

TOWN OF MANCOS COLORADO

**Independent Accountants' Reports
and
Basic Financial Statements**

December 31, 2025

TOWN OF MANCOS, COLORADO

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Town of Mancos, Colorado
Mancos, Colorado 81328

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Town of Mancos, 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 Mancos, Colorado, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Mancos, Colorado, and to meet 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 Mancos, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mancos, Colorado's basic financial statements. The accompanying other supplementary information and Local Highway Finance Report, as listed in the table of content, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Majors and Haley, P.C.
July 7, 2026

TOWN OF MANCOS, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2025

FINANCIAL HIGHLIGHTS

Key financial highlights for the Town in 2025 are as follows

- In total, net position decreased by \$165,840. Net position of governmental activities decreased \$65,562, which represents a .89 percent decrease from 2024. Net position of business type activities decreased \$100,278 or 1.49 percent from 2024.
- General revenues accounted for \$1,800,228 in revenue or 57 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$1,553,492 or 43 percent of total revenues of \$3,333,720.
- Governmental activities total assets decreased by \$192,826. Liabilities and deferred inflows of resources decreased by \$127,264.
- The Town incurred \$2,246,215 in expenses related to government activities. \$305,222 of these expenses was offset by program specific charges for services, grants and contributions. General revenues (primarily property taxes, sales taxes, franchise taxes, and mineral leasing revenues) of \$1,875,431 were not adequate to cover all of the costs of these programs.
- Among the major funds, the General Fund had \$2,169,767 in revenues and other financing sources and \$2,559,861 in expenditures. Its fund balance decreased by \$390,094 from \$2,138,857 to \$1,748,763.
- Net position of the Enterprise Funds decreased from \$6,728,317 to \$6,628,039.

TOWN OF MANCOS, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and supplementary information. The basic financial statements include two kinds of statements that present different views of the Town.

- The first two statements are Town-wide financial statements that provide both short-term and long-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the Town-wide statements.
- The governmental funds statements tell how basic services such as general government were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the Town operates like businesses, such as water and sanitation services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the Town's budget for the year.

Town-wide Statements

The Town-wide statements report information about the Town as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the Town's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

TOWN OF MANCOS, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2025

The two Town-wide statements report the Town's net position and how it has changed. Net position (the difference between the Town's assets and deferred outflows of resources less liabilities and deferred inflows of resources) is one way to measure the Town's financial position.

- Over time, increases or decreases in the Town's net position is an indicator of whether its financial position is improving or deteriorating.
- To assess the Town's overall health, you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of Town facilities.

In the Town-wide financial statements, the Town's activities are divided into two categories:

- **Governmental activities-** Most of the Town's basic services are included here, such as general government, public safety, public works and culture and recreation. These activities are financed mainly through property taxes and sales taxes.
- **Business-type activities-** The Town charges fees to help cover the costs of certain services it provides. The Town's water and sanitation facilities are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or "major" funds, not the Town as a whole. Funds are accounting devices the Town uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the Town establishes other funds to help it manage and control its finances to achieve certain results.

The Town uses two types of funds:

- **Governmental funds-** Most of the Town's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide

TOWN OF MANCOS, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2025

a detailed short-term view of the Town's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the Town-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

- **Proprietary funds-** Services for which the Town charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Town-wide financial statements. The Town's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flow analysis.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Total assets decreased by \$394,325. Current assets decreased by \$408,063. Net capital assets increased by \$13,738. Current liabilities decreased by \$108,147. Deferred inflows of resources increased by \$6,679. Non-current liabilities decreased by \$126,917.

The Town's combined net position was smaller on December 31, 2025 than it was at December 31, 2025, decreasing by \$165,840 to \$13,962,996. The Town's governmental type activities net position decreased by \$65,562 to \$7,334,957. The net position of the Town's business-type activities decreased by \$100,278 to \$6,628,039.

TOWN OF MANCOS, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2025

Table 1 provides a summary of the Town's net position for 2025 compared to 2024:

Table 1
Condensed Statement of Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total Town	
	2025	2024	2025	2024	2025	2024
Assets						
Current assets	\$ 1.955	\$ 2.450	\$ 2.209	\$ 2.122	\$ 4.164	\$ 4.572
Capital assets	5.581	5.279	6.550	6.838	12.131	12.117
Total assets	7.536	7.729	8.759	8.960	16.295	16.689
Liabilities						
Current liabilities	0.054	0.166	0.255	0.251	0.309	0.417
Noncurrent liabilities	0.024	0.046	1.876	1.981	1.900	0.965
Deferred inflows of resources	0.123	0.116			0.123	0.116
Net Position						
Net investment in capital assets	5.533	5.210	4.569	4.754	10.102	9.964
Restricted	0.133	0.152	0.362	0.911	0.495	1.063
Unrestricted	1.669	2.039	1.697	1.063	3.366	3.102
Total net position	\$ 7.335	\$ 7.401	\$ 6.628	\$ 6.728	\$ 13.963	\$ 14.129

TOWN OF MANCOS, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2025

Table 2 shows the changes in net position for fiscal year 2025 as compared to 2024.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Town	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	\$ 165,934	\$ 140,536	\$ 1,214,668	\$ 1,156,144	\$ 1,380,602	\$ 1,296,680
Operating grants & contributions	139,288	145,413			139,288	145,413
Capital grants & contributions	-	751,565	33,602	157,208	33,602	908,773
General revenues						
Property taxes	114,429	136,601			114,429	136,601
Sales taxes	1,337,232	1,074,863			1,337,232	1,074,863
Other	423,770	470,833	(75,203)	(148,164)	348,567	322,669
Total revenues	2,180,653	2,719,811	1,173,067	1,165,188	3,353,720	3,884,999
Expenses						
General government	871,939	908,984			871,939	908,984
Public safety	758,386	675,664			758,386	675,664
Public works	536,961	484,629	1,273,345	1,208,951	1,810,306	1,693,580
Culture and recreation	78,929	110,808			78,929	110,808
Total expenses	2,246,215	2,180,085	1,273,345	1,208,951	3,519,560	3,389,036
Increase (decrease) in net position	\$ (65,562)	\$ 539,726	\$ (100,278)	\$ (43,763)	\$ (165,840)	\$ 495,963

TOWN OF MANCOS, COLORADO

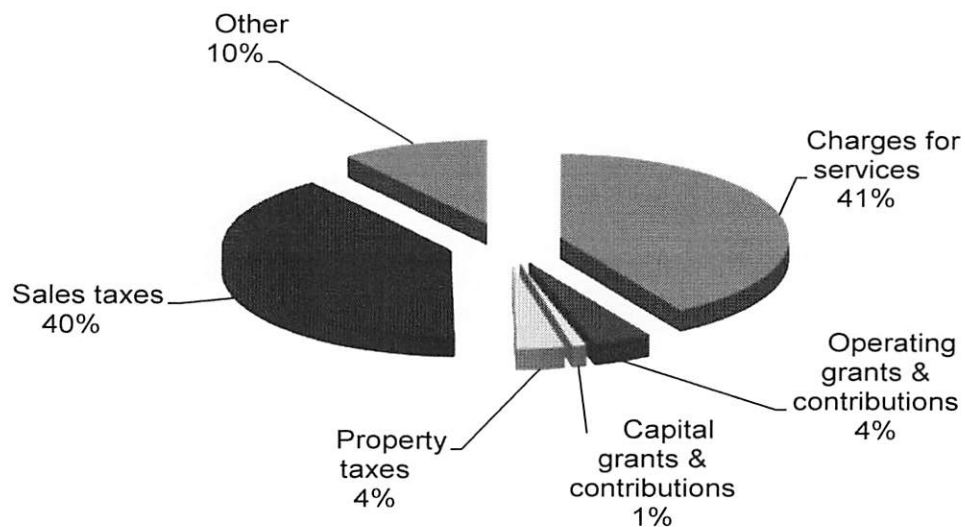
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2025

Charges for services and sales tax accounted for most of the Town's total revenue, with each contributing 40 percent and 41 percent respectively (See Table 3). Another 5 percent came from operating and capital grants and the remainder from property taxes and other revenues.

The Town's expenses are predominately related to public works (51.4 percent), general government (24.8 percent), and public safety (21.5 percent) (See Table 4). The Town's culture and recreation activities accounted for the balance of total costs.

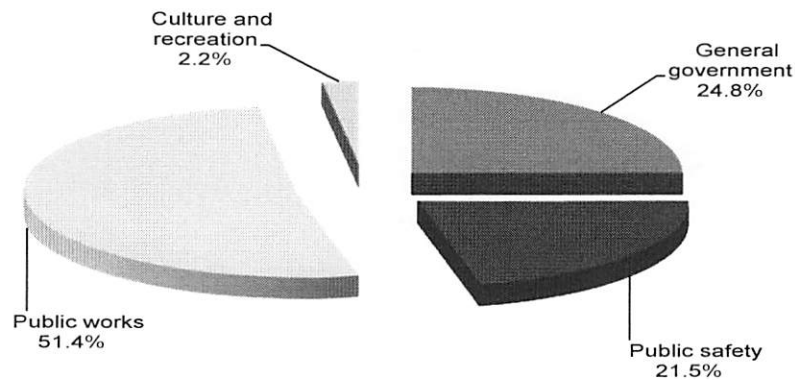
Table 3
Sources of Revenue for Fiscal Year 2025



TOWN OF MANCOS, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2025

Table 4
Expenses for Fiscal Year 2025



Governmental Activities

The primary sources of operating revenue for the Town come from sales taxes, charges for services, and grants. The Town receives approximately 86 percent of this funding from these sources while the remaining amounts come from capital grants and property taxes.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by general revenues including general property taxes and sales taxes.

TOWN OF MANCOS, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2025

Table 5
Government Activities

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
General government	\$ 871,939	\$ 908,984	\$ 655,541	\$ 710,222
Public safety	758,386	675,664	734,444	(95,496)
Public works	536,961	484,429	491,440	439,386
Culture and recreation	78,929	110,808	59,568	88,459
Total	<u>\$ 2,246,215</u>	<u>\$ 2,179,885</u>	<u>\$ 1,940,993</u>	<u>\$ 1,142,571</u>

- The cost of all governmental activities during the year was \$2,246,215.
- Some of the cost was financed by the users of the Town's programs (\$165,934)
- Federal and state government subsidized certain programs with grants and contributions (\$139,288).
- However, \$1,875,431 was financed by state and town taxpayers. This portion of governmental activities was financed with \$1,337,232 in sales taxes, \$133,089 in property and specific ownership taxes, \$94,257 in franchise taxes and \$310,853 in other general revenues.

Business-type Activities

Business-type activities are made up of the Water Fund and the Sewer Fund. These programs had revenues of \$1,214,668 and expenses of \$1,273,345.

TOWN OF MANCOS, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2025

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Information about the Town's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues and other financing sources of \$2,180,653 and expenditures of \$2,569,322.

General Fund Budgetary Highlights

The Town's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

- Actual expenditures were \$2,559,861 less than budget, primarily because the amount spent on capital projects was much less than anticipated due to delays in these projects.

CAPITAL ASSET ADMINISTRATION

By the end of 2025 the Town has invested \$20.8 million in land, buildings, and equipment (including vehicles), of this total \$7.9 million was from governmental activities.

Table 6 shows capital assets for 2025 compared to 2024:

Table 6
Capital Assets at December 31

	Governmental Activities		Business-Type Activities		Total Town	
	2025	2024	2025	2024	2025	2024
Land	\$ 749,098	\$ 749,098	\$ 6,984	\$ 6,984	\$ 756,082	\$ 756,082
Buildings/Facilities	6,482,813	5,899,634	12,371,844	12,303,566	18,854,657	18,203,200
Equipment	681,041	681,041	557,576	452,947	1,238,617	1,133,988
Total	<u>\$ 7,912,952</u>	<u>\$ 7,329,773</u>	<u>\$ 12,936,404</u>	<u>\$ 12,763,497</u>	<u>\$ 20,849,356</u>	<u>\$ 20,093,270</u>

TOWN OF MANCOS, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2025

Additional information on the Town's capital assets can be found in the Notes to the Financial Statements on page 29 of this report.

FACTORS BEARING ON THE TOWN'S FUTURE

At the time these financial statements were prepared and audited, the Town is not aware of any existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Town's citizens, taxpayers, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Mancos Administration Office, PO Box 487 Mancos, Colorado 81328.

TOWN OF MANCOS, COLORADO
Statement of Net Position

December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 1,586,562	\$ 1,781,220	\$ 3,367,782
Cash with county treasurer	1,314		1,314
Property tax receivable	122,864		122,864
Accounts receivable	112,130	87,532	199,662
Grants receivable	4,280		4,280
Due from other funds	127,389		127,389
Undistributed loan proceeds		340,326	340,326
Capital assets	7,912,952	12,936,404	20,849,356
Accumulated depreciation	(2,331,711)	(6,386,649)	(8,718,360)
Total capital assets, net of depreciation	5,581,241	6,549,755	12,130,996
Total Assets	7,535,780	8,758,833	16,294,613
Liabilities			
Accounts payable	29,674	21,121	50,795
Accrued interest		1,539	1,539
Due to other funds		127,389	127,389
Long-term liabilities			
Due within one year	24,386	104,500	128,886
Due in more than one year	23,899	1,876,245	1,900,144
Total Liabilities	77,959	2,130,794	2,208,753
Deferred inflows of resources			
Unearned property tax revenue	122,864		122,864
Net Position			
Net investment in capital assets	5,532,956	4,569,010	10,101,966
Restricted			
TABOR	80,000		80,000
Debt service		22,022	22,022
Parks and recreation	53,238		53,238
System improvements		340,326	340,326
Unrestricted	1,668,763	1,696,681	3,365,444
Total Net Position	\$ 7,334,957	\$ 6,628,039	\$ 13,962,996

The accompanying notes are an integral part of this statement.

TOWN OF MANCOS, COLORADO
Statement of Activities

For the Year Ended December 31, 2025

	Expenses	Program Revenues			Net (Expenses) Revenue And Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities							
General government	\$ 871,939	\$ 129,772	\$ 86,626		\$ (655,541)		\$ (655,541)
Public safety	758,386	23,942			(734,444)		(734,444)
Public works	536,961		45,521		(491,440)		(491,440)
Culture and recreation	78,929	12,220	7,141		(59,568)		(59,568)
Total Governmental Activities	2,246,215	165,934	139,288	-	(1,940,993)		(1,940,993)
Business-Type Activities							
Water operations	690,543	694,361		\$ 33,602		\$ 37,420	37,420
Sewer operations	582,802	520,307				(62,495)	(62,495)
Total Business-Type Activities	1,273,345	1,214,668	-	33,602		(25,075)	(25,075)
Total Town	\$ 3,519,560	\$ 1,380,602	\$ 139,288	\$ 33,602	(1,940,993)	(25,075)	(1,966,068)

General Revenues			
Property taxes	114,429		114,429
Specific ownership taxes	18,660		18,660
Sales tax	1,337,232		1,337,232
Road and bridge tax	15,887		15,887
Franchise tax	94,257		94,257
Severance tax	1,799		1,799
Intergovernmental			
Mineral leasing	57,473		57,473
Tobacco taxes	1,742		1,742
Earnings on investments	7,831	5,417	13,248
Miscellaneous	145,501		145,501
Transfers	80,620	(80,620)	-
Total General Revenues	1,875,431	(75,203)	1,800,228
Changes in Net Position	(65,562)	(100,278)	(165,840)
Net Position Beginning of the Year	7,400,519	6,728,317	14,128,836
Net Position End of the Year	\$ 7,334,957	\$ 6,628,039	\$ 13,962,996

The accompanying notes are an integral part of this statement.

TOWN OF MANCOS, COLORADO

Balance Sheet Governmental Funds

December 31, 2025

	General Fund	Other Governmental Funds Conservation Trust Fund	Total Governmental Funds
Assets			
Cash	\$ 1,533,324	\$ 53,238	\$ 1,586,562
Cash with county treasurer	1,314		1,314
Property tax receivable	122,864		122,864
Accounts receivable	112,130		112,130
Grants receivable	4,280		4,280
Due from other funds	127,389		127,389
Total assets	<u>\$ 1,901,301</u>	<u>\$ 53,238</u>	<u>\$ 1,954,539</u>
Liabilities			
Accounts payable	\$ 29,674		\$ 29,674
Total liabilities	<u>29,674</u>	<u>-</u>	<u>29,674</u>
Deferred inflows of resources			
Unearned property tax revenue	<u>122,864</u>	<u>-</u>	<u>122,864</u>
Fund balance			
Restricted			
TABOR	80,000		80,000
Parks and recreation		\$ 53,238	53,238
Unrestricted			
Assigned for subsequent year's expenditures	1,668,763		1,668,763
Unassigned			-
Total fund balance	<u>1,748,763</u>	<u>53,238</u>	<u>1,802,001</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,901,301</u>	<u>\$ 53,238</u>	<u>\$ 1,954,539</u>

Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

Total fund balance governmental funds \$ 1,802,001

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 as assets in governmental funds.

Capital assets	\$ 7,912,952	
Accumulated depreciation	<u>(2,331,711)</u>	
		5,581,241

Long term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.

Due in one year	(24,386)	
Due in more than one year	<u>(23,899)</u>	
		(48,285)

Total net position governmental activities \$ 7,334,957

The accompanying notes are an integral part of this statement.

TOWN OF MANCOS, COLORADO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2025

	General Fund	Other Governmental Funds Conservation Trust Fund	Total Governmental Funds
Revenues			
Taxes	\$ 1,584,007		\$ 1,584,007
Intergovernmental revenues	321,748	\$ 7,141	328,889
Licenses and permits	129,718		129,718
Fines and forfeitures	23,942		23,942
Earnings on investments	4,086	3,745	7,831
Other	25,646		25,646
Total revenues	<u>2,089,147</u>	<u>10,886</u>	<u>2,100,033</u>
Expenditures			
General government	913,276		913,276
Public safety	924,056		924,056
Public works	697,553		697,553
Culture and recreation	24,976	9,461	34,437
Total expenditures	<u>2,559,861</u>	<u>9,461</u>	<u>2,569,322</u>
Other financing sources (uses)			
Transfers in	80,620		80,620
Total other financing sources (uses)	<u>80,620</u>	<u>-</u>	<u>80,620</u>
Excess (deficit) of revenues and other sources over (under) expenditures and other uses	<u>(390,094)</u>	<u>1,425</u>	<u>(388,669)</u>
Fund Balances beginning of the year	2,138,857	51,813	2,190,670
Fund balances end of the year	<u>\$ 1,748,763</u>	<u>\$ 53,238</u>	<u>\$ 1,802,001</u>

The accompanying notes are an integral part of this statement.

TOWN OF MANCOS, 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, 2024

Net Change in Fund Balances Governmental Funds **\$ (388,669)**

Amounts reported for governmental activities in the Statement of Activities are different because

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	\$ 583,179	
Depreciation expense	<u>(280,978)</u>	
		302,201

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt	<u>20,906</u>	
		20,906

Change in Net Position of Governmental Activities	<u>\$ (65,562)</u>
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The accompanying notes are an integral part of this statement.

TOWN OF MANCOS, COLORADO

Statement of Net Position Proprietary Fund Type-Enterprise Funds December 31, 2025

	Business-type Activities		
	Water	Sewer	Total
Assets			
Current assets			
Cash	\$ 925,321	\$ 855,899	\$ 1,781,220
Accounts receivable	43,281	44,251	87,532
Undistributed loan proceeds	340,326		340,326
Total current assets	<u>1,308,928</u>	<u>900,150</u>	<u>2,209,078</u>
Noncurrent assets			
Capital assets	6,856,671	6,079,733	12,936,404
Accumulated depreciation	(2,597,350)	(3,789,299)	(6,386,649)
Total noncurrent assets	<u>4,259,321</u>	<u>2,290,434</u>	<u>6,549,755</u>
Total assets	<u>5,568,249</u>	<u>3,190,584</u>	<u>8,758,833</u>
Liabilities			
Current liabilities			
Accounts payable	19,817	1,304	21,121
Due to other funds	127,389		127,389
Accrued interest	1,539		1,539
Current portion of long term debt	51,575	52,925	104,500
Total current liabilities	<u>200,320</u>	<u>54,229</u>	<u>254,549</u>
Noncurrent liabilities			
Notes and bonds payable	1,711,622	164,623	1,876,245
Total noncurrent liabilities	<u>1,711,622</u>	<u>164,623</u>	<u>1,876,245</u>
Total liabilities	<u>1,911,942</u>	<u>218,852</u>	<u>2,130,794</u>
Net position			
Net investment in capital assets	2,496,124	2,072,886	4,569,010
Restricted for debt service	22,022		22,022
Restricted for system improvements	340,326		340,326
Unrestricted	797,836	898,845	1,696,681
Total net position	<u>\$ 3,656,308</u>	<u>\$ 2,971,731</u>	<u>\$ 6,628,039</u>

The accompanying notes are an integral part of this statement

TOWN OF MANCOS, COLORADO

Statement of Revenues, Expenses and Changes in Net Position Proprietary Fund Type-Enterprise Funds

For the Year Ended December 31, 2025

	Business-type Activities		
	Water	Sewer	Total
Operating revenues			
Charges for services	\$ 677,753	\$ 503,317	\$ 1,181,070
Total operating revenues	<u>677,753</u>	<u>503,317</u>	<u>1,181,070</u>
Operating expenses			
Water administration	241,500		241,500
Plant and storage	132,457		132,457
Distribution	37,366		37,366
Sewer administration		206,473	206,473
Plant operation		155,187	155,187
Collection		4,686	4,686
Depreciation	244,914	216,456	461,370
Total operating expenses	<u>656,237</u>	<u>582,802</u>	<u>1,239,039</u>
Operating income (loss)	<u>21,516</u>	<u>(79,485)</u>	<u>(57,969)</u>
Nonoperating revenues (expenses)			
Interest revenue	2,708	2,709	5,417
Tap fees	16,608	16,608	33,216
Grants	33,602	382	33,984
Debt service			
Interest	(34,306)		(34,306)
Transfers out	(80,620)		(80,620)
Total nonoperating revenues (expenses)	<u>(62,008)</u>	<u>19,699</u>	<u>(42,309)</u>
Change in net position	<u>(40,492)</u>	<u>(59,786)</u>	<u>(100,278)</u>
Net Position - beginning of the year	3,696,800	3,031,517	6,728,317
Net Position - end of the year	<u>\$ 3,656,308</u>	<u>\$ 2,971,731</u>	<u>\$ 6,628,039</u>

The accompanying notes are an integral part of this statement.

TOWN OF MANCOS, COLORADO

Statement of Cash Flows
Proprietary Fund Type
Enterprise Funds

For the Year Ended December 31, 2025

	Business-type Activities		
	Water	Sewer	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 681,015	\$ 504,392	\$ 1,185,407
Cash payments to employees for services	(123,188)	(123,188)	(246,376)
Cash payments to suppliers for goods and services	(272,754)	(256,140)	(528,894)
Net Cash Flows provided (used) by Operating Activities	285,073	125,064	410,137
Cash Flows From Capital and Related Financing Activities			
Tap fees	16,608	16,608	33,216
Grants received	33,602		33,602
Undistributed loan funds received	549,123		
Principal paid on debt	(50,662)	(52,925)	(103,587)
Interest paid on debt	(34,338)		(34,338)
Net Cash Flows provided (used) by Capital and Financing Activities	514,333	(36,317)	(71,107)
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	(80,620)		(80,620)
Equipment and facilities purchased	(52,315)	(120,592)	(172,907)
Total Cash Flows provided (used) by Noncapital Financing Activities	(132,935)	(120,592)	(253,527)
Cash flows from Investing Activities			
Earnings on investments	2,708	2,709	5,417
Net Increase (Decrease) in Cash and Cash Equivalents	669,179	(29,136)	90,920
Cash and Cash Equivalents - Beginning	256,142	885,035	1,141,177
Cash and Cash Equivalents - Ending	\$ 925,321	\$ 855,899	\$ 1,232,097
Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities			
Operating income (loss)	\$ 21,516	\$ (79,104)	\$ (57,588)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	244,914	216,456	461,370
Changes in assets and liabilities related to operations:			
(Increase) Decrease in			
Operating accounts receivable	3,262	694	3,956
Increase (Decrease) in			
Operating accounts payable	15,381	(12,982)	2,399
Net Cash provided (used) by Operating Activities	\$ 285,073	\$ 125,064	\$ 410,137

The accompanying notes are an integral part of this statement.

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Summary of Significant Accounting Policies - The Town of Mancos, Colorado's (the Town) financial statements are prepared in accordance with U.S. generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statement of Interpretations).

The following significant accounting policies were applied to the preparation of the accompanying financial statements.

Reporting Entity – Town of Mancos, Colorado is a statutory (non-home-rule) Town and serves as an administrative unit of the State of Colorado.

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

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

Fund Accounting – The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and in the means by which spending activities are controlled. The various funds are grouped into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental Funds – are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds). The following are the Town's major governmental funds.

General Fund – is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, sales taxes and franchise taxes.

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Special Revenue Funds- accounts for revenue derived from specific taxes or other earmarked revenue sources that are legally restricted to expenditures for specific purposes.

Conservation Trust Fund- is used to account for revenues from sources that are restricted for parks and recreation.

Proprietary Funds–

Enterprise Funds – focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The Town's enterprise funds are:

Water Fund- is used to account for the financial transactions related to the water treatment and distribution operations of the Town.

Sewer Fund- accounts for the sanitation services provided by the Town.

Basis of Presentation-

Town -wide Financial Statements- The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities.

The Town -wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with a brief explanation to better identify the relationship between the Town-wide financial statements and the statements for governmental funds.

The Town -wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function or program of the Town's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Town.

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Fund Financial Statements- Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting – determines when transactions are recorded in the financial records and reported on the financial statements. Town-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues- Exchange and Non-exchange Transactions- Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when used is first permitted, matching requirements, in which the Town must provide local resources to be used for a specified purpose, and expenditure requirements, in which the

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, interest, and certain grants.

Operating Income-Proprietary Funds- operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Unearned Revenue- arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Expenses/Expenditures- On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses and changes in fund net position as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds

Budgets and Budgetary Accounting – The Town is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (U.S. GAAP basis) as that used for accounting purposes, except for the Proprietary Funds, which are prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with U.S. GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the Budget Officer submits to the Town Board a proposed operating budget for the fiscal year commencing the following January 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Prior to December 31, the budget is legally adopted through passage of adoption and appropriations resolutions.

Formal budgetary integration is employed as a management control device during the year.

Department directors are authorized to transfer budget amounts within the department. However, the Town Board must approve any revisions that alter the total expenditures of any department.

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

Cash and Cash Equivalents – for the purpose of the Statement of Cash Flows of the Enterprise Funds is considered to be all of the highly liquid investments with a maturity of six months or less.

Short-term Inter-fund Receivables/Payables- During the course of operations, certain transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the Town -wide statement of net position and, classified as due from other funds or due to other funds on the balance sheet.

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Town-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the Town -wide statements of net position and in the respective fund financial statements,

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are valued at their estimated fair value on the date donated. The Town maintains a capitalization threshold of five thousand dollars.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Facilities	15 to 40 Years	15 to 40 Years
Equipment	5 to 15 Years	5 to 15 Years

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Property Tax Revenue Recognition – Property taxes are billed and collected on behalf of the Town by the Montezuma County Treasurer. The property taxes are levied and certified in December of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year. Secured property taxes are due in two equal installments on February 28 and June 15, and are delinquent after February 28 and June 15 respectively. The entire balance can be paid by April 30 without penalty. Property taxes levied are recorded as deferred revenues in the year levied, as they are not due until the following year. An allowance for un-collectible taxes is not provided as the un-collectible amounts were determined to be negligible based upon an analysis of historical trends.

Compensated absences- Compensated absences arise from policies concerning vacation leave and compensatory days. Vacation pay is payable at termination after one year of employment up to 200 hours. Compensatory time is payable at termination. As of December 31, 2023, the amount of accrued vacation and compensatory time is not material. Therefore, no amount is reflected in the financial statements for accrual of compensated absences.

Accrued Liabilities and General Long-Term Obligations- All payables, accrued liabilities and long-term obligations are reported in the Town -wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payment made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements.

Governmental Fund Balances- In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable- Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted- Amounts that can be used only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. This includes the Town's TABOR emergency reserve, debt service reserves required by creditors and restrictions for parks and recreation required by certain granting agencies.

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Committed- Amounts that can be used only for specific purposes determined by a formal action by the Town Board.

Assigned- Amounts that are designated by the Town Board for a particular purpose but are not spendable until appropriated. This includes assignments for subsequent year's expenditures.

Unassigned- All amounts not included in the other spendable classifications

Use of Restricted Resources- When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other less restrictive classifications- committed and then assigned fund balances before using unassigned fund balances

Net Position- Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses- Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Town, these revenues are sales related to water and sanitation services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Inter-fund Transactions- Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses 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.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Cash and Investments – The Town maintains its cash in the form of deposits in financial institutions.

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

At December 31, the carrying amount of the Town's deposits was \$3,367,782 and the bank balance was \$3,160,862. The Town's bank balances at December 31, 2025 and during the year then ended were entirely covered by FDIC insurance or pledged collateral held by the Town's agent bank in the name of governmental accounts of which the Town is a part.

Capital Assets – Capital asset activity for the fiscal year ended December 31, 2025 follows:

	<u>Balance Jan 1, 2025</u>	<u>Additions/ Transfers</u>	<u>Deletion/ Transfers</u>	<u>Balance Dec 31, 2025</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	<u>\$ 749,098</u>			<u>\$ 749,098</u>
Capital assets, being depreciated:				
Buildings and improvements	3,947,964	\$ 289,659		4,237,623
Equipment	681,041			681,041
Infrastructure	1,951,670	293,520		2,245,190
Total capital assets being depreciated	<u>6,580,675</u>	<u>583,179</u>	<u>-</u>	<u>7,163,854</u>
Less accumulated depreciation	<u>(2,050,733)</u>	<u>(280,978)</u>	<u>-</u>	<u>(2,331,711)</u>
Net capital assets being depreciated	4,529,942	302,201	-	4,832,143
Governmental Activities Capital Assets, net	<u>\$ 5,279,040</u>	<u>\$ 302,201</u>	<u>\$ -</u>	<u>\$ 5,581,241</u>

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

	Balance Jan 1, 2025	Additions	Deletions	Balance Dec 31, 2025
Business Type Activities				
Capital assets, not being depreciated:				
Land	\$ 6,984			\$ 6,984
Total capital assets, not depreciated	<u>6,984</u>			<u>6,984</u>
Capital assets being depreciated				
Improvements	12,303,566	\$ 68,278		12,371,844
Machinery and equipment	452,947	104,629		557,576
Total capital assets being depreciated	<u>12,756,513</u>	<u>172,907</u>	<u>-</u>	<u>12,929,420</u>
Less accumulated depreciation	<u>(5,925,279)</u>	<u>(461,370)</u>	<u>-</u>	<u>(6,386,649)</u>
Net capital assets being depreciated	6,831,234	(288,463)	-	6,542,771
Business Type Activities Capital Assets net	<u><u>\$ 6,838,218</u></u>	<u><u>\$ (288,463)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,549,755</u></u>

Depreciation expense was charged as a direct expense to the following governmental programs:

General government	\$ 11,899
Public works	153,835
Public safety	70,752
Culture and recreation	44,492
Total depreciation government activities	<u><u>\$ 280,978</u></u>

Retirement Plans- In 1999, the Town adopted a deferred compensation plan under Internal Revenue Code Section 457. The plan is a defined contribution plan and participation is voluntary. An eligible employee may make an election to have their pay reduced by a percentage each pay period. The Town pays a matching contribution to each employee's account, up to a limit of 4.5% of the employee's compensation for the calendar year. For the year ending December 31, 2025, the Town's matching contributions totaled \$24,418.

General Long-Term Debt- The Town has incurred the following long-term debt.

Governmental Activities:

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Financed Purchase Agreements- In 2023, the Town obtained an annually renewable equipment financed purchase agreement for a Case backhoe. The agreement is payable in 59 monthly installments of \$2,242 beginning in January of 2023. The backhoe is included in the capital assets at a cost of \$113,900 with accumulated depreciation of \$11,390. The agreement is serviced by the General Fund and the equipment serves as collateral

Year Ending December 31	Principal	Interest	Total
2026	\$ 24,244	\$ 2,749	\$ 26,993
2027	22,073	996	23,069
 Total	 <u>\$ 46,317</u>	 <u>\$ 3,745</u>	 <u>\$ 50,062</u>

Business-type Activities:

Water Fund: The following items are obligations of and repaid through the Water Fund.

Revenue Bonds Payable- \$491,000, 2014 Series Revenue Bonds bearing interest at 3.25% with principal and interest payable semi-annually. These bonds were issued on November 19, 2014 to the USDA Rural Utilities Service to facilitate improvements to the Town's water system. The following are the annual requirements to service the bonds:

Year Ending December 31	Principal	Interest	Total
2026	\$ 8,717	\$ 13,311	\$ 22,028
2027	9,002	13,026	22,028
2028	9,297	12,731	22,028
2029	9,602	12,426	22,028
2030	9,916	12,112	22,028
2031-2035	54,673	55,467	110,140
2036-2040	64,236	45,904	110,140
2041-2045	75,472	34,668	110,140
2046-2050	88,673	21,467	110,140
2051-2054	81,982	6,130	88,112
 Total	 <u>\$ 411,570</u>	 <u>\$ 227,242</u>	 <u>\$ 638,812</u>

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Note Payable- Loan from the Colorado Water Resources and Power Development Authority for improvements to the Town's water system. Total amount authorized is \$1,500,000 with funds to be advanced as expenditures are incurred. The Town has been advanced \$1,159,674 at December 31, 2025 the unexpended funds available of \$340,326 are reflected as Undistributed Loan Proceeds in the Water Fund. The loan bears interest at 1.5% with principal and interest payable semi-annually. The following are the annual requirements to service the loan:

Year Ending December 31	Principal	Interest	Total
2026	\$ 42,858	\$ 20,114	\$ 62,972
2027	43,503	19,469	62,972
2028	44,158	18,814	62,972
2029	44,823	18,149	62,972
2030	45,498	17,474	62,972
2031-2035	237,975	76,887	314,862
2036-2040	256,437	58,425	314,862
2041-2045	276,332	38,530	314,862
2046-2050	297,771	17,091	314,862
2051	62,271	701	62,972
Total	<u>\$ 1,351,626</u>	<u>\$ 285,654</u>	<u>\$ 1,637,280</u>

Sewer Fund: The following items are obligations and repaid through the Sewer Fund:

Note Payable- \$850,000 loan from the Colorado Water Resources and Power Development Association to construct a new wastewater treatment facility. Total authorized amount is \$1,000,000. Interest is computed at 0% with semi-annual principal installments of \$25,000, due May 1 and November 1 of each year through 2029. The following are the annual requirements to service this debt:

Year Ending December 31	Principal	Interest	Total
2026	\$ 50,000		\$ 50,000
2027	50,000		50,000
2028	50,000		50,000
2029	50,000		50,000
Total	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Note Payable- Loan from the Colorado Water Resources and Power Development Authority. Total amount authorized is \$500,000. The loan calls for \$441,507 of the debt to be forgiven by the lender. The remaining balance is to be repaid in semi-annual installments of \$1,462 with no interest due May 1 and November 1 of each year through 2031.

Year Ending December 31	Principal	Interest	Total
2026	\$ 2,925		\$ 2,925
2027	2,925		2,925
2028	2,925		2,925
2029	2,925		2,925
2030	2,925		2,925
2031	2,922		2,922
Total	<u>\$ 17,547</u>	<u>\$ -</u>	<u>\$ 17,547</u>

Changes in General Long-Term Debt- A summary of changes in general long-term debt follows:

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
<u>Governmental Activities</u>				
Financed purchase obligations	\$ 69,191		\$ 20,907	\$ 48,284
Total Governmental Activities	<u>\$ 69,191</u>	<u>\$ -</u>	<u>\$ 20,907</u>	<u>\$ 48,284</u>
<u>Business Type Activities</u>				
Notes and Bonds from Direct Placement				
Water Loan CWRPDA	\$ 1,393,849		\$ 42,222	\$ 1,351,627
Water Revenue Bonds	420,010		8,440	411,570
Sewer CWRPDA	20,472		2,925	17,547
Sewer Loan CWRPDA	250,000		50,000	200,000
Total Business Type Activities	<u>\$ 2,084,331</u>	<u>\$ -</u>	<u>\$ 103,587</u>	<u>\$ 1,980,744</u>

The Town's outstanding water revenue bonds and loans payable from direct placement of \$1,763,197 are secured by the net revenue of the Water Fund. The outstanding notes from direct placement of \$217,547 are secured by the net revenue of the Sewer Fund.

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

Fund Balance Restrictions and Assignments – Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose by the Town Board but are not spendable until appropriated. The Town uses the following restrictions and assignments:

Restricted for TABOR- indicates that a portion of the fund balance has been segregated for expenditures for declared emergencies only. Fund balance restricted for TABOR consists of \$80,000 in the General Fund.

Restricted for Debt Service- indicates that a portion of the fund balance has been restricted for debt service by outside creditors. The USDA Rural Utilities Service requires a debt service reserve equal to \$22,022 in the Sewer Fund.

Restricted for System Improvements- indicates that \$340,326 of the fund balance represented by Undistributed Loan Proceeds in the Water Fund has been restricted for improvements to the Town's water systems.

Restricted for Parks and Recreation- indicates that the fund balance of \$53,238 in the Conservation Trust Fund has been restricted for use on parks and recreation by Greater Outdoors Colorado which is the granting agency which supplies the revenue for this fund.

Assigned for subsequent year's expenditures- indicates anticipated fund balance available for appropriation in the next budget year. Fund balance assigned for subsequent year's expenditures consists of \$1,668,763 in the General Fund.

Commitments and Contingent Liabilities – There appear to be no commitments or contingencies that would pose a threat of significant liability to the Town.

Tax Spending, Revenue and Debt Limitations- Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

On the November 5, 1996 municipal election ballot, the voters authorized the Town to collect, retain and expend, without imposing any new taxes or increases in its present mill levy on general property or its sales and use tax rates, the full revenues generated by the Town's sales and use tax, non-federal grants, its existing mill levy and any other excess revenues, commencing January 1, 1995, and each subsequent year, notwithstanding any stat restriction on fiscal year spending, including without limitation the restrictions of Article X, Section 20 of the Colorado Constitution and spent as voter approved change and exception to the limits which would otherwise apply for: (a) street construction, repair, and maintenance; (b) capital

TOWN OF MANCOS, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

improvements; (c) parks and recreation; (d) police protection; (e) storm drainage; (f) snow removal; (g) street sweeping; and (h) other municipal services.

The amendment also requires the Town to establish an Emergency Reserve, which must be equal to three percent of the current allowed revenue. Conditions under which these reserves may be spent are severally limited.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the amendment's language in order to determine its compliance.

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 has purchased commercial insurance for such risks including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three years.

TOWN OF MANCOS, COLORADO
Required Supplementary Information

December 31, 2025

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Budgetary Comparison Schedule
General Fund

TOWN OF MANCOS, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 116,285	\$ 116,285	\$ 114,429	\$ (1,856)
Specific ownership taxes	16,000	16,000	18,660	2,660
Road and bridge taxes	13,000	13,000	15,887	2,887
Sales and use taxes	1,350,000	1,350,000	1,337,232	(12,768)
Severance taxes	10,000	10,000	1,800	(8,200)
Franchise taxes	87,000	87,000	94,257	7,257
Total taxes	1,592,285	1,592,285	1,582,265	(10,020)
Licenses, permits and fees				
Permits and fees	20,000	20,000	67,907	47,907
Liquor licenses	4,000	4,000	6,620	2,620
Other licenses	8,500	8,500	6,945	(1,555)
Marijuana transaction fees	100,000	100,000	48,246	(51,754)
Total licenses and permits	132,500	132,500	129,718	(2,782)
Intergovernmental revenues				
Mineral leasing	75,000	75,000	57,473	(17,527)
Highway users tax	37,000	37,000	45,521	8,521
Grants	5,000	5,000	86,626	81,626
Tobacco product taxes	1,200	1,200	1,742	542
Total intergovernmental revenues	118,200	118,200	191,362	73,162
Fines and forfeitures	7,500	7,500	23,942	16,442
Earnings on investments	2,000	2,000	4,085	2,085
Miscellaneous revenues	2,956,474	2,956,474	157,775	(2,798,699)
Total revenues	4,808,959	4,808,959	2,089,147	(2,719,812)
Expenditures				
General government				
Legislative	68,900	68,900	60,734	8,166
Planning and zoning	23,300	23,300	8,579	14,721
Administration	589,585	589,585	723,186	(133,601)
Economic development	217,440	217,440	120,778	96,662
Total general government	899,225	899,225	913,277	(14,052)
Public safety				
Marshal's office	690,838	690,838	924,056	(233,218)
Total public safety	690,838	690,838	924,056	(233,218)
Public works				
Public works administration	324,835	324,835	296,263	28,572
Streets	3,231,350	3,231,350	401,289	2,830,061
Total public works	3,556,185	3,556,185	697,552	2,858,633
Culture and recreation				
Parks and recreation	254,700	254,700	24,976	229,724
Total culture and recreation	254,700	254,700	24,976	229,724
Total expenditures	5,400,948	5,400,948	2,559,861	2,841,087
Other financing sources (uses)				
Transfers in	155,120	155,120	80,620	(74,500)
Total other financing sources (uses)	155,120	155,120	80,620	(74,500)
Excess (deficit) of revenues and other sources over (under) expenditures and other uses	(436,869)	(436,869)	(390,094)	46,775
Fund balance, beginning of the year	2,082,979	2,082,979	2,138,857	55,878
Fund balance, end of the year	\$ 1,646,110	\$ 1,646,110	\$ 1,748,763	\$ 102,653

TOWN OF MANCOS, COLORADO
Other Supplementary Information

December 31, 2025

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Budgetary Comparison Schedules

Non major governmental funds

Conservation Trust Fund

Enterprise Funds

Water Fund

Sewer Fund

TOWN OF MANCOS, COLORADO
Non Major Governmental Funds

December 31, 2025

Special Revenue Funds- are used to account for revenues from specific taxes or other designated revenue sources which are legally restricted to expenditures for specific purposes.

Conservation Trust Fund-accounts for the revenues and expenditures related to the Town's parks and recreation activities

TOWN OF MANCOS, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
Conservation Trust Fund

For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental				
Lottery	\$ 16,000	\$ 16,000	\$ 7,141	\$ (8,859)
Total intergovernmental revenues	<u>16,000</u>	<u>16,000</u>	<u>7,141</u>	<u>(8,859)</u>
Earnings on investments	<u>50</u>	<u>50</u>	<u>3,746</u>	<u>3,696</u>
Total revenues	<u>16,050</u>	<u>16,050</u>	<u>10,887</u>	<u>(5,163)</u>
Expenditures				
Culture and recreation				
Parks and improvements	15,765	15,765	9,462	6,303
Total expenditures	<u>15,765</u>	<u>15,765</u>	<u>9,462</u>	<u>6,303</u>
Excess of revenues over (under) expenditures	285	285	1,425	1,140
Fund balance, beginning	49,295	49,295	51,813	2,518
Fund balance, ending	<u>\$ 49,580</u>	<u>\$ 49,580</u>	<u>\$ 53,238</u>	<u>\$ 3,658</u>

TOWN OF MANCOS, COLORADO
Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual
Proprietary Fund
Enterprise Fund
Water Fund

For the Year Ended December 31, 2025

	Budgeted Amounts		(Non GAAP Basis)	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Operating Revenues				
General water fees	\$ 650,000	\$ 650,000	\$ 633,783	\$ (16,217)
Water dock	35,000	35,000	38,633	3,633
Penalties	3,500	3,500	3,575	75
Other			1,763	1,763
Total operating revenues	688,500	688,500	677,754	(10,746)
Operating Expenses				
Water administration	244,592	244,592	241,500	3,092
Plant and storage	54,000	54,000	132,457	(78,457)
Distribution	39,800	39,800	37,366	2,434
Capital outlay	1,567,500	1,567,500	52,315	1,515,185
Total Operating Expenses	1,905,892	1,905,892	463,638	1,442,254
Operating income (loss)	(1,217,392)	(1,217,392)	214,116	1,431,508
Non-Operating Revenue (Expenses)				
Tap fees	14,160	14,160	16,608	2,448
Earnings on investments	4,000	4,000	2,708	(1,292)
Grants	1,000,000	1,000,000	33,602	(966,398)
Transfers out	(80,620)	(80,620)	(80,620)	-
Debt Service				
Principal	(74,000)	(74,000)	(50,662)	23,338
Interest	(37,000)	(37,000)	(34,306)	2,694
Total Non-Operating Revenue (Expenses)	826,540	826,540	(112,670)	(939,210)
Change in net position non GAAP basis	(390,852)	(390,852)	101,446	492,298
Add debt service-principal			50,662	50,662
Add capital outlay			52,314	52,314
Less depreciation expense	(100,000)	(100,000)	(244,914)	(144,914)
Change in net position	(490,852)	(490,852)	(40,492)	450,360
Net position beginning of the year	3,520,603	3,520,603	3,696,800	176,197
Net position end of the year	\$ 3,029,751	\$ 3,029,751	\$ 3,656,308	\$ 626,557

TOWN OF MANCOS, COLORADO
Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual
Proprietary Fund
Enterprise Fund
Sewer Fund

For the Year Ended December 31, 2025

	Budgeted Amounts		(Non GAAP Basis)	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Operating Revenues				
General sewer fees	\$ 500,000	\$ 500,000	\$ 500,924	\$ 924
Penalties	3,000	3,000	630	(2,370)
Other		-	1,763	1,763
Total operating revenues	503,000	503,000	503,317	317
Operating Expenses				
Sewer administration	211,292	211,292	206,473	4,819
Plant operation	136,900	136,900	155,187	(18,287)
Collection	8,500	8,500	4,686	3,814
Capital outlay	1,767,500	1,767,500	120,592	1,646,908
Total Operating Expenses	2,124,192	2,124,192	486,938	1,637,254
Operating income (loss)	(1,621,192)	(1,621,192)	16,379	1,637,571
Non-Operating Revenue (Expenses)				
Tap fees	14,000	14,000	16,608	2,608
Earnings on investments	4,000	4,000	2,709	(1,291)
Grants	1,000,000	1,000,000	382	
Transfers out	(74,500)	(74,500)		74,500
Debt Service Principal	(53,000)	(53,000)	(52,925)	75
Total Non-Operating Revenue	890,500	890,500	(33,226)	75,892
Change in net position non GAAP basis	(730,692)	(730,692)	(16,847)	1,713,463
Add capital outlay			120,592	120,592
Add debt service-principal			52,925	52,925
Less depreciation expense	(100,000)	(100,000)	(216,456)	(116,456)
Change in net position	(830,692)	(830,692)	(59,786)	1,770,524
Net position beginning of the year	2,618,704	2,618,704	3,031,517	412,813
Net position end of the year	\$ 1,788,012	\$ 1,788,012	\$ 2,971,731	\$ 2,183,337

INFORMATION REQUIRED BY OVERSIGHT AUTHORITIES

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/2025

This Information From The Records Of:

Town of Mancos, Colorado

Prepared By:

Chris L Majors CPA MT chris@majorshaley.com

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. Remainder 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.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	\$ 663,007.00
3. Other local imposts (from page 2)	\$ -
4. Miscellaneous local receipts (from page 2)	\$ -
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)	\$ 663,007.00
8. Private Contributions	
C. Receipts from State government (from page 2)	\$ 34,546.00
D. Receipts from Federal Government (from page 2)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 697,553.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	\$ 293,520.00
2. Maintenance:	\$ 336,877.00
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	\$ 20,371.00
d. Total (a. through c.)	\$ 20,371.00
4. General administration & miscellaneous	\$ 19,543.00
5. Highway law enforcement and safety	
6. Total (1 through 5)	\$ 670,311.00
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	\$ -
2. Notes:	
a. Interest	\$ 4,093.00
b. Redemption	\$ 23,149.00
c. Total (a. + b.)	\$ 27,242.00
3. Total (1.c + 2.c)	\$ 27,242.00
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	\$ 697,553.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				\$ -
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)	\$ 69,191.00		\$ 23,149.00	\$ 46,042.00

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 697,553.00	\$ 697,553.00		\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/2025

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 Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ -	h. Other	
c. Total (a. + b.)	\$ -	i. Total (a. through h.)	\$ -
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 18,659.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 15,887.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 15,887.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 34,546.00	3. Total (1. + 2.g)	\$ -
(Carry forward to page 1)		(Carry forward to page 1)	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ -	\$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ -	\$ -

(Carry forward to page 1)

Notes and Comments: