TOWN OF LOG LANE VILLAGE, COLORADO

AUDITED FINANCIAL STATEMENTS

December 31, 2025

TOWN OF LOG LANE VILLAGE, COLORADO
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LIITTJOHANN, KAUFFMAN, and PEDERSON
Certified Public Accountants

David A. Kauffman, C.P.A., P.C. Daniel M. Pederson, C.P.A.'s, P.C.

INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Log Lane Village, 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 Log Lane Village, 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, each major fund, and the aggregate remaining fund information of the Town of Log Lane Village, Colorado, as of December 31, 2025, and the respective changes in financial position and cash flows, where applicable, 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 Log Lane Village, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Log Lane Village, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including and currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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- 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 Northeast Colorado Health Department's internal control. Accordingly, no such opinion is expressed.

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

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt the Town of Log Lane Village, 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.

Other Matters

Required Supplementary Information

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

Other Information

The Supplementary Information and Local Highway Finance Report were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and Local Highway Finance Report are fairly sated, in all material respects, in relation to the basic financial statements as a whole.

Fort Morgan, Colorado
July 27, 2026

TOWN OF LOG LANE VILLAGE, COLORADO
Management's Discussion and Analysis
Fiscal year Ended December 31, 2025

As management of the Town of Log Lane Village (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the Town for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statement.

FINANCIAL HIGHLIGHTS

- The Town's assets exceed it liabilities by $10,725,373 as of December 31, 2025, a decrease of $45,980 in comparison to the prior year.
- Governmental activities report combined ending net position of $4,756,063, an increase of $6,402 in comparison with the prior year.
- Business-type activities report combined ending net position of $5,969,310, a decrease of $52,383 in comparison with the prior year.
- The Town's fund balance for the General Fund is $1,530,511, an increase of $34,636 in comparison to the prior year.
- Total long-term debt increased by $155,676 during the 2025 fiscal year, due to the issuance of a new $275,000 note payable to finance the purchase of a street sweeper, partially offset by scheduled principal payments on the Town's outstanding debt. Total non-current liabilities increased by $6,102 during the 2025.
- General property tax, sales tax, and other taxes totaled $874,649, or 85% of the general revenues of governmental activities, a decrease from the prior year driven primarily by lower-than-budgeted marijuana sales tax collections.
- The Town expended $687,269 on capital asset additions during 2025, including a $275,000 street sweeper, a $135,000 bridge replacement, and an $8,965 pump for the sewer system, and approximately $144,927 in public safety and public works vehicles and equipment.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

The **statement of net position** presents information on all the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the differences being reported as net position. Over time, the increases of decreases in net position may serve as a useful indictor of whether the financial position of the Town is improving or deteriorating.

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

The 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 to recover all or a significant portion of their cost through user fees and charges (Business-type Activities). The Governmental Activities of the Town include general government administration, public works, public safety, parks and recreation, library, community service and economic development. The Business-type Activities of the Town include the following utilities: water, sewer, and trash.

Fund Financial Statements

A fund is a grouping or related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's fund can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental 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, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financial requirements. The accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Town maintains one major government fund, which is the General Fund. Information for the General Fund is presented in the governmental fund balance sheet, in the governmental fund statement of revenues, expenditures, and changes in fund balances for the governmental funds.

Proprietary Funds – The Town maintains one proprietary fund. *Enterprise Funds* are used to report the same function presented as business-type activities in the government-wide financial statements The Town uses a separate enterprise fund to account for each of its utility funds: Water, Sewer and Trash funds, all of which are major.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2025, the Town's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $10,725,373. Of this amount, $7,331,038 is unrestricted and available to meet the Town's ongoing financial obligations.

A portion of net position, $3,335,360 (31% of net position), represents the investment in capital assets (net of related debt). This amount reflects the investment in all capital assets (i.e. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment is capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2025:

	Governmental Activities 2025	Governmental Activities 2024	Business Type Activities 2025	Business Type Activities 2024	Total 2025	Total 2024
Assets:						
Current and Other Assets	$1,781,523	$1,681,413	$15,604	$171,727	$1,797,127	$1,853,140
Capital Assets	3,335,360	3,161,169	6,718,899	6,615,810	10,054,259	9,776,979
TOTAL ASSETS	5,116,883	4,842,582	6,734,503	6,787,537	11,851,386	11,630,119
Deferred Outflows of Resources	33,813	71,562	-	-	33,813	71,562
Liabilities:						
Current Liabilities	184,559	61,656	64,005	20,610	248,564	96,058
Noncurrent Liabilities	91,579	9,197	668,955	745,235	760,534	701,696
Customer Deposits	-	-	32,234	-	32,234	30,028
TOTAL LIABILITIES	276,138	70,853	765,194	765,845	1,041,332	827,782
Deferred Inflows of Resources	118,496	93,630	-	-	118,496	93,630
Net position:						
Net Investment in Capital Assets	3,335,360	3,161,169	-	5,900,603	3,335,360	9,061,772
Restricted	39,221	34,207	19,754	19,681	58,975	53,888
Unrestricted	1,381,482	1,554,285	5,949,556	101,408	7,331,038	1,655,693
TOTAL NET POSITION	**$4,756,063**	**$4,749,661**	**$5,969,310**	**$6,021,692**	**$10,725,373**	**$10,771,353**

A portion of total net position, $58,975, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, $7,331,038 (68% of net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

Change in Net Position

Governmental and business-type activities increased the Town's net position by $45,980 in 2025.

The following table summarizes the Town's governmental and business-type revenues, expenses and changes in net position.

	Governmental Activities 2025	Governmental Activities 2024	Business Type Activities 2025	Business Type Activities 2024	Total 2025	Total 2024
Revenues:						
Program Revenues						
Charges of Services	-	-	$ 785,787	$762,688	$ 785,787	$762,688
Grants	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
General Revenues						
Taxes	874,649	1,019,754	-	-	874,649	1,019,754
Investment Return	6,333	9,956	1,186	4,884	7,519	14,840
Grants Not Restricted	-	-	-	-	-	-
Sale of Assets	153,836	124,664	-	-	153,836	124,644
Miscellaneous	-	-	-	-	-	-
TOTAL REVENUES	1,034,818	1,154,354	786,973	767,572	1,821,791	1,921,926
Expenses:						
General Government	262,293	231,489	-	-	262,293	231,489
Public Safety	495,252	388,923	-	-	495,252	388,923
Public Works	269,885	158,932	-	-	269,885	158,932
Parks and Recreation	986	8,397	-	-	986	8,397
Water Operations	-	-	484,081	390,459	484,081	390,459
Sewer Operations	-	-	268,086	221,449	268,086	221,449
Trash Operations	-	-	87,189	74,060	87,189	74,060
Interest	-	-	-	34,770	-	34,770
TOTAL EXPENSES	1,028,416	787,741	839,356	720,738	1,867,772	1,508,479
Transfers:						
Increase in Net Position:	6,402	366,613	(52,383)	46,834	(45,981)	413,447
Net Position, Beginning	4,479,661	4,383,048	6,021,692	5,974,858	10,771,353	10,357,906
Net Position, Ending	**$4,756,063**	**$4,749,661**	**$5,969,309**	**$6,021,692**	**$10,725,372**	**$10,771,353**

Governmental Activities

Governmental activities increased the Town's net position by $6,402. General revenues, principally property, sales, and other local taxes, continued to fund the substantial majority of governmental operations, though tax revenue of $874,649 was down from $1,019,754 in the prior year, primarily due to a significant shortfall in retail and medical marijuana sales tax collections relative to budget.

Business type activities for the year resulted in a decrease in net position of $52,383. Charges for services accounted for essentially all of the business-type program revenues, and covered approximately 94% of business-type operating and administrative expenses for the year.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental Funds – The focus of the Town's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. As of the end of 2025, the Town's governmental funds reported an ending fund balance of $1,571,701, and increase of $44,626 in comparison with the prior year. Of the ending fund balance for the governmental funds, 5% of this total has been restricted, committed, or assigned.

The Town has one major governmental fund, which is the General Fund, and it is the primary operating fund for the Town. At the end of 2025, the unassigned fund balance of the General Fund was $1,491,291, while the total fund balance was $1,530,8511. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the General Fund increased by $34,636 during 2025.

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

The Town has three enterprise funds: Water, Sewer, and Trash Funds. At the end of 2025, these funds represented the following net position amounts:

Fund:	Water	Sewer	Trash
Unrestricted net Position	$ (394,395)	$ 334,012	$ (16,461)
Total net position	$ 4,680,396	$ 944,074	$ 344,841
Increase (decrease) in net positon	$ (44,047)	$ (22,304)	$ 15,970

The Water and Sewer Funds each reported a decrease in net position in 2025, reflecting scheduled debt service and capital investment (including the sewer system pump and bridge replacement discussed below) outpacing rate revenue growth. The Trash Fund reported an increase in net position, consistent with the prior year's trend.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted $1,822,089 for 2025 expenditures. Actual expenditures were $1,209,754, reflecting lower-than-budgeted spending across public safety, public works, and capital outlay.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2025, totaled $687,269 in additions during 2025. As required by GASB 34, the investment in capital assets includes land, buildings, building improvements, infrastructure, and equipment. Governmental activities additions consisted primarily of vehicles and equipment, included a $275,000 street sweeper, a $75,101 patrol vehicle, and a $49,827 tractor. Business-type additions consisted primarily of $144,740 in sewer system improvements (a bridge replacement and a pump), $116,583 of construction in progress for a planned 2026 water project, and a $6,019 addition to the Trash Fund's storage building.

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 226,659	$ -	$ 33,626	$ 193,033
Construction in Progress	-	-	-	-
Total Capital Assets, not being depreciated	226,659	-	33,626	193,033
Capital Assets, being depreciated				
Buildings	762,993	-	-	762,993
Infrastructure	2,321,268	-	-	2,321,268
Parks & Improvements	119,848	-	-	119,848
Equipment and Vehicles	603,880	419,927	10,590	1,013,217
Total Capital Assets, being depreciated	3,807,988	419,927	10,590	4,217,325
Less accumulated depreciation				
Buildings	(105,832)	(14,720)	-	(120,552)
Infrastructure	(295,912)	(105,831)	-	(401,743)
Parks & Improvements	(53,210)	(7,813)	-	(61,023)
Equipment and Vehicles	(418,524)	(78,275)	(5,118)	(491,681)
Total accumulated depreciation	(873,478)	(206,639)	(5,118)	(1,074,999)
Total Capital Assets, being depreciated, net	2,934,510	213,288	5,472	3,142,326
Governmental Activities Capital Assets, net	**$ 3,161,169**	**$ 213,288**	**$ 39,098**	**$ 3,335,359**

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Business-type Activities:				
Capital Assets, not being depreciated				
Water connection Right - MCQWD	$ 3,396,545	$ -	$ -	$ 3,396,545
Water Rights	4,170	-	-	4,170
Land	82,863	-	-	82,863
Construction in Progress	-	116,583	-	116,583
Total Capital Assets, not being depreciated	3,483,578	116,583	-	3,600,161
Capital Assets, being depreciated				
Water System	3,526,013	-	-	3,526,013
Sewer System	993,317	144,740	-	1,138,057
Buildings	29,161	6,019	-	35,180
Equipment and Vehicles	536,362	-	34,000	501,762
Total Capital Assets, being depreciated	5,084,853	150,759	34,000	5,201,012
Less accumulated depreciation				
Water System	(1,255,929)	(90,739)	-	(1,346,668)
Sewer System	(559,062)	(27,542)	-	(586,604)
Buildings	-	(2,345)	-	(2,345)
Equipment and Vehicles	(133,458)	(44,627)	(34,600)	(143,485)
Total accumulated depreciation	(1,948,449)	(165,253)	(34,600)	(2,079,102)
Total Capital Assets, being depreciated, net	3,136,404	(14,494)	-	3,121,910
Business-type Activities Capital Assets, net	**$ 6,619,982**	**$ 102,089**	**$ -**	**$ 6,722,071**

LONG-TERM DEBT

As of December 31, 2025, the Town had long-term debt as follows:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025	Due Within One Year
Governmental Activities					
Note Payable – Street Sweeper	$ -	$ 275,000	$ 96,616	$ 692,499	$ 23,544
Business-type Activities					
2004 USDA Bonds	$ 736,929	$ -	$ 21,722	$ 715,207	$ 22,708

During 2025, the Town issued a new $275,000 note payable to finance the purchase of a street sweeper for the Public Works Fund. $96,616 of principal was repaid during the year, leaving $178,384 outstanding at year end, of which $86,805 is due within one year. The Town's existing CWRPDA/USDA loan, used to finance water system improvements, continued to amortize as scheduled, with the outstanding balance declining from $715,207 to $692,499.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Town Clerk/Treasurer
Town of Log Lane Village
202 Birch Street
Log Lane Village, CO 80705
Phone: 970-867-8027

TOWN OF LOG LANE VILLAGE, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Assets			
Current Assets:			
Cash	$ 1,422,952	$ 345,353	$ 1,768,305
Investment - annuity	137,584	-	137,584
Receivables			
General property taxes receivable	117,791	-	117,791
Accounts receivable - services	88,404	77,762	166,166
Franchise tax	7,194	-	7,194
Employee advance	2,408	-	2,408
Due from other funds	-	14,892	14,892
Other	5,190	-	5,190
Investment - water stock	-	4,170	4,170
Total Current Assets	1,781,523	442,177	2,223,700
Capital Assets			
Capital Assets			
Land	193,033	-	193,033
Property and equipment	1,896,057	8,788,273	10,684,330
Infrastructure	2,321,268	-	2,321,268
Less: Accumulated Deprociation	(1,074,998)	(2,069,374)	(3,144,372)
Total Capital Assets	3,335,360	6,718,899	10,054,259
Total Assets	$ 5,116,883	$ 7,161,077	$ 12,277,959
Deferred outlfows of Resources			
Related to Defined Benefit Pension Plan	33,813	-	33,813
Total Deferred Outflows of Resources	33,813	-	33,813
Liabilities			
Current Liabilities:			
Accounts Payable	59,875	37,848	97,722
Deposits payable	909	-	909
Unearned Revenue	16,355	-	16,355
Accrued interest expense	5,723	2,613	8,336
Due to other funds	14,892	-	14,892
Notes payable - current	86,805	23,544	110,349
Total Current Liabilities	184,559	64,005	248,563
Noncurrent liabilities			
Net pension liability	-	-	-
Notes payable - noncurrent	91,579	668,955	760,534
Customer deposits payable	-	32,234	32,234
Total Noncurrent Liabilities	91,579	701,189	792,768
Total Liabilities	276,138	765,193	1,041,331
Deferred Inflows of Resources			
Deferred property tax revenue	117,791	-	117,791
Related to defined benefit pension plan	705	-	705
Total Deferred Inflows of Resources	118,496	-	118,496
NET POSITION			
Invested in capital assets, net of related debt	3,335,360	-	3,335,360
Restricted - Emergency Reserve TABOR	39,221	-	39,221
Restrcited for debt service	-	19,754	19,754
Unrestricted	1,370,098	5,949,556	7,319,654
TOTAL NET POSITION	4,744,678	5,969,310	10,713,989

The accompanying notes and independent auditors' report should be read with these financial statements.

TOWN OF LOG LANE VILLAGE, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS PRIMARY GOVERNMENT		
FUNCTIONS/PROGRAMS	**EXPENSES**	**CHARGES FOR SERVICES**	**OPERATING GRANTS AND CONTRIBUTIONS**	**CAPITAL GRANTS AND CONTRIBUTIONS**	**GOVERNMENTAL ACTIVITIES**	**BUSINESS-TYPE ACTIVITIES**	**TOTAL**
PRIMARY GOVERNMENT:							
Governmental Activities:							
General Government	$ 262,293	-	$ -	$ -	$ (262,293)	$ -	$ (262,293)
Public Safety	495,252	-	-	-	(495,252)	-	(495,252)
Public works	269,885	-	-	-	(269,885)	-	(269,885)
Miscellaneous	986	-	-	-	(986)	-	(986)
Total Governmental Activities	1,028,416	-	-	-	(1,028,416)	-	(1,028,416)
Business-Type Activities:							
Water	451,388	439,940	-	-	-	(11,448)	(11,448)
Sewer	268,086	242,689	-	-	-	(25,397)	(25,397)
Trash	87,189	103,159	-	-	-	15,970	15,970
Interest on Long-Term Debt	-	-	-	-	-	-	-
Total Business-Type Activities	806,663	785,787	-	-	-	(20,876)	(20,876)
Total Primary Government	1,835,079	785,787	-	-	(1,028,416)	(20,876)	(1,049,292)
			General Revenues				
			Taxes:				
			Local property		$ 92,586	$ -	$ 92,586
			Franchise		32,085	-	32,085
			Sales		684,697	-	684,697
			Specific ownership		10,117	-	10,117
			Highway users		30,916	-	30,916
			Road and bridge		19,088	-	19,088
			Other taxes		5,160	-	5,160
			Other revenues		142,452	-	142,452
			Investment earnings		6,333	(31,507)	(25,174)
			Total General Revenues		1,023,434	(31,507)	991,927
			Change in Net Position		(4,983)	(52,382)	(57,365)
			Net Position beginning		4,749,661	6,021,692	10,771,353
			Net Position ending		4,744,678	5,969,310	10,713,988

TOWN OF LOG LANE VILLAGE, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

		Other Governmental Funds	
Assets	**General Fund**	**Conservation Trust Fund**	**Total Governmental Funds**
Cash	$ 1,381,762	$ 41,190	$ 1,422,952
Investment - annuity	137,584	-	137,584
Receivables			
General property taxes	117,791	-	117,791
Accounts receivable - general	88,404	-	88,404
Franchise tax	7,194	-	7,194
Employee advance	2,408	-	2,408
Other	5,190	-	5,190
Total Assets	**1,740,333**	**41,190**	**1,781,523**
Deferred Outflows of Resources			
Total Deferred Outflows of Resources	**-**	**-**	**-**
Total Assets and Deferred Outflows of Resources	**$ 1,740,333**	**$ 41,190**	**$ 1,781,523**
Liabilities and Fund Equity			
Accounts payable	$ 59,875	$ -	$ 59,875
Deposits payable	909	-	909
Payroll taxes payable	16,355	-	16,355
Due to other funds	14,892	-	14,892
Total Liabilities	**92,031**	**-**	**92,031**
Deferred Inflows of Resources			
Deferred tax revenue	117,791		117,791
Total Deferred Outflows of Resources	**117,791**	**-**	**117,791**
Fund Balance			
Restricted for conservation activities	-	41,190	41,190
Assigned for emergencies (TABOR)	39,221	-	39,221
Unassigned	1,491,291	-	1,491,291
Total Fund Equity	**1,530,511**	**41,190**	**1,571,701**
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	**$ 1,740,333**	**$ 41,190**	

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.	3,335,360
Net pension liability and deferred inflows and outflows related to pensions are reported on a future basis and, therefore are not reported in the funds.	33,108
Notes payable held for governmental activities are expensed as paid down, and therefore the principal amount is not reported in the funds.	(178,384)
Accrued interest is expensed in the year paid in the governmental funds. However, it is accrued on the statement of net position in the year incurred.	(5,723)
Net Position of Governmental Activities	**$ 4,756,062**

The accompanying notes and independent auditors' report should be read with these financial statements.

TOWN OF LOG LANE VILLAGE, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

		Other Governmental Funds	
	General Fund	Conservation Trust Fund	Total Governmental Funds
Revenues			
Taxes	$ 874,649	$ -	$ 874,649
Licenses	41,785	-	41,785
Intergovernmental revenues	3,320	10,945	14,265
Fines and forfeits	22,954	-	22,954
Interest	6,333	29	6,362
Miscellaneous	108,019	-	108,019
Total Revenues	1,057,060	10,974	1,068,034
Expenditures			
General government	245,584	-	245,584
Public safety	442,726	-	442,726
Public works	71,760	-	71,760
Miscellaneous	-	986	986
Capital outlay	449,683	-	449,683
Debt Service	96,616	-	96,616
Total Expenditures	1,306,370	986	1,307,355
Expenditures in Excess of Revenues	(249,310)	9,989	(239,321)
Other Financing Sources			
Financing proceeds	275,000	-	275,000
Net Change in Fund Balances	25,690	9,989	35,679
Fund Balance at Beginning of Year	1,495,875	31,200	1,527,075
Fund Balance at End of Year	**$ 1,521,565**	**$ 41,189**	**$ 1,562,754**

The accompanying notes and independent auditors'
report should be read with these financial statements.

TOWN OF LOG LANE VILLAGE, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Amounts reported for Government Activities in the Statement of Activities are different because:

Net change in fund balances of governmental funds		$	35,679
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceed depreciation expense in the period.			
Depreciation expense	(206,638)		
Capital Outlays	417,680		
			211,042
Capital assets sold are shown as revenue in the year sold for the governmental funds. However, the sale is reported net of orignial cost basis minus depreciation for the statement of net position			(33,626)
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			(28,309)
Loan proceeds at the fund level represent cash contributions in the statement of revenues and expenditures and are not considered revenues on the statement of activity.			(275,000)
Repayments of notes payable are expenditures in the governmental fund, but the repayment reduces long term liabilities in the statement of net position			96,616
Change in net position of governmental activities		$	6,401

TOWN OF LOG LANE VILLAGE, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Business-type Activities - Enterprise Funds			
	Water Fund	**Sewer Fund**	**Trash Fund**	**Total**
Assets				
Current Assets				
Cash	$ 19,754	$ 325,599	$ -	$ 345,353
Accounts receivable	37,564	25,712	14,487	77,762
Investments - Water Stock	4,170	-	-	4,170
Due from other funds	14,892	-	-	14,892
Total Current Assets	76,380	351,311	14,487	442,177
Property, Plant, and Equipment				
Land	-	-	-	-
Property and equipment	7,137,538	1,236,554	414,180	8,788,273
Less: accumulated depreciation	(1,390,003)	(626,493)	(52,879)	(2,069,374)
Total Property, Plant, and Equipment - Net	5,747,536	610,062	361,302	6,718,899
Total Assets	**5,823,916**	**961,372**	**375,789**	**7,161,077**
Liabilities				
Current Liabilities				
Due to other funds	396,939	-	29,634	426,573
Accounts payable	19,235	17,299	1,314	37,848
Accrued interest expense	2,613	-	-	2,613
Notes payable - current	23,544	-	-	23,544
Total Current Liabilities	442,331	17,299	30,948	490,578
Noncurrent Liabilities				
Due to other funds	-	-		-
Notes payable - noncurrent	668,955	-		668,955
Customer deposits payable	32,234	-		32,234
Total Noncurrent Liabilities	701,189	-	-	701,189
Total Liabilities	**1,143,520**	**17,299**	**30,948**	**1,191,766**
Net Position				
Invested in capital assets, net of related debt	5,055,036	610,062	361,302	6,026,400
Restricted for debt service	19,754	-	-	19,754
Unrestricted	(394,394)	334,012	(16,461)	(76,843)
Net Position at End of Year	**$ 4,680,396**	**$ 944,073**	**$ 344,841**	**$ 5,969,310**

The accompanying notes and independent auditors' report should be read with these financial statements.

TOWN OF LOG LANE VILLAGE, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Business-type Activities - Enterprise Funds			
	Water Fund	**Sewer Fund**	**Trash Fund**	**Total**
Operating Revenue				
Charges for services	$ 413,072	$ 235,044	$ 98,078	$ 746,195
Delinquent fees	26,868	7,645	5,080	39,593
Miscellaneous	-	-	-	-
Total Operating Revenue	439,940	242,689	103,159	785,787
Expenditures				
Operating expense	240,200	167,566	59,577	467,343
Administration expense	110,217	63,848	-	174,065
Depreciation	100,971	36,672	27,612	165,255
Total Expenditures	451,388	268,086	87,189	806,663
Operating Income (Loss)	(11,448)	(25,397)	15,970	(20,876)
Non-Operating Revenue (Expense)				
Interest on investments	93	1,093	-	1,186
Interest expense	(32,693)	-	-	(32,693)
Total Non-Operating Revenue (Expense)	(32,600)	1,093	-	(31,507)
Change in Net Position	(44,048)	(24,304)	15,970	(52,382)
Net Position at Beginning of Year	4,724,443	968,378	328,871	6,021,692
Net Position at End of Year	**$ 4,680,395**	**$ 944,074**	**$ 344,841**	**$ 5,969,310**

TOWN OF LOG LANE VILLAGE, COLORADO
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Business-type Activities - Enterprise Funds			
	Water Fund	**Sewer Fund**	**Trash Fund**	**Total**
Cash flows from operating activities				
Cash receipts from customers	$ 433,125	$ 242,151	$ 98,996	$ 774,271
Customer deposits received	9,526			9,526
Cash payments to suppliers for goods and services	(296,710)	(181,805)	(23,473)	(501,988)
Cash payments to employees for services	(46,179)	(37,893)	(36,258)	(120,330)
Net cash from operating activities	99,762	22,452	39,265	161,479
Cash flows from noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities				
Advance (to) from other funds	(45,142)	(145,741)	(39,265)	(230,148)
Additions to capital assets				-
Principal paid on debt	(22,708)			(22,708)
Interest paid on debt	(31,932)			(31,932)
Net cash from capital and related financing activities	(99,782)	(145,741)	(39,265)	(284,788)
Cash flows from investing activities				
Interest and dividends received on investments	93	1,093		1,186
Net cash from investing activities	93	1,093	-	1,186
Net Increase (Decrease) in Cash and Cash Equivalents	73	(122,195)	(0)	(122,123)
Cash and cash equivalents, beginning of year	19,681	447,794	-	467,475
Cash and cash equivalents, end of year	**$ 19,754**	**$ 325,599**	**$ (0)**	**$ 345,352**
Cash flows from operating activities				
Operating income	$ (44,048)	$ (24,304)	$ 15,970	$ (52,382)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	100,971	36,672	27,612	165,255
Interest earned on investments	(93)	(1,093)		(1,186)
Interest paid on loans	32,693			
Change in assets and liabilities:				-
(Increase) Decrease in accounts receivable	(6,815)	(538)	(4,163)	(11,516)
Increase (Decrease) in accounts payable	7,528	11,716	(154)	19,090
Increase (Decrease) in customer deposits	9,526			9,526
Total Adjustments	143,810	46,757	23,295	181,168
Net Cash Provided (Used) by Operating Activities	**$ 99,762**	**$ 22,452**	**$ 39,265**	**$ 128,786**

The accompanying notes and independent auditors' report should be read with these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Log Lane Village, Colorado (the "Town") have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the Town's financial statements.

A. Reporting Entity

As required by GAAP, these financial statements present the Town (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable, or other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would cause the Town's financial statements to be misleading or incomplete. Based on the foregoing criteria, there are no component units included in the accompanying financial statements.

B. Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial levels. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The government-wide statements do not include the fiduciary fund or components that are fiduciary funds. These have separate statements showing the financial information.

Government-wide financial statements report information about the reporting government as a whole. For the most part, the effect of inter-fund activity has been removed from these statements. These statements focus on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary, and fiduciary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. The Town has collected nearly 100% of all property taxes at December 31, 2025. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

If both restricted and unrestricted resources are available to use for the same purpose, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

The Town reports the following major funds:

General Fund

This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

The Town reports the following major proprietary funds:

Water Fund

This accounts for the water service charges which are used to finance the water system operating expenses.

Sewer Fund

This accounts for the sewer service charges which are used to finance the sanitary sewer system operating expenses.

Trash Fund

This accounts for the trash service charges which are used to finance the trash collection and disposal operating expenses.

Conservation Fund

This accounts for the lottery funds which are used to finance environmental conservation expenses

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets

Annually appropriated budgets were adopted for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. All governmental funds and proprietary funds are budgeted on the modified accrual basis of accounting. All appropriations lapse at year end.

In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Colorado statutes provide the following timetable, which is followed in the adoption of the budgets:

1. Submission of the proposed budget to the local governing body by October 15 of each year.
2. Certification of mill levies to the Board of County Commissioners by December 15.
3. Final adoption of budget and appropriations by December 31 of each year.
4. Property taxes are due by April 30 of each year if paid in full, or in two installments due February 28 and June 15 of each year.
5. Liens are placed on property for which taxes are delinquent in November of each year.

The actual results of operations are presented in accordance with generally accepted accounting principles, which differ in certain respects from those practices used in the preparation of the 2025 budget. For purposes of preparing the Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, the actual results of operations have been adjusted to a basis consistent with the Town's budgeted revenues and expenditures.

E. Cash and Investments

For purposes of the statement of cash flows, the enterprise funds consider cash on hand, demand deposits, and short-term investments with original maturities of three months or less when purchased to be cash and cash equivalents.

F. Accounts Receivable – Allowance for Doubtful Accounts

Based upon a review of existing accounts receivable and prior collection experience, the Town has determined all accounts to be collectible and no allowance for doubtful accounts has been provided for 2025.

G. Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term inter-fund loans are classified as "due to/from other funds." All short-term inter-fund receivables and payables at year end are planned to be eliminated in the subsequent year. Long-term inter-fund loans are classified as "inter-fund note receivable/payable." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

H. Encumbrances

The Town does not utilize encumbrance accounting.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost of more than $5,000 and an estimated useful life in excess of two years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for 2025.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. A composite depreciation rate is used for infrastructure assets. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Land Improvements	15-20 years
Buildings and Improvements	20-40 years
Collection and Distribution Systems	5-40 years
Equipment and Vehicles	3-10 years
Infrastructure	25-55 years

J. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

K. Fund Equity

As of December 31, 2025, fund equity balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the cinlaws or regulations of other governments.

Committed - amounts that can only be used for specific purposes determined by a formal action of the Board of Directors.

Assigned - amounts intended to be used for specific purposes that are neither restricted nor committed.

Unassigned - all other spendable amounts.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Inter-fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditure/ expense initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers are reported as operating transfers.

M. Net Position

Net position comprises the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net position is classified in the following three components:

Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provision or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

N. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

O. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town does not have any deferred outflows.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category: Deferred property tax assessment revenue which is based on current year land values but will not be recognized as revenue until the following year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Pensions

The Town participates in the Fire and Police Statewide Defined Benefit Plan (“FPSDBP”) administered by the Fire and Police Pension Association of Colorado (“FPPA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the FPSDBP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – CASH AND INVESTMENTS

A. Deposits

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits might not be recovered. However, the Colorado Public Deposit Protection Act (PDPA) requires that deposits of all units of local governments be held at eligible public depositories, whose eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution of held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

Federal Deposit Insurance Corporation (FDIC) coverage totaled $250,000 per institution. The balance held over this limit in any of the institutions falls under the provisions of the PDPA. At December 31, 2025, the carrying amount of the Town’s deposits in its bank accounts totaled $1,284,830.62, $250,000 of those funds were covered by FDIC the remainder was covered by the PDPA. The Town has not formally adopted policies regarding interest rate risk or credit risk.

B. Investments

Authorized investments - Investment policies are governed by Colorado State Statutes and the Town’s own investment policies and procedures. Investments of the County may include:

- ■ Obligations of the U. S. Government such as treasury bills, notes and bonds
- ■ Certain international agency securities
- ■ General obligation and revenue bonds of United States local government entities
- ■ Bankers acceptances of certain banks
- ■ Commercial paper
- ■ Local government investment pools
- • Written repurchase agreements collateralized by certain authorized securities
- ■ Certain money market funds
- ■ Guaranteed investment contracts

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Colorado Revised Statutes (C.R.S.) 24-75-601 limits investment maturities to five years or less. All deposits are reported at cost plus accrued interest. All the Town’s certificates of deposit mature within one year.

The Town has invested $60,859 in the Colorado Government Liquid Asset Trust (COLOTRUST) a local government investment pool.

State law further limits investments in money market funds to those institutions with over $1 billion in assets or the highest credit rating by one or more nationally recognized rating agencies. The investment in COLOTRUST meets the state law requirement as the Trust has over $1 billion in assets, is rated AAA by Standard and Poor's, and maintains a constant net asset value of $1 per share.

NOTE 2 – CASH AND INVESTMENTS (continued)

Protective Asset Builder II Indexed Annuity

During the year ended December 31, 2021, the Town board approved the purchase of a life insurance annuity contract (Protective Asset Builder II Indexed Annuity) (the "Annuity"), in the principle amount of $150,000. The Annuity has a life of ten (10) years, with early withdrawal penalty percentages before ten years from the contract purchase date. The Annuity principal is allocated as follows: 40% - S&P 500 Index; 30% - Citi Flexible Allocation 6 Excess Return Index; 30% - J.P. Morgan Mojave Index. The Annuity has no rating by a rating agency and has a ten year maturity from the date of purchase, which may be a violation of State statute. The Town is the beneficiary of the Annuity, with the Annuitant being a member of the Board of Trustees. The Annuity is subject to market risk and may lose principal value during its life. The Town plans to hold the annuity to maturity. At December 31, 2025, the cash surrender value of the Annuity was $137,584.

Restricted Cash and Investments

Restricted cash and investments consist of debt service reserve of $ 19,754 related to the outstanding bonds in the Water Fund.

NOTE 3 – CAPITAL ASSETS

Capital asset activities for the year ended December 31, 2025 were as follows:

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 226,659	$ -	$ 33,626	$ 193,033
Construction in Progress	-	-	-	-
Total Capital Assets, not being depreciated	226,659	-	33,626	193,033
Capital Assets, being depreciated				
Buildings	762,993	-	-	762,993
Infrastructure	2,321,268	-	-	2,321,268
Parks & Improvements	119,848	-	-	119,848
Equipment and Vehicles	603,880	419,927	10,590	1,013,217
Total Capital Assets, being depreciated	3,807,989	419,927	10,590	4,217,326
Less accumulated depreciation				
Buildings	(105,832)	(14,720)	-	(120,552)
Infrastructure	(295,912)	(105,831)	-	(401,743)
Parks & Improvements	(53,211)	(7,813)	-	(61,024)
Equipment and Vehicles	(418,521)	(78,275)	5,119	(491,677)
Total accumulated depreciation	(873,476)	(206,639)	5,119	(1,074,996)
Total Capital Assets, being depreciated, net	2,934,513	213,288	5,471	3,142,330
Governmental Activities Capital Assets, net	**$ 3,161,172**	**$ 179,662**	**$ 28,155**	**$ 3,335,363**

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Business-type Activities:				
Capital Assets, not being depreciated				
Water connection Right - MCQWD	$ 3,396,545	$ -	$ -	$ 3,396,545
Water Rights	4,170	-	-	4,170
Construction in Progress	-	116,583	-	116,583
Total Capital Assets, not being depreciated	3,400,715	116,583	-	3,517,298
Capital Assets, being depreciated				
Water System	3,506,012	-	-	3,506,012
Sewer System	966,317	144,740	-	1,111,057
Buildings	112,024	6,019	-	118,043
Equipment and Vehicles	583,362	-	34,600	548,762
Total Capital Assets, being depreciated	5,167,715	150,759	34,600	5,283,874
Less accumulated depreciation				
Water System	(1,261,933)	(90,739)	-	(1,352,672)
Sewer System	(567,326)	(27,542)	-	(594,868)
Buildings	-	(2,345)	-	(2,345)
Equipment and Vehicles	(119,192)	(44,627)	34,600	(129,219)
Total accumulated depreciation	(1,948,451)	(165,253)	34,600	(2,079,104)
Total Capital Assets, being depreciated, net	3,219,264	(14,494)	-	3,204,770
Business-type Activities Capital Assets, net	**$ 6,619,979**	**$ 102,089**	**$ -**	**$ 6,722,068**

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

General Government	$ 16,709
Public Safety	24,217
Public Works	165,712
	$ 206,638

NOTE 4 – NOTES PAYABLE

Business-type Activity

Water Bonds

During 2004, the Town issued $1,000,000 Rural Development Bonds through the U.S. Department of Agriculture (USDA), Office of Rural Development for the purpose of providing additional funding for the water system improvements and connection charges. Principal and interest payments are due semi-annually on June 10 and December 10 through 2045. Interest accrues at 4.50% per annum. The bond ordinance requires the establishment of water rates in order to generate revenues equal to operating expenses plus 120% of debt service. In addition, the Town is required to establish a debt reserve of $56,640, whereas the Town had only $19,754 in restricted cash and investments at December 31, 2025. The Town didn't meet the debt reserve requirement at December 31, 2025. Payments on the note are due as follows:

Year Ending December 31	Interest Rate	Principal Maturity	Interest Requirements	Total Debt Requirements
2026	4.50%	23,544	31,096	54,640
2027	4.50%	24,593	30,047	54,640
2028	4.50%	25,687	28,953	54,640
2029	4.50%	26,831	27,809	54,640
2030	4.50%	28,025	26,615	54,640
2031-2035	4.50%	159,987	113,213	273,200
2036-2040	4.50%	198,911	74,289	273,200
2041-2045	4.50%	204,920	25,115	230,035

Governmental Activities

Street Sweeper Loan

During 2025, the Town financed the purchase of a street sweeper for $275,000 through debt financing. Payments are due annually on May 1 through 2027. Interest accrues at 5.50% per annum. Payments on the note are due as follows:

Year Ending December 31	Interest Rate	Principal Maturity	Interest Requirements	Total Debt Requirements
2026	5.50%	86,805	9,811	96,616
2027	5.50%	91,579	5,037	96,616

NOTE 5 – CHANGES IN LONG-TERM DEBT

The following is a summary of debt obligations and activity for those obligations of the Town for the year ending December 31, 2025:

	Balance 12/31/24	Additions	Reductions	Balance 12/31/25	Due in one year
Governmental Activities					
Equipment Loan – Street Sweeper	-	275,000	96,616	178,384	86,805
Business-type Activities					
2004 USDA Bonds	715,207	-	22,708	692,499	23,544

NOTE 6 – 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 natural disasters. The Town carries commercial insurance for airport liability and surety bond with risk of loss transferring to the carriers. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past four fiscal years, and there were no material changes in coverage for 2025. All other risks have been provided for by the following risk pool.

Colorado Intergovernmental Risk Sharing Agency (herewith referred to as "CIRSA") – CIRSA is a separate legal entity established by member municipalities pursuant to the provision of CRS and the Colorado Constitution.

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.

The Town recognizes as an expense/expenditure the amounts paid to CIRSA annually for these coverages. Contingent liability claims for the coverage have not been recognized to date after reviewing claims history and the remoteness of potential loss in excess of actual contributions by the Town.

NOTE 7 – PENSION PLANS

Police Officers Statewide Defined Benefit Pension Plan

Plan description. The Town contributes to the Statewide Defined Benefit Pension Plan (SWDB) (the"Plan"), a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The SWDB provides retirement benefits for members and beneficiaries.

Colorado Revised Statutes Title 31, Article 31 assigns the authority to establish benefit provisions to the State legislature. FPPA issues a publicly available annual comprehensive annual financial report that includes financial statements and required supplementary information for the SWDB. This report can be obtained at https://www.fppaco.org.

Description of Benefits. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, minimum age of 50 (Rule of 80.)

The annual normal retirement benefit is 2% 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% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0% to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

NOTE 7 – PENSION PLANS (continued)

The Plan includes a Deferred Retirement Option Plan (DROP). A member may elect to participate in the DROP after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into the DROP. The member's percentage of retirement benefits is determined at time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in DROP, the member continues to make pension contributions, which are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by FPPA Board of Directors upon approval through an election by both the employers and members.

In 2024, members of the SWDB and their employers are contributing at the rate of 12% of pensionable earnings, and employers are contributing at the rate of 10% of pensionable earnings, for a total contribution rate of 22.0%.

The contribution rate for members and employers of affiliated social security employers in 2024 was 6.0% and 5.0%, respectively, of pensionable earnings, for a total contribution rate of 11.0%. The Town's employer contributions to the Plan for the year ended December 31, 2024 were $10,229, equal to the statutorily required contributions.

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

At December 31, 2025, the Town reported no net pension liability for its proportionate share of the Statewide Defined Benefit Plan. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The Town's proportion of the net pension liability was based on the Town's contributions to the Plan for calendar year 2024 relative to the contributions of all participating employers. At December 31,2024, the Town's proportion was 0.0094%, a decrease from 0.0104% at December 31, 2023.

NOTE 7 – PENSION PLANS (continued)

For the year ended December 31, 2025, the Town recognized pension expense (income) of $17,317. At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 22,543	$ (705)
Changes in assumptions or other inputs	8,068	
Net Difference between projected and actual earnings on pension plan investments	3,202	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	
Contributions subsequent to the measurement date	15,551	
Total	$ 49,364	$ (705)

The Town's contributions to the Plan subsequent to the measurement date of $15,551 will be recognized as a decrease/(increase) to the net pension liability/(asset) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2025	$ 9,220
2026	13,623
2027	964
2028	1,429
2029	3,141
Thereafter	4,731
Total	$ 33,108

NOTE 7 – PENSION PLANS (continued)

Actuarial assumptions. The collective total pension liability was determined by an actuarial valuation as of January 1,2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Total Pension Liability:	
Actuarial Valuation Date	January 1, 2025
Actuarial method	Entry Age Normal
Amortization method	N/A
Amortization period	N/A
Investment rate of return	7.00%, including 2.5% inflation
Projected salary increases	4.25% - 11.75%
Cost of living adjustment	0.00%
Actuarial Determined Contributions:	
Actuarial Valuation Date	January 1, 2024
Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 years
Investment rate of return	7.00%, including 2.5% inflation
Projected salary increases	4.25% - 11.27%
Cost of living adjustment	0.00%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees use 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.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 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 FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption of 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.

NOTE 7 – PENSION PLANS (continued)

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWSB 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.

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 bon 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, expected rate of return on pension plan investments is 7%; the municipal bond rate is 4.05% (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%.

NOTE 7 – PENSION PLANS (continued)

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% increase (8.0%)
Proportionate share of the net pension liability (asset)	$ 45,847	$ -	$ -

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report, which may be obtained at https://www.fppaco.org.

NOTE 8 – CONTINGENCIES

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

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

In November 1999, voters within the Town authorized the Town to collect, retain and expend the full amount of revenues from all sources during 1998, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the State Constitution.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve of $36,293 was reported as restricted net position and fund balance in the Governmental Activities and General Fund, respectively.

Grants

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Expenditures under these grants are generally subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. At December 31, 2025, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the town.

NOTE 12 – SUBSEQUENT EVENTS

The Town has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued. No events were noted that would require adjustment to or disclosure in the financial statements.

TOWN OF LOG LANE VILLAGE, COLORADO
SCHEDULE OF PENSION FUNDS PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2025

Year Ended December 31,	Cumulative Proportion of Net Pension Liability	Cumulative Proportionate Share	Covered Payroll	% of Covered Payroll	Plan Net Position as % of Net Pension Liability
2016	0.0158%	$ 5,716	$ 80,963	-7.06%	98.21%
2017	-0.0204%	(2,973)	119,425	-24.60%	106.34%
2018	0.0159%	20,094	106,463	18.87%	95.23%
2019	0.0133%	(7,508)	97,837	-7.67%	101.94%
2020	0.0112%	(24,340)	90,050	-27.03%	106.72%
2021	0.0132%	(71,398)	106,062	-67.32%	116.16%
2022	0.0104%	9,197	90,148	10.20%	97.63%
2023	0.0104%	9,197	90,148	10.20%	97.63%
2024	0.0094%	-	140,639	0.00%	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the year Ended December 31, 2025

Year Ended December 31,	Statutorily Required Contributions	Contributions Made	Covered Payroll	% of Covered Payroll
2016	$ 6,477	$ 6,477	$ 80,963	8.00%
2017	9,554	9,554	119,425	8.00%
2018	8,517	8,517	106,463	8.00%
2019	7,827	7,827	97,837	8.00%
2020	7,204	7,204	90,050	8.00%
2021	9,015	9,015	106,062	8.50%
2022	8,113	8,113	90,148	9.00%
2023	4,454	4,454	90,148	9.50%
2024	4,454	4,454	140,639	9.50%
2025	15,470	15,470	140,639	11.00%

TOWN OF LOG LANE VILLAGE, COLORADO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Revenues			
Taxes			
Current property (net of Treasurer's fees)	$ 92,682	$ 92,586	$ (96)
Specific ownership	7,000	10,117	3,117
Road and Bridge	18,000	19,088	1,088
General sales tax	154,000	353,748	199,748
Use tax	-	4,885	4,885
Cigarette	100	275	175
Highway users	25,000	30,916	5,916
Retail Marijuana sales tax	486,474	326,114	(160,360)
Medical Marijuana sales tax	200,000	4,835	(195,165)
Franchise	33,000	32,085	(915)
Licenses and Permits			
Liquor licenses	100	100	-
Building permits	6,000	12,548	6,548
Animal licenses	-	62	62
Gold Car / OHV permits	500	400	(100)
Business license	500	675	175
MMJ Cultivation oper license	6,000	4,000	(2,000)
Retail Marijuana store license	20,000	16,000	(4,000)
RMJ Cultivation oper license	8,000	4,000	(4,000)
RMJ Infused Prod Manuf License	-	4,000	4,000
Intergovernmental			
Mineral Lease	4,300	3,001	(1,299)
Severance tax	7,000	219	(6,781)
Fines and Forfeits			
General fines	25,000	19,677	(5,323)
County Shared Fines	-	91	
Surcharge - Traumatic Brain Inj	2,000	2,975	975
Other fines	3,300	175	(3,125)
Interest	13,000	6,333	(6,667)
Miscellaneous			
Rents	46,000	22,050	(23,950)
Refunds	2,000	(5,692)	(7,692)
Grant revenue	-	24,290	24,290
Special events revenue	10,000	7,260	(2,740)
Miscellaneous	1,000	60,245	59,245
Total Revenues	1,170,956	1,057,060	(113,988)
Expenditures			
Administration	$ 248,045	$ 245,584	$ 2,461
Public safety	687,511	442,726	244,785
Public works	400,533	71,760	328,773
Capital outlay	486,000	449,683	36,317
Debt Service		96,616	(96,616)
Total Expenditures	1,822,089	1,306,370	612,335
Expenditures in Excess of Revenues	(651,133)	(249,310)	(401,823)
Other Financing Sources			
Financing Proceeds	-	275,000	$ (275,000)
Net Change in Fund Balance	$ (651,133)	$ 25,690	$ (676,823)
Net Position Beginning of Year		$ 1,495,875	
Net Position End of Year		$ 1,521,565	

The accompanying notes and independent auditors' report should be read with these financial statements.

TOWN OF LOG LANE VILLAGE, COLORADO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
GENERAL GOVERNMENT			
ADMINISTRATION			
Salaries	$ 78,288	$ 66,608	$ (11,680)
Benefits	2,504	25,588	23,084
Payroll taxes	155	7,559	7,404
Grant expense	2,133	23,519	21,386
Legal	20,000	7,305	(12,695)
Audit	3,090	7,000	3,910
Dues and subscriptions	5,000	1,578	(3,423)
Donations	8,000	7,408	(592)
Community building	12,500	1,154	(11,346)
Insurance	5,000	8,608	3,608
Telephone	2,500	1,477	(1,023)
Reporting and advertising	2,000	108	(1,892)
Copier and computer	12,000	13,762	1,762
Travel	2,000	517	(1,483)
Training and seminars	2,500	444	(2,056)
Postage	600	600	0
Administrative supplies	5,000	13,508	8,508
Utilities	9,500	11,340	1,840
Election expense	5,000	-	(5,000)
Special events	40,000	36,835	(3,165)
Bank charges	1,200	1,990	790
Miscellaneous	1,500	7,592	6,092
Town rental expense	25,000	878	(24,122)
Small equipment	2,575	207	(2,368)
Subtotal	248,045	245,584	(2,461)
Capital Outlay - Administration	150,000	21,326	128,674
TOTAL GENERAL GOVERNMENT	$ 398,045	$ 266,910	$ 126,213
PUBLIC SAFETY			
Municipal judge	$ 6,000	$ 5,200	$ 800
Salaries and wages	315,705	197,722	117,983
Employee benefits	37,605	12,662	24,943
Payroll taxes	24,151	7,378	16,773
FPPA expense	26,220	15,551	10,669
Contract labor	30,000	8,679	21,321
Uniforms	15,000	2,273	12,727
Town Attorney	25,000	31,352	(6,352)
Dues and reference materials	3,000	208	2,792
Donations	-	250	(250)
Building maintenance and repairs	3,090	16,766	(13,676)
Automotive service and repairs	15,000	15,503	(503)
Vehicle Lease / Purchase	70,000	-	70,000
Ammunition and firearms	5,000	3,381	1,619
Animal pound and vet expense	25,000	26,700	(1,700)
Insurance	20,600	-	20,600
Communication center	3,090	5,584	(2,494)
Telephone	15,000	11,414	3,586
Reporting and advertising	3,000	4,842	(1,842)
Copier and computer	8,000	5,118	2,882
Travel	2,000	710	1,290
Training and seminars	6,500	23,101	(16,601)

Supplies	3,000	1,523	1,478
Fuel	8,500	8,046	454
Miscellaneous	1,500	2,828	(1,328)
Small equipment	36,050	35,936	115
Body cameras	26,000	-	26,000
Subtotal	734,011	442,726	291,285
Capital Outlay - Administration	-	95,101	95,101
TOTAL PUBLIC SAFETY	$ 734,011	$ 537,827	$ 386,385
PUBLIC WORKS			
Salaries and wages	$ 33,665	$ 13,217	$ 20,448
Employee benefits	5,000	14,137	(9,137)
Payroll tax	1,428	1,011	417
Uniforms	515	-	515
Contract labor	10,300	-	10,300
Building maintenance and repairs	10,000	132	9,868
Automotive service and repairs	2,575	2,141	434
Equipment repairs	1,545	787	758
Roadway maintenance	257,500	1,318	256,182
Snow removal	8,755	-	8,755
Pest control	10,300	-	10,300
Street lighting	25,750	13,995	11,755
Insurance	-	500	(500)
Telephone	515	738	(223)
Reporting and advertising	3,502	2,800	702
Copier and computer	1,030	-	1,030
Training seminars	515	-	515
Postage	103	-	103
Supplies	2,300	15,478	(13,178)
Fuel	2,575	1,694	881
Parks	10,300	5,444	4,857
Miscellaneous	2,060	-	2,060
Small equipment	10,300	212	10,088
Subtotal	400,533	73,603	326,930
Capital Outlay - Administration	266,000	333,257	(67,257)
TOTAL PUBLIC WORKS	$ 666,533	$ 406,860	$ 259,673
SUMMARY OF CAPITAL OUTLAY - ALL DEPARTMENTS			
General Administration	$ 150,000	$ 21,326	$ 128,674
Public Safety	-	95,101	(95,101)
Public Works	266,000	333,257	(67,257)
TOTAL CAPITAL OUTLAY	$ 416,000	$ 449,683	$ (33,683)

TOWN OF LOG LANE VILLAGE, COLORADO
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Lottery proceeds	$ 22,500	$ 10,945	$ (11,555)
Investment income	200	29	(171)
Other income	12,900	-	
TOTAL REVENUES	35,600	10,974	(11,726)
EXPENSES			
Contract labor	5,000	-	5,000
Maintenance equipment expenses	12,000	314	11,686
Town Hall Utilities	-	671	
Contingency	2,000	-	2,000
Capital Outlay	32,000	-	32,000
TOTAL EXPENSES	51,000	986	50,686
EXCESSS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (15,400)	$ 9,989	$ 38,960
FUND BALANCES, BEGINNING OF YEAR		31,200	
FUND BALANCES, END OF YEAR		$ 41,189	

TOWN OF LOG LANE VILLAGE, COLORADO
WATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL - NON GAAP
FOR THE YEAR ENDED DECEMBER 31, 2025

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUES			
Water sales	$ 370,000	$ 413,072	$ 43,072
Delinquent fees	45,000	26,868	(18,132)
Miscellaneous	1,100	-	(1,100)
TOTAL OPERATING REVENUES	416,100	439,940	23,840
OPERATING EXPENSES			
Salaries	77,380	39,527	37,853
Employee benefits	12,360	79	12,281
Payroll taxes	5,920	3,024	2,896
Uniforms	515	-	515
Engineering	1,030	-	1,030
Contract labor	20,600	23,819	(3,219)
Certified Operator	15,450	-	15,450
Building maintenance and repairs	3,000	1,164	1,836
Automotive service and repairs	2,575	-	2,575
Equipment maintenance and repair	7,416	529	6,887
Telephone	824	886	(62)
Travel	618	296	322
Training and seminars	2,575	664	1,911
Supplies	10,300	1,292	9,008
Utilities	3,090	4,528	(1,438)
Fuel	3,090	-	3,090
Water testing	1,236	1,450	(214)
Quality Water	226,600	162,918	63,682
Miscellaneous	1,030	-	1,030
Capital outlay	25,000	25	24,975
Small Equipment	2,575	-	2,575
TOTAL OPERATING EXPENSES	423,184	240,200	182,984
ADMINISTRATION			
Salaries	44,622	42,819	1,803
Employee benefits	9,105	84	9,021
Payroll taxes	3,414	3,276	138
Auditor	5,150	6,500	(1,350)
Dues and donations	2,000	1,353	647
Building maintenance and repairs	2,000	-	2,000
Community Building Operating Expense	2,500	-	
Insurance	9,579	37,213	(27,634)
Telephone	2,000	29	1,971
Advertising	500	-	500
Copier and computer	6,000	10,243	(4,243)
Deposit refund	-	29	(29)
Postage	500	3,642	(3,142)
Supplies	500	158	342
Drinking water fee	300	-	300
Bank Charges	3,000	4,538	(1,538)
Miscellaneous	500	-	500
Capital outlay	5,150	-	5,150
Small Equipment	500	334	166
TOTAL ADMINISTRATION EXPENSES	97,320	110,217	(15,397)
OPERATING INCOME (LOSS)	(104,404)	89,523	(143,747)
NON-OPERATING INCOME (EXPENSE)			
Interest on investments	-	93	(93)
TOTAL NON-OPERATING INCOME (LOSS)	-	93	(93)

The accompanying notes and independent auditors' report should be read with these financial statements.

TOWN OF LOG LANE VILLAGE, COLORADO
SEWER FUND
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL - NON GAAP
FOR THE YEAR ENDED DECEMBER 31, 2025

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUES			
Sewer charges	$ 190,000	$ 235,044	$ 45,044
Delinquent fees	-	7,644.88	7,644.88
Miscellaneous	6,000	-	(6,000)
TOTAL OPERATING REVENUES	196,000	242,689	46,689
OPERATING EXPENSES			
Salaries	68,900	35,135	33,765
Employee benefits	3,832	70	3,762
Payroll taxes	5,271	2,688	2,583
Uniforms	515	-	515
Engineering	51,500	-	51,500
Contract labor	25,750	27,007	(1,257)
Certified Operator	4,635	9,262	(4,627)
Equipment maintenance and repair	1,545	2,045	(500)
Telephone	618	886	(268)
Travel	618	-	618
Training and seminars	2,575	-	2,575
Supplies	5,150	429	4,721
Utilities	3,605	1,978	1,627
Fuel	1,236	-	1,236
Testing - City of FM	3,296	64,386	(61,090)
User fees - City of FM	50,000	13,606	36,394
Small Equipment	12,360	41,039	(28,679)
TOTAL OPERATING EXPENSES	241,406	198,530	42,876
ADMINISTRATION			
Salaries	44,622	42,820	1,802
Employee benefits	9,421	84	9,337
Payroll taxes	3,414	3,276	138
Auditor	5,150	-	5,150
Dues and donations	-	28	(28)
Telephone	1,500	-	1,500
Copier and computer	3,000	5,721	(2,721)
Deposit refund	-	264	(264)
Postage	500	2,472	(1,972)
Supplies	200	58	142
Utilities	250	-	250
Bank Charges	3,000	4,018	(1,018)
Miscellaneous expenses	500	-	500
Small Equipment	200	57	143
TOTAL ADMINISTRATION EXPENSES	71,757	58,799	12,958
OPERATING INCOME (LOSS)	(117,163)	(14,640)	(9,146)
NON-OPERATING INCOME (EXPENSE)			
Interest on investments	-	1,093	(1,093)
TOTAL NON-OPERATING INCOME (LOSS)	-	1,093	(1,093)
NET INCOME (LOSS) - BUDGETARY BASIS	$ (117,163)	$ (13,547)	$ (10,239)
ADJUSTMENTS FOR GAAP BASIS			
Capital Outlay		$ (10,075)	
Depreciation		(36,672)	
TOTAL GAAP ADJUSTMENTS		(46,746)	
NET INCOME (LOSS) - GAAP BASIS		(60,293)	
NET POSITION AT BEGINNING OF YEAR		968,378	
NET POSITION AT END OF YEAR		$ 908,085	

The accompanying notes and independent auditors'
report should be read with these financial statements.

TOWN OF LOG LANE VILLAGE, COLORADO
TRASH FUND
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL - NON GAAP
FOR THE YEAR ENDED DECEMBER 31, 2025

	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUES			
Trash charges	$ 106,000	$ 97,205	$ (8,795)
Miscellaneous	-	5,954	5,954
TOTAL OPERATING REVENUES	106,000	103,159	(2,841)
OPERATING EXPENSES			
Salaries	25,000	33,619	(8,619)
Employee benefits	-	67	(67)
Payroll taxes	1,913	2,572	(659)
Vehicle repair	5,000	-	5,000
Equipment repair	5,000	-	5,000
Land fill expense	35,000	20,957	14,043
Insurance	4,000	686	3,314
Supplies	2,500	620	1,880
Tote replacement	13,000	-	13,000
Fuel	2,500	557	1,943
TOTAL OPERATING EXPENSES	93,913	59,078	34,835
OPERATING INCOME (LOSS)	12,087	44,081	(37,676)

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: Town of Log Lane Village	PREPARED BY: STAFF PERSON'S NAME EMAIL ADDRESS	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		a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	239,537.82	b. Other Misc. Local Receipts	
c. Total (a + b)	$ 239,537.82	**c. Total (a + b)**	$ -

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	30,916.27	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 - Road and Bridge	19,087.96		
c. Total (a + b)	$ 19,087.96		
4. Total (1 + 2 + 3c)	$ 50,004.23	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	
c. Construction Costs	140,971.05
d. Total Capital Outlay (a+ b + c)	$ 140,971.05

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 239,537.82
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ -
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 239,537.82
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 50,004.23
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 289,542.05

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 140,971.05
2. Maintenance:	148,571.00
3. Road and Street Services:	
a. Snow and Ice Removal	
b. Other & Traffic Control Operations	
c. Total (a + b)	$ -
4. General Administration & Miscellaneous	
5. Highway Law Enforcement and Safety	
6. Total (1 through 5)	$ 289,542.05
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)	$ 289,542.05

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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