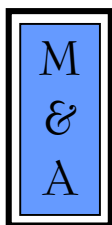


Town of Marble, Colorado

Financial Statements

December 31, 2025





McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees
Town of Marble
Marble, Colorado**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Town of Marble (the "Town"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Town as of December 31, 2025 and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Board of Trustees
Town of Marble
Marble, Colorado

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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

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

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

Required Supplementary Information

The Town has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined necessary 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, economical, or historical context. Our opinions on the basic financial statements are not affected by the missing information.

The budgetary comparison information in section D is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
To the Board of Trustees
Town of Marble
Marble, Colorado

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements taken as a whole. The individual fund budgetary comparison found in Section E is presented for purposes of additional analysis and is not a required part of the financial statements.

The individual fund budgetary comparison found in Section E, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads "McMahan and Associates, L.L.C." in a cursive, flowing script.

McMahan and Associates, L.L.C.
Avon, Colorado
May 8, 2026

**Town of Marble, Colorado
Financial Statements
December 31, 2025**

Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	A1 – A3
Government-wide Financial Statements:	
Statement of Net Position	B1
Statement of Activities	B2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	B3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	B4
Statement of Net Position - Proprietary Fund - Water Fund	B5
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund - Water Fund	B6
Statement of Cash Flows - Proprietary Fund - Water Fund	B7
Notes to the Financial Statements	C1 – C12
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	D1
Conservation Trust Special Revenue Fund	D2
Supplementary Information:	
Schedule of Revenues, Expenditures and Transfers - Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis - Proprietary Fund Type - Water Fund	E1

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	173,934	65,495	239,429
Investments	260,601	-	260,601
Accounts receivable, net	11,253	-	11,253
Due (to)/from other fund	2,656	(2,656)	-
Due from employee	312	-	312
Property tax receivable	40,696	-	40,696
Lease receivable	29,060	-	29,060
Total - Current assets	<u>518,512</u>	<u>62,839</u>	<u>581,351</u>
Non-current assets:			
Lease receivable	125,359	-	125,359
Non-depreciable capital assets	382,120	-	382,120
Depreciable capital assets, net	-	-	-
Total - Non-current assets	<u>507,479</u>	<u>-</u>	<u>507,479</u>
 Total Assets	 <u>1,025,991</u>	 <u>62,839</u>	 <u>1,088,830</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	6,593	-	6,593
Accrued payroll liabilities	7,121	-	7,121
Sales tax payable	1,824	-	1,824
Accrued interest payable	-	4,931	4,931
Refundable deposits	3,199	-	3,199
Loan payable - current portion	-	11,548	11,548
Total - Current liabilities	<u>18,737</u>	<u>16,479</u>	<u>35,216</u>
Non-current liabilities:			
Loan payable - non-current portion	-	199,752	199,752
Total - Non-current liabilities	<u>-</u>	<u>199,752</u>	<u>199,752</u>
 Total Liabilities	 <u>18,737</u>	 <u>216,231</u>	 <u>234,968</u>
Deferred Inflows of Resources:			
Unavailable property tax revenue	40,696	-	40,696
Lease revenue	154,419	-	154,419
 Total Deferred Inflows of Resources	 <u>195,115</u>	 <u>-</u>	 <u>195,115</u>
Net Position:			
Net investment in capital assets	382,120	-	382,120
Restricted for emergencies	12,413	-	12,413
Unrestricted	417,606	(153,392)	264,214
 Total Net Position	 <u>812,139</u>	 <u>(153,392)</u>	 <u>658,747</u>

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

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-type	Total
	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Activities	
Functions/Programs							
Governmental Activities:							
General government	207,788	51,936	25,305	1,039	(129,508)	-	(129,508)
Culture and recreation	72,187	70,668	-	11,600	10,081	-	10,081
Public works	63,747	-	-	-	(63,747)	-	(63,747)
Total Governmental Activities	<u>343,722</u>	<u>122,604</u>	<u>25,305</u>	<u>12,639</u>	<u>(183,174)</u>	<u>-</u>	<u>(183,174)</u>
Business-type Activities:							
Water	14,881	30,621	-	-	-	15,740	15,740
Total Business-type Activities	<u>14,881</u>	<u>30,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,740</u>	<u>15,740</u>
Total	<u>358,603</u>	<u>153,225</u>	<u>25,305</u>	<u>12,639</u>	<u>(183,174)</u>	<u>15,740</u>	<u>(167,434)</u>
General Revenues and Transfers:							
General revenues:							
Taxes:							
Property tax					42,734	-	42,734
Sales tax					173,756	-	173,756
Cigarette tax					217	-	217
Severance tax					317	-	317
Highway users tax					11,710	-	11,710
Mineral lease revenue					2,451	-	2,451
Interest income					20,561	-	20,561
Grants and contributions not restricted to specific programs					2,502	-	2,502
Total Revenues and Transfers					<u>254,248</u>	<u>-</u>	<u>254,248</u>
Change in Net Position					71,074	15,740	86,814
Net Position - Beginning					<u>741,065</u>	<u>(169,132)</u>	<u>571,933</u>
Net Position - Ending					<u>812,139</u>	<u>(153,392)</u>	<u>658,747</u>

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

FUND FINANCIAL STATEMENTS

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

	<u>General</u>	<u>Conservation Trust</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash	173,934	-	173,934
Investments	260,601	-	260,601
Accounts receivable	11,253	-	11,253
Due (to)/from other fund	5,848	(3,192)	2,656
Due from employee	312	-	312
Lease receivable	154,419	-	154,419
Property tax receivable	40,696	-	40,696
Total Assets	<u>647,063</u>	<u>(3,192)</u>	<u>643,871</u>
Liabilities:			
Accounts payable and accrued expenses	6,593	-	6,593
Accrued payroll liabilities	7,121	-	7,121
Sales tax payable	1,824	-	1,824
Refundable deposits	3,199	-	3,199
Total Liabilities	<u>18,737</u>	<u>-</u>	<u>18,737</u>
Deferred Inflows of Resources:			
Unavailable property tax revenue	40,696	-	40,696
Lease revenue	154,419	-	154,419
Total Deferred Inflows of Resources	<u>195,115</u>	<u>-</u>	<u>195,115</u>
Fund Balances:			
Restricted for emergencies	12,413	-	12,413
Unassigned	420,798	(3,192)	417,606
Total Fund Balances	<u>433,211</u>	<u>(3,192)</u>	<u>430,019</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>647,063</u></u>	<u><u>(3,192)</u></u>	<u><u>643,871</u></u>
 Fund balance - Governmental Funds			 430,019
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.			<u>382,120</u>
Net Position of Governmental Activities			<u><u>812,139</u></u>

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

Town of Marble, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	<u>General</u>	<u>Conservation Trust</u>	<u>Total Governmental Funds</u>
Revenues:			
Property tax	42,734	-	42,734
Intergovernmental	197,051	11,600	208,651
Licenses and permits	13,141	-	13,141
Charges for services	70,668	-	70,668
Contributions and donations	1,039	-	1,039
Lease revenue	34,310	-	34,310
Interest income	20,561	-	20,561
Other revenue	23,692	-	23,692
Total Revenues	<u>403,196</u>	<u>11,600</u>	<u>414,796</u>
Expenditures:			
General government	207,788	-	207,788
Culture and recreation	68,888	-	68,888
Public works	48,920	14,827	63,747
Capital outlay	3,299	-	3,299
Total Expenditures	<u>328,895</u>	<u>14,827</u>	<u>343,722</u>
Excess of Revenues Over Expenditures	74,301	(3,227)	71,074
Other Financing Sources (Uses):			
Transfers in	-	10,000	10,000
Transfers (out)	(10,000)	-	(10,000)
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balance	64,301	6,773	71,074
Fund Balances (Deficit) - Beginning	<u>368,910</u>	<u>(9,965)</u>	<u>358,945</u>
Fund Balances (Deficit) - Ending	<u><u>433,211</u></u>	<u><u>(3,192)</u></u>	<u><u>430,019</u></u>

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

Town of Marble, Colorado
Statement of Net Position
Proprietary Fund - Water Fund
December 31, 2025

Assets:

Current assets:

Equity in pooled cash	65,495
Accounts receivable - Water assessments	6,240
Allowance for uncollectible water assessments	(6,240)
Due (to)/from other fund	<u>(2,656)</u>
Total - Current assets	<u>62,839</u>

Total Assets

62,839

Liabilities:

Current liabilities:

Accrued interest payable	4,931
Loan payable - current portion	<u>11,548</u>
Total - Current liabilities	<u>16,479</u>

Non-current liabilities:

Loan payable - non-current portion	<u>199,752</u>
Total - Non-current liabilities	<u>199,752</u>

Total Liabilities

216,231

Net Position:

Unrestricted	<u>(153,392)</u>
--------------	------------------

Total Net Position

(153,392)

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

Town of Marble, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund - Water Fund
For the Year Ended December 31, 2025

Operating Revenues:	
Water fees	30,621
Total Operating Revenues	<u>30,621</u>
Operating Expenses:	
Administration	3
Bad debt expense	<u>6,240</u>
Total Operating Expenses	<u>6,243</u>
Operating Income (Loss)	24,378
Non-Operating Revenues (Expenses):	
Interest expense	<u>(8,638)</u>
Total Non-operating Revenues (Expenses)	<u>(8,638)</u>
Change in Net Position	15,740
Net Position (Deficit) - Beginning	<u>(169,132)</u>
Net Position (Deficit) - Ending	<u><u>(153,392)</u></u>

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

Town of Marble, Colorado
Statement of Cash Flows
Proprietary Fund - Water Fund
For the Year Ended December 31, 2025

Cash Flows From Operating Activities:	
Cash received from customers and others	24,381
Cash paid for goods and services	(3)
Net Cash Provided (Used) by Operating Activities	<u>24,378</u>
Cash Flows From Capital and Related Financing Activities:	
Principal paid	(11,104)
Interest paid	(8,896)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(20,000)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,378
Cash and Cash Equivalents - Beginning of Year	<u>61,117</u>
Cash and Cash Equivalents - End of Year	<u><u>65,495</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Income (loss) from operations	24,378
Adjustments to reconcile:	
(Increase)/decrease in accounts receivable	(6,240)
(Decrease)/increase in allowance for doubtful accounts	6,240
Total adjustments	<u>-</u>
Net Cash Provided by Operating Activities	<u><u>24,378</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025

I. Summary of Significant Accounting Policies

The Town of Marble, Colorado (the "Town") was incorporated in 1899 as a statutory town under the laws of the State of Colorado. An elected Mayor and Town Board of Trustees are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include maintenance of streets and park areas and the funding of a water tank for fire protection.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Town are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The Marble Water Board (the "Board") was established on March 5, 2002 to help the Marble Water Company, a Colorado nonprofit corporation, finance a water tank that would provide fire protection to the town. The Board is appointed by and consists of the Board of Trustees of the Town. The Board is presented as a blended component unit of the Town.

B. Government-wide Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's public works and administration are classified as governmental activities. The Town's water tank funding is classified as a business-type activity.

The government-wide statement of activities reports both the gross and net cost of each of the Town's functions and business-type activities. The functions are also supported by general government revenues (property and sales taxes and other revenue). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (administration or parks) or a business-type activity.

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The Town reports the following governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for another fund.

The *Conservation Trust Fund* accounts for funds received from the state lottery program to fund recreational capital projects.

The Town reports the following proprietary fund:

The *Water Fund* accounts for revenues and expenses associated with providing water for fire protection to the Town's residents.

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less. Investments are stated at fair value, net asset value, or amortized cost. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

2. Accounts Receivable

All property tax and other receivables are shown net of an allowance for uncollectible accounts.

3. Leases

Town as Lessor

The Town is lessor in a non-cancellable lease of land, as further described in Note III.C. In such arrangement, the Town recognizes a lease receivable and a deferred inflow of resources on the Statement of Net Position. At lease commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

3. Leases (continued)

Town as Lessor (continued)

Key estimates and judgments include how the Town determines the following:

Discount Rate: The Town utilizes the daily United States Treasury Yield Rate as the discount rate to discount the expected lease receipts to present value.

Lease Term: The lease term includes the non-cancellable period of the lease and extended term(s) that the Town is reasonably certain the lessee will exercise.

Lease Receipts: Lease receipts included in the measurement of the lease receivable are composed of fixed payments and minimum guaranteed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its leases, and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and deferred inflow of resources.

5. Capital Assets

Capital assets are reported in the applicable governmental activity columns in the government-wide financial statements. The Town defines capital assets as assets with an initial cost of \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets, which consist of three buildings, are depreciated using the straight-line method over 50 years.

6. Long-term Debt

Long-term obligations are reported as liabilities in the applicable business-type activities or proprietary fund type statement of net position.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town doesn't have any items that qualify for reporting in this category at December 31, 2025.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category: unavailable revenues from property taxes and leases. Accordingly, these items are deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

8. Fund Balances

The Town has classified governmental fund balances as follows:

Non-spendable – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, etc.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the Town Board of Trustees. Fiscal year spending excludes bonded debt service and enterprise spending.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Town Board of Trustees or its management designees. The Capital Acquisition Fund's entire balance was restricted for future capital projects and equipment acquisition.

Unassigned – includes residual positive fund balance within the General Fund, which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Fund Balances (continued)

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts when expenditures are made.

The Town does not have a formal minimum fund balance policy. However, the Town's budget includes a calculation of a targeted reserve positions and management calculates targets and report them annually to the Town Board of Trustees.

9. Net Position

In the government wide financial statements, 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 borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations 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. All other net position is reported as unrestricted.

10. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as "due from other funds" or "due to other funds" on the balance sheet when they are expected to be liquidated within a reasonable amount of time. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Town's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado statutes, the Town followed these procedures in approving and enacting a budget for 2025:

- 1) For the 2025 budget year, prior to August 25, 2024, the County Assessor sent the Town the certified assessed valuation of all taxable property within the Town's boundaries. Prior to December 10, 2024, the County Assessor sent the final recertified assessed valuation to the Town.
- 2) On or before October 15, 2024, Town staff submitted to the Town's governing Board a recommended budget, which detailed the property taxes needed, along with other available revenues to meet the Town's operating requirements.
- 3) For the 2025 budget, prior to December 15, 2024, a public hearing would have been held for the budget, the Board would have computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board would have adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
- 4) After adoption of the budget resolution, the Town may make the following changes: a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

For the year ended December 31, 2025, the Conservation Trust Fund and Water Fund exceeded appropriations, including other financing uses, by \$3,327 and \$5,243, respectively, which may be a violation of State Statute.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$12,413, which is the approximate required reserve at December 31, 2025.

On November 7, 1995, the Town's voters approved the following ballot question: "Shall the Town of Marble, Colorado, be authorized to collect, retain and expend in fiscal year 1995 and in each subsequent year the full amount of revenues generated by all the Town's revenue sources, including without limitation state grants, sales taxes, license fees, and development fees, without any increase in the property tax mill levy; the sales tax rates, or the rates of any other taxes currently imposed by the Town, and notwithstanding any state limitations of revenues or expenditures, including the limitations of Article X, Section 20, of the Colorado Constitution?"

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

III. Detailed Notes on All Funds

A. Deposits and Investments

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories; 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 or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Interest Rate Risk. The Town limits its investments to savings accounts and investment pools (explained below) where each share is equal to one dollar and the Town avoids interest rate risk.

Credit Risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptance of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Colorado statutes specify which instruments units of local government may invest and include:

- Obligations of the U.S. and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At December 31, 2025, the Town had the following recurring fair value measurements:

<u>Investments Measured at Amortized Cost</u>	<u>Total</u>
C-SAFE	260,601
Total	<u>260,601</u>

At December 31, 2025, the Town had the following cash and investments with the following maturities:

Type	Rating	Carrying Amount	Maturities	
			Less Than One Year	More Than Five Years
<u>Deposits:</u>				
Checking	Not rated	120,222	120,222	-
Money market	Not rated	119,207	119,207	-
<u>Investments:</u>				
C-SAFE	Not rated	260,601	260,601	-
		500,030	500,030	-

B. Receivables

Receivables as of year-end for the Town's funds consist of property taxes receivable in the amount of \$40,696, \$11,253 of accounts receivable, and \$312 of receivables due from employees in the General Fund, and \$6,240 of water assessments receivable in the Water Fund.

Governmental funds report *deferred inflow of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$40,696 of deferred inflow of resources is property taxes levied in 2025 but not available until 2026. In addition, the Town reports \$154,419 for a lease receivable.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

III. Detailed Notes on All Funds (continued)

C. Lease Receivable

On November 1, 2012, the Town entered into a land lease with Colorado Stone Quarries, Inc. ("CSQ") whereby the Town will lease certain land described in Exhibit A of the lease agreement. The non-cancelable term of the lease agreement, including options to extend which the Town believes will be exercised by the lessee, is 10 years. The lease agreement has a fixed annual base rental payment of \$2,000 per month, which is to be increased annually by the Denver Aurora Lakewood Consumer Price Index for All Urban Consumers ("CPI-U").

The discount rate of the lease is 3.62%.

During 2025, the Town recognized \$28,028 in lease revenue, \$6,143 in interest revenue, and \$3,296 in variable payment revenue related to the lease.

At December 31, 2025, the Town's receivable for lease payment was \$154,419, and the deferred inflow of resources associated with these leases, which will be recognized as revenue over the lease term, was \$154,419.

The following is a schedule of future principal and interest lease payments due under the terms of the lease, without regard to future variable payments, at December 31, 2025:

Governmental Activities			
	Principal	Interest	Total
2026	29,060	5,111	34,171
2027	30,130	4,041	34,171
2028	31,239	2,932	34,171
2029	32,388	1,783	34,171
2030	31,602	2,370	33,972
Total	154,419	16,237	170,656

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Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

III. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	382,120	-	-	382,120
Total Capital Assets, Not Being Depreciated	382,120	-	-	382,120
Capital Assets, Being Depreciated				
Buildings	75,000	-	-	75,000
Total Capital Assets, Being Depreciated	75,000	-	-	75,000
Less Accumulated Depreciation For:				
Buildings	(75,000)	-	-	(75,000)
Total Accumulated Depreciation	(75,000)	-	-	(75,000)
Total Capital Assets, Being Depreciated, Net	-	-	-	-
Governmental Activities Capital Assets, Net	382,120	-	-	382,120

E. Long-term Liabilities

On March 20, 2002, the Town entered into an agreement with The Marble Water Company, a Colorado nonprofit corporation (the "Company") whereby the Company agreed to construct a water tank using a grant and a low interest loan, both the grant and loan from the United States Department of Agriculture/Rural Utilities Service, in exchange for the Town paying the Company \$20,000 annually on June 1, until the Company repays the loan in full, to permanently use the water tank for fire protection.

The Town further agreed to assess water fees against each parcel within the Town to generate the \$20,000 annually to be paid to the Company.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2025
(Continued)

III. Detailed Notes on All Funds (continued)

E. Long-term Liabilities (continued)

Principal and interest payment requirements on the Town's notes payable from business-type activities are as follows:

	Business-type Activities		
	Principal	Interest	Total
2026	11,548	8,452	20,000
2027	12,010	7,990	20,000
2028	12,490	7,510	20,000
2029	12,990	7,010	20,000
2030	13,510	6,490	20,000
2031-2035	76,099	23,901	100,000
2036-2040	72,653	7,412	80,065
Total	211,300	68,765	280,065

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
The Marble Water					
Company Obligation	222,404	-	(11,104)	211,300	11,548
Total Long-term Liabilities	222,404	-	(11,104)	211,300	11,548

At December 31, 2025, the Town owed \$4,931 in accrued interest payable.

IV. Other Information

A. Risk Management

- B.** The Town is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The Town is participant in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA operates as a common risk management and insurance program. As of December 31, 2025 there were more than 200 member municipalities including the Town, each having one vote. The Town pays an annual premium to CIRSA for its general insurance coverage and workers' compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Due to CIRSA being a risk sharing pool, an unanticipated loss by one or more of the members of the pool could result in an unanticipated assessment against the Town and the loss of coverage.

C. Deficit Fund Balance / Net Position

The Town reported a deficit fund balance/net position at December 31, 2025 in the Conservation Trust and Water Funds in the amount of \$3,192 and \$153,392, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Marble, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Property tax	42,183	42,734	551	44,561
Intergovernmental:				
Sales tax	180,667	173,756	(6,911)	178,692
Highway users tax	13,000	11,710	(1,290)	11,452
Cigarette tax	200	217	17	228
Severance tax	2,000	317	(1,683)	3,941
Mineral lease revenue	8,000	2,451	(5,549)	1,225
Grants	5,000	8,600	3,600	-
Licenses and permits	7,850	13,141	5,291	7,308
Charges for services:				
Campground rental	55,000	55,518	518	55,611
Parking program	-	15,150	15,150	-
Contributions and donations	-	1,039	1,039	860
Lease revenue	37,000	34,310	(2,690)	38,986
Interest income	9,000	20,561	11,561	26,021
Other revenue	24,100	23,692	(408)	26,039
Total Revenues	384,000	403,196	19,196	394,924
Expenditures:				
General government:				
Salaries and payroll expenses	148,270	133,702	14,568	152,270
Administrative	23,500	13,677	9,823	22,602
Accounting and auditing	20,000	17,948	2,052	16,553
Insurance	8,010	5,729	2,281	6,492
Grant expenditures	11,000	4,300	6,700	-
Purchase professional services	33,720	28,406	5,314	64,178
Office and building maintenance	5,000	3,631	1,369	948
Miscellaneous	1,500	395	1,105	1,510
Culture and recreation:				
Donations	15,000	15,000	-	11,882
Recycle program	4,000	5,202	(1,202)	3,342
Parking program expenses	2,000	6,136	(4,136)	804
Marble Fest	20,000	17,883	2,117	27,584
Earth Day	3,000	2,858	142	2,826
Campground expenses	25,000	21,809	3,191	25,527
Public works:				
Street maintenance and road repairs	30,000	31,945	(1,945)	22,105
Snow and ice removal	30,000	16,975	13,025	22,440
Other	5,000	-	5,000	-
Capital outlay	-	3,299	(3,299)	-
Total Expenditures	385,000	328,895	56,105	381,063
Excess (Deficiency) of Revenues Over Expenditures	(1,000)	74,301	75,301	13,861
Other Financing Sources (Uses):				
Transfers in	1,000	-	(1,000)	1,000
Transfers (out)	(10,000)	(10,000)	-	(45,000)
Total Other Financing Sources (Uses)	(9,000)	(10,000)	(1,000)	(44,000)
Net Change in Fund Balance	(10,000)	64,301	74,301	(30,139)
Fund Balance - Beginning	404,782	368,910	(35,872)	399,049
Fund Balance - Ending	394,782	433,211	38,429	368,910

Town of Marble, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
State lottery revenue	1,500	1,600	100	1,646
Intergovernmental	-	10,000	8,500	-
Total Revenues	<u>1,500</u>	<u>11,600</u>	<u>8,600</u>	<u>1,646</u>
Expenditures:				
Park improvements	-	4,014	(4,014)	-
Park maintenance	11,500	9,733	1,767	15,279
Park preservation	-	1,080	(1,080)	-
Total Expenditures	<u>11,500</u>	<u>14,827</u>	<u>(3,327)</u>	<u>15,279</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,000)	(3,227)	5,273	(13,633)
Other Financing Sources (Uses):				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>25,000</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>25,000</u>
Net Change in Fund Balance	-	6,773	5,273	11,367
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>(9,965)</u>	<u>(9,965)</u>	<u>(21,332)</u>
Fund Balance (Deficit) - Ending	<u><u>-</u></u>	<u><u>(3,192)</u></u>	<u><u>(4,692)</u></u>	<u><u>(9,965)</u></u>

SUPPLEMENTARY INFORMATION

Town of Marble, Colorado
Schedule of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Basis) and Actual
With Reconciliation to GAAP Basis
Proprietary Fund Type - Water Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Water fees	21,000	30,621	9,621	22,665
Interest	-	-	-	2
Total Operating Revenues	<u>21,000</u>	<u>30,621</u>	<u>9,621</u>	<u>22,667</u>
Expenses:				
Administration	-	3	(3)	-
Bad debt expense	-	6,240	(6,240)	-
Debt service	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Operating Expenses	<u>20,000</u>	<u>26,243</u>	<u>(6,243)</u>	<u>20,000</u>
Income (Loss) before Transfers	1,000	4,378	3,378	2,667
Transfers in (out), net	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>	<u>19,000</u>
Change in Net Position - Budget Basis	<u>-</u>	<u>4,378</u>	<u>4,378</u>	<u>21,667</u>
Reconciliation to GAAP Basis:				
Change in accrued interest		258		250
Principal payments made on loan		<u>11,104</u>		<u>10,678</u>
Change in Net Position - GAAP Basis		15,740		32,595
Net Position (Deficit) - Beginning		<u>(169,132)</u>		<u>(201,727)</u>
Net Position (Deficit) - Ending		<u>(153,392)</u>		<u>(169,132)</u>