,776
Tap fees	8,000	8,000	**-**	(8,000)	-
Late fees	2,500	2,500	**1,349**	(1,151)	2,500
Miscellaneous	-	-	**-**	-	-
Total Operating Revenues	519,104	519,104	**505,143**	(13,961)	379,276
Earnings on Investment:					
Earnings on investments	1,500	1,500	**17,151**	15,651	18,386
Net Increase (decrease) in the fair market of investments	-	-	**-**	-	-
Total Earnings on Investment	1,500	1,500	**17,151**	15,651	18,386
Miscellaneous Revenues:					
Contributions from customers	-	-	**-**	-	-
Contributions from subdividers	-	-	**-**	-	-
Sale of assets	-	-	**-**	-	-
Grants	-	-	**-**	-	-
Total Miscellaneous Revenues	-	-	**-**	-	-
Total Revenues	**$ 520,604**	**$ 520,604**	**$ 522,294**	**$ 1,690**	**$ 397,662**

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **Sewer Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Operating Expenditures:					
General:					
Workmen's compensation	$ 4,873	$ 4,873	**$ 4,708**	$ 165	$ 3,443
Auditing	4,500	4,500	**4,500**	-	4,338
Bank charges	150	150	**10**	140	-
Credit card charges	-	-	**127**	(127)	189
Legal services	-	-	**-**	-	-
Publishing	200	200	**258**	(58)	261
Web publishing	-	-	**-**	-	900
Insurance	30,464	30,464	**31,232**	(768)	31,801
Dues and subscriptions	-	-	**-**	-	-
Professional services	-	-	**-**	-	2,552
Bookkeeping services	-	-	**-**	-	-
IT services	4,750	4,750	**-**	4,750	4,750
Total General	44,937	44,937	**40,835**	4,102	48,234
Administrative:					
Salaries	73,950	73,950	**60,374**	13,576	55,067
Payroll taxes	6,469	6,469	**4,489**	1,980	4,026
Health insurance	3,022	3,022	**5,846**	(2,824)	3,323
Dental insurance	520	520	**-**	520	117
AFLAC coverage	-	-	**-**	-	-
Life insurance	66	66	**22**	44	70
Short-term disability insurance	175	175	**311**	(136)	182
Long-term disability insurance	160	160	**127**	33	166
E 457 retirement contribution	2,156	2,156	**1,765**	391	1,579
Cont. education, seminars, training	-	-	**-**	-	-
Online code	299	299	**754**	(455)	963
Dues and subscriptions	500	500	**2,671**	(2,171)	1,452
Postage	150	150	**1,039**	(889)	870
Professional services	-	-	**-**	-	33
Repairs and maintenance	1,000	1,000	**2,144**	(1,144)	90
TH cleaning	3,800	3,800	**4,012**	(212)	3,822
Supplies - office	1,000	1,000	**1,546**	(546)	1,045
Travel and meetings	150	150	**-**	150	-
Total Administrative	93,417	93,417	**85,100**	8,317	72,805

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **Sewer Fund (continued)***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Operating Expenditures:					
System Operations:					
Salaries	$ 56,937	$ 56,937	**$ 56,713**	$ 224	$ 50,522
Payroll taxes	5,565	5,565	**3,898**	1,667	3,568
Health insurance	5,030	5,030	**4,533**	497	5,204
Dental insurance	110	110	**91**	19	108
AFLAC coverage	80	80	**12**	68	69
Life insurance	55	55	**14**	41	54
Short-term disability insurance	114	114	**233**	(119)	118
Long-term disability insurance	81	81	**83**	(2)	84
E 457 retirement coverage	1,855	1,855	**1,584**	271	1,476
Cont. education, seminars, training	1,000	1,000	**28**	972	-
Pre-employment exam	-	-	**-**	-	-
Administrative transfer	-	-	**-**	-	-
Chemicals	-	-	**-**	-	-
Clothing and uniforms	500	500	**60**	440	425
Dues and subscriptions	-	-	**87**	(87)	-
Gas, oil, diesel fuel, etc.	2,500	2,500	**2,498**	2	3,158
Postage	100	100	**50**	50	100
Professional services	19,200	19,200	**55,850**	(36,650)	25,447
Repairs and maintenance - building	1,000	1,000	**5,450**	(4,450)	12,468
Repairs and maintenance - equip/mach	5,000	5,000	**4,974**	26	2,789
Repairs and maintenance - office equip	-	-	**-**	-	-
Repairs and maintenance - sewer lines	5,000	5,000	**372**	4,628	17,695
Repairs and maintenance - sewer plant	7,500	7,500	**11,962**	(4,462)	6,818
Repairs and maintenance - vehicles	2,500	2,500	**2,026**	474	348
Sewer discharge permit	3,500	3,500	**2,733**	767	3,115
Sewer testing	7,000	7,000	**7,033**	(33)	6,213
Sludge removal	25,000	25,000	**21,060**	3,940	14,339
Supplies - general	5,500	5,500	**6,586**	(1,086)	4,468
Chemicals - treatment	40,500	40,500	**55,677**	(15,177)	40,879
Telephone expense	4,000	4,000	**3,104**	896	2,693
Travel and meetings	100	100	**67**	33	288
Utility expense	65,000	65,000	**67,461**	(2,461)	62,546
Total System Operation & Maintenance	264,727	264,727	**314,239**	(49,512)	264,992
Total Operating Expenditures	403,081	403,081	**440,174**	(37,093)	386,031
Non-Operating Expenditures:					
Capital Outlay	-	6,000	**40,344**	(34,344)	-
Debt Service:					
Principal	-	-	**-**	-	-
Interest	-	-	**-**	-	-
Total Non-Operating Expenditures	-	6,000	**40,344**	(34,344)	-
Total Expenditures	**$ 403,081**	**$ 409,081**	**$ 480,518**	**$ (71,437)**	**$ 386,031**

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - ***Sewer Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

Non-GAAP Budgetary Basis	2025 Original Budget	2025 Final Budget	2025 **Actual**	2025 Variance - Favorable (Unfavorable)	**2024** Actual
Revenues:					
Operating revenues	$ 519,104	$ 519,104	**$ 505,143**	$ (13,961)	$ 379,276
Earnings on investment	1,500	1,500	**17,151**	15,651	18,386
Miscellaneous revenues	-	-	**-**	-	-
Total Revenues	520,604	520,604	**522,294**	1,690	397,662
Transfers In:					
General Fund	-	-	**-**	-	-
Capital Fund	-	-	**-**	-	-
Water Fund	-	-	**-**	-	-
Total Transfers In	-	-	**-**	-	-
Total Revenues and Transfers	520,604	520,604	**522,294**	1,690	397,662
Expenditures:					
General	44,937	44,937	**40,835**	4,102	48,234
Administrative	93,417	93,417	**85,100**	8,317	72,805
System operations	264,727	264,727	**314,239**	(49,512)	264,992
Non-operating expenditures	-	6,000	**40,344**	(34,344)	-
Total Expenditures	403,081	409,081	**480,518**	(71,437)	386,031
Transfers Out:					
General Fund	-	-	**-**	-	-
Capital Fund	76,667	76,667	**-**	76,667	76,667
Water Fund	-	-	**-**	-	-
Total Transfers Out	76,667	76,667	**-**	76,667	76,667
Total Expenditures and Transfers	479,748	485,748	**480,518**	5,230	462,698
Excess (Deficiency) of Revenues over Expenditures	$ 40,856	$ 34,856	**41,776**	$ 6,920	(65,036)
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			**40,344**		-
Capital assets sold			**-**		-
Depreciation expense			**(117,676)**		(118,481)
Capital lease obligation payments			**-**		-
Long-term debt - proceeds			**-**		-
Long-term debt - payments			**-**		-
Change in Net Position			**$ (35,556)**		**$ (183,517)**

TOWN OF KERSEY, COLORADO

Schedule of Revenues

Budget to Actual - ***Stormwater Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Operating Revenues:					
Stormwater user fees	$ 83,063	$ 83,063	**$ 112,874**	$ 29,811	$ 57,850
Late fees	-	-	**1,349**	1,349	-
Miscellaneous	-	-	-	-	-
Total Operating Revenues	83,063	83,063	**114,223**	31,160	57,850
Earnings on Investment:					
Earnings on investments	-	-	-	-	-
Net Increase (decrease) in the fair market of investments	-	-	-	-	-
Total Earnings on Investment	-	-	-	-	-
Miscellaneous Revenues:					
Contributions from customers	-	-	-	-	-
Contributions from subdividers	-	-	-	-	-
Sale of assets	-	-	-	-	-
Grants	-	-	-	-	-
Total Miscellaneous Revenues	-	-	-	-	-
Total Revenues	**$ 83,063**	**$ 83,063**	**$ 114,223**	**$ 31,160**	**$ 57,850**

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

*Budget to Actual - **Stormwater Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

Non-GAAP Budgetary Basis	2025 Original Budget	2025 Final Budget	2025 **Actual**	2025 Variance - Favorable (Unfavorable)	**2024** Actual
Operating Expenditures:					
General:					
Workmen's compensation	$ -	$ -	**$ -**	$ -	$ -
Auditing	-	-	**-**	-	-
Bank charges	-	-	**-**	-	-
Credit card charges	-	-	**-**	-	-
Legal services	-	-	**-**	-	-
Publishing	-	-	**-**	-	-
Web publishing	-	-	**-**	-	-
Insurance	-	-	**-**	-	-
Dues and subscriptions	-	-	**-**	-	-
Professional services	-	-	**-**	-	-
Bookkeeping services	-	-	**-**	-	-
IT services	-	-	**-**	-	-
Total General	**-**	**-**	**-**	**-**	**-**
Administrative:					
Salaries	16,591	29,091	**34,156**	(5,065)	30,752
Payroll taxes	1,174	1,174	**2,512**	(1,338)	2,218
Health insurance	4,770	4,770	**3,577**	1,193	2,576
Dental insurance	414	414	**-**	414	59
AFLAC coverage	100	100	**-**	100	-
Life insurance	90	90	**14**	76	42
Short-term disability insurance	250	250	**197**	53	98
Long-term disability insurance	250	250	**76**	174	83
E 457 retirement contribution	464	464	**998**	(534)	915
Cont. education, seminars, training	-	-	**-**	-	-
Online code	-	-	**-**	-	-
Dues and subscriptions	-	-	**-**	-	-
Postage	-	-	**-**	-	-
Professional services	-	-	**-**	-	-
Repairs and maintenance	-	-	**-**	-	-
TH cleaning	-	-	**-**	-	-
Supplies - office	-	-	**-**	-	-
Travel and meetings	-	-	**-**	-	-
Total Administrative	**24,103**	**36,603**	**41,530**	**(4,927)**	**36,743**

(continued on next page)

TOWN OF KERSEY, COLORADO

Schedule of Expenditures

Budget to Actual - ***Stormwater Fund (continued)***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Operating Expenditures:					
System Operations:					
Salaries	$ -	$ -	$ -	$ -	$ -
Payroll taxes	-	-	-	-	-
Health insurance	-	-	-	-	-
Dental insurance	-	-	-	-	-
AFLAC coverage	-	-	-	-	-
Life insurance	-	-	-	-	-
Short-term disability insurance	-	-	-	-	-
Long-term disability insurance	-	-	-	-	-
E 457 retirement coverage	-	-	-	-	-
Cont. education, seminars, training	-	-	-	-	-
Pre-employment exam	-	-	-	-	-
Administrative transfer	-	-	-	-	-
Chemicals	-	-	-	-	-
Clothing and uniforms	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Gas, oil, diesel fuel, etc.	-	-	-	-	-
Postage	-	-	-	-	-
Professional services	-	-	-	-	-
Repairs and maintenance - stormwater lines	2,575	2,575	-	2,575	-
Repairs and maintenance - equip/mach	2,575	2,575	-	2,575	-
Repairs and maintenance - office equip	-	-	-	-	-
Repairs and maintenance - vehicles	-	-	-	-	-
Supplies - general	-	-	-	-	-
Chemicals - treatment	-	-	-	-	-
Telephone expense	-	-	-	-	-
Travel and meetings	-	-	-	-	-
Utility expense	-	-	-	-	-
Asset management	-	-	-	-	-
Total System Operation & Maintenance	5,150	5,150	-	5,150	-
Total Operating Expenditures	29,253	41,753	**41,530**	223	36,743
Non-Operating Expenditures:					
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Non-Operating Expenditures	-	-	-	-	-
Total Expenditures	**$ 29,253**	**$ 41,753**	**$ 41,530**	**$ 223**	**$ 36,743**

TOWN OF KERSEY, COLORADO

Reconciliation of Budgetary Basis to GAAP Basis

*Budget to Actual - **Stormwater Fund***

Year Ended December 31, 2025

With Comparative Actual Amounts For the Year Ended December 31, 2024

	2025				
Non-GAAP Budgetary Basis	Original Budget	Final Budget	**Actual**	Variance - Favorable (Unfavorable)	**2024** Actual
Revenues:					
Operating revenues	$ 83,063	$ 83,063	**$ 114,223**	$ 31,160	$ 57,850
Earnings on investment	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total Revenues	83,063	83,063	**114,223**	31,160	57,850
Transfers In:					
General Fund	-	-	-	-	-
Capital Fund	-	-	-	-	-
Water Fund	-	-	-	-	-
Total Transfers In	-	-	-	-	-
Total Revenues and Transfers	83,063	83,063	**114,223**	31,160	57,850
Expenditures:					
General	-	-	-	-	-
Administrative	24,103	36,603	**41,530**	(4,927)	36,743
System operations	5,150	5,150	-	5,150	-
Non-operating expenditures	-	-	-	-	-
Total Expenditures	29,253	41,753	**41,530**	223	36,743
Transfers Out:					
General Fund	-	-	-	-	-
Capital Fund	-	-	-	-	-
Water Fund	-	-	-	-	-
Total Transfers Out	-	-	-	-	-
Total Expenditures and Transfers	29,253	41,753	**41,530**	223	36,743
Excess (Deficiency) of Revenues over Expenditures	$ 53,810	$ 41,310	**72,693**	$ 31,383	21,107
Reconciliation of Budgetary Basis to GAAP Basis:					
Capital assets purchases capitalized			-		-
Capital assets sold			-		-
Depreciation expense			-		-
Capital lease obligation payments			-		-
Long-term debt - proceeds			-		-
Long-term debt - payments			-		-
Change in Net Position			**$ 72,693**		**$ 21,107**

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: TOWN OF KERSEY	PREPARED BY: Julie Piper - Deputy Clerk JPiper@kerseygov.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	0.00	a. Interest on investments	5,717.00
b. Non-property Taxes and Assessments Imposts	286,527.00	b. Other Misc. Local Receipts	24,925.00
c. Total (a + b)	$ 286,527.00	**c. Total (a + b)**	$ 30,642.00

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	92,297.00	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	0.00		
c. Total (a + b)	$ -		
4. Total (1 + 2 + 3c)	$ 92,297.00	**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	319,148.00
d. Total Capital Outlay (a+ b + c)	$ 319,148.00

Form FHWA-536 (Rev. 02-2025) Page2

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	0.00
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 286,527.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 30,642.00
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	0.00
b. Bonds - Refunding Issues	0.00
c. Notes	0.00
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 317,169.00
B. Private Contributions	0.00
C. Receipts from State government (from page 1, Item II.C.4)	$ 92,297.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 409,466.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 319,148.00
2. Maintenance:	177,695.00
3. Road and Street Services:	
a. Snow and Ice Removal	7,000.00
b. Other & Traffic Control Operations	29,621.00
c. Total (a + b)	$ 36,621.00
4. General Administration & Miscellaneous	14,541.00
5. Highway Law Enforcement and Safety	
6. Total (1 through 5)	$ 548,005.00
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 548,005.00

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	$ -	$ -	$ -