

CITY OF ALAMOSA, COLORADO

FINANCIAL STATEMENTS

December 31, 2025



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

CITY OF ALAMOSA, COLORADO
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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Honorable Mayor and City Council
City of Alamosa, Colorado
Alamosa, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alamosa (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City'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 City, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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.

Certified Public Accountants

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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 Auditors' 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 and *Government 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 and *Government 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 City'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 City'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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial schedules, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules, the schedule of expenditures of federal awards, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial

Honorable Mayor and City Council
City of Alamosa, Colorado
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reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 14, 2026

CITY OF ALAMOSA, COLORADO
BASIC FINANCIAL STATEMENTS

CITY OF ALAMOSA, COLORADO
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government		
	Governmental	Business-Type	TOTAL
	Activities	Activities	
ASSETS			
Current Assets:			
Cash and Investments	\$ 18,902,790	\$ 7,570,228	\$ 26,473,018
Restricted Cash and Investments	113,385	-	113,385
Accounts Receivable (Net allowance of \$14,996)	102,094	107,996	210,090
Property Taxes Receivable	657,569	-	657,569
Leases Receivable	273,882	-	273,882
Due from Other Governments	3,137,899	338,422	3,476,321
Internal Balances	(218,905)	218,905	-
Special Assessment Receivable	13,968	-	13,968
Prepaid Expenses	-	-	-
Inventory of Materials and Supplies	60,976	238,540	299,516
Total Current Assets	<u>23,043,658</u>	<u>8,474,091</u>	<u>31,517,749</u>
Noncurrent Assets:			
Special Assessment Receivable	55,760	-	55,760
Capital Assets:			
Construction in Progress	8,784,413	2,505,285	11,289,698
Land	2,113,596	2,491,839	4,605,435
Non-Depreciable Assets	702,295	-	702,295
Land Improvements	3,432,083	70,878	3,502,961
Buildings and Contents	19,430,419	1,035,832	20,466,251
Utility Plant	-	26,983,815	26,983,815
Vehicles	5,645,876	2,403,402	8,049,278
Equipment, Furniture and Software	5,104,001	4,906,041	10,010,042
Infrastructure	22,522,798	27,767,477	50,290,275
Less: Accumulated Depreciation	(24,608,794)	(32,249,029)	(56,857,823)
Lease and SBITA Assets	974,677	-	974,677
Less: Accumulated Amortization	(263,769)	-	(263,769)
Total Noncurrent Assets	<u>43,893,355</u>	<u>35,915,540</u>	<u>79,808,895</u>
TOTAL ASSETS	<u>66,937,013</u>	<u>44,389,631</u>	<u>111,326,644</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension and Other Post Employment Benefits	<u>1,748,678</u>	<u>475,705</u>	<u>2,224,383</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,748,678</u>	<u>475,705</u>	<u>2,224,383</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,344,531	266,969	2,611,500
Due to Other Governments	-	-	-
Unearned Revenue - Grants	51,653	24,375	76,028
Long Term Liabilities- Current Portion	768,687	1,034,978	1,803,665
Compensated Absences	376,518	97,957	474,475
Total Current Liabilities	<u>3,541,389</u>	<u>1,424,279</u>	<u>4,965,668</u>

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	TOTAL
Noncurrent Liabilities:			
Long Term Liabilities	3,769,823	2,503,081	6,272,904
Compensated Absences	612,789	119,586	732,375
Pension and Other Post Employment Benefits Liability	2,590,241	987,411	3,577,652
Total Noncurrent Liabilities	6,972,853	3,610,078	10,582,931
TOTAL LIABILITIES	10,514,242	5,034,357	15,548,599
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Tax	657,569	-	657,569
Unavailable Revenue - Leases	273,882	-	273,882
Unavailable Revenue - Grants	73,601	-	73,601
Unavailable Revenue - Other	37,260	-	37,260
Pension and Other Post Employment Benefits	276,497	34,736	311,233
TOTAL DEFERRED INFLOWS OF RESOURCES	1,318,809	34,736	1,353,545
NET POSITION			
Net Investment in Capital Assets	39,299,085	32,377,481	71,676,566
Restricted for:			
TABOR	745,000	58,762	803,762
Debt Service	115,399	-	115,399
Unrestricted	16,693,156	7,360,000	24,053,156
TOTAL NET POSITION	\$ 56,852,640	\$ 39,796,243	\$ 96,648,883

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	TOTAL
Primary Government:							
Governmental Activities:							
General Government	\$ 4,677,759	\$ 315,232	\$ 12,000	\$ 6,769,015	\$ 2,418,488	\$ -	\$ 2,418,488
Public Safety	6,798,774	173,404	755,711	-	(5,869,659)	-	(5,869,659)
Highways & Streets	3,578,583	35,455	345,720	-	(3,197,408)	-	(3,197,408)
Health and Welfare	198,008	55,310	-	-	(142,698)	-	(142,698)
Culture and Recreation	4,947,702	1,295,724	552,488	224,538	(2,874,952)	-	(2,874,952)
Interest on Long-Term Debt	41,843	-	-	-	(41,843)	-	(41,843)
Total Governmental Activities	20,242,669	1,875,125	1,665,919	6,993,553	(9,708,072)	-	(9,708,072)
Business-Type Activities							
Water Services	2,808,090	2,258,868	-	722,638	-	173,416	173,416
Sewer Services	1,916,255	1,676,531	-	22,000	-	(217,724)	(217,724)
Sanitation Services	1,210,210	1,782,042	-	-	-	571,832	571,832
Total Business-Type Activities	5,934,555	5,717,441	-	744,638	-	527,524	527,524
Total Primary Government	\$ 26,177,224	\$ 7,592,566	\$ 1,665,919	\$ 7,738,191	(9,708,072)	527,524	(9,180,548)
General Revenues:							
Taxes:							
General Property Taxes - Net					631,035	-	631,035
Sales and Use Taxes					13,347,748	1,938,985	15,286,733
Franchise Taxes					464,928	-	464,928
Other Taxes					205,163	-	205,163
Investment Income					975,580	59,360	1,034,940
Gain on Sale of Fixed Assets					-	-	-
Miscellaneous					366,474	37,046	403,520
Transfers					1,768,620	(1,768,620)	-
Total general revenues and transfers					17,759,548	266,771	18,026,319
Change in Net Position					8,051,476	794,295	8,845,771
Net Position, Beginning of Year					48,801,164	39,001,948	87,803,112
Net Position, Ending					\$ 56,852,640	\$ 39,796,243	\$ 96,648,883

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2025

	GENERAL FUND	COMMUNITY RECREATION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 14,285,316	\$ 1,434,075	\$ 2,038,958	\$ 17,758,349
Restricted Cash and Investments	113,385	-	-	113,385
Receivables (Net)				
Accounts Receivable	102,094	-	-	102,094
Property Taxes	657,569	-	-	657,569
Leases	273,882	-	-	273,882
Due from Other Governments	2,649,427	355,112	133,360	3,137,899
Prepaid Expenses	-	-	-	-
Inventory	-	60,976	-	60,976
TOTAL ASSETS	<u>\$ 18,081,673</u>	<u>\$ 1,850,163</u>	<u>\$ 2,172,318</u>	<u>\$ 22,104,154</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 1,919,029	\$ 84,731	\$ 43,389	\$ 2,047,149
Due to Other Governments	-	-	-	-
Unearned Revenue - Grants	14,971	36,682	-	51,653
TOTAL LIABILITIES	<u>1,934,000</u>	<u>121,413</u>	<u>43,389</u>	<u>2,098,802</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	657,569	-	-	657,569
Unavailable Revenue - Leases	273,882	-	-	273,882
Unavailable Revenue - Grants	-	73,601	-	73,601
Unavailable Revenue - Other	37,260	-	-	37,260
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>968,711</u>	<u>73,601</u>	<u>-</u>	<u>1,042,312</u>
FUND BALANCE				
Nonspendable				
Prepaid Expenses	-	-	-	-
Inventory	-	60,976	-	60,976
Restricted				
TABOR	745,000	-	-	745,000
Debt Service	113,385	-	2,014	115,399
Pension Benefits	118	-	-	118
Committed				
Culture and Recreation	-	1,594,173	244,612	1,838,785
Streets	-	-	1,749,436	1,749,436
Assigned				
Designated for Subsequent Years	2,216,114	-	-	2,216,114
Capital Improvements	916,748	-	-	916,748
Health and Welfare	-	-	132,867	132,867
Unassigned	11,187,597	-	-	11,187,597
TOTAL FUND BALANCE	<u>15,178,962</u>	<u>1,655,149</u>	<u>2,128,929</u>	<u>18,963,040</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 18,081,673</u>	<u>\$ 1,850,163</u>	<u>\$ 2,172,318</u>	<u>\$ 22,104,154</u>

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2025

Total governmental fund balances \$ 18,963,040

Amounts reported for governmental activities in the statement of net position are different because:

Notes receivable are measurable but not available in the current period and therefore are not reported in the funds. 69,728

Capital assets and leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. 43,837,595

Deferred Results and Contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.

PERA	\$ 1,391,678	
FPPA	242,276	
OPEB	114,724	
	1,748,678	1,748,678

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Financed and Leased Purchase Agreements	(4,257,062)	
Street Improvement District Bond Payable	-	
Notes Payable	(113,385)	
Compensated Absences	(989,307)	
PERA	(2,946,370)	
FPPA	536,559	
OPEB	(180,430)	
	(7,949,995)	(7,949,995)

Bond Premiums are recognized as revenue when issued in the governmental funds and are deferred and amortized over time in the statement of activities. (168,063)

Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.

PERA	-	
FPPA	(166,500)	
OPEB	(109,997)	
	(276,497)	(276,497)

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the health insurance internal service fund are included in governmental activities in the statement of net position. 628,154

Net position of governmental activities **\$ 56,852,640**

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	GENERAL FUND	COMMUNITY RECREATION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 10,770,905	\$ 1,938,985	\$ 1,938,984	\$ 14,648,874
Licenses and Permits	147,175	-	-	147,175
Intergovernmental Revenue	7,841,145	658,130	118,896	8,618,171
Charges for Services	130,520	1,246,557	42,550	1,419,627
Fines and Forfeits	132,747	-	-	132,747
Net Investment Income/(Loss)	972,427	2,994	159	975,580
Lease Agreement Revenue	151,107	-	-	151,107
Miscellaneous Revenue	320,418	63,984	-	384,402
TOTAL REVENUES	20,466,444	3,910,650	2,100,589	26,477,683
EXPENDITURES				
General Government	4,116,234	-	-	4,116,234
Public Safety	6,315,324	-	-	6,315,324
Highways and Streets	2,405,303	-	264,694	2,669,997
Health and Welfare	147,596	-	43,909	191,505
Culture and Recreation	923,866	3,268,218	74,794	4,266,878
Capital Outlay	6,639,464	673,095	2,514,507	9,827,066
Debt Service	263,558	-	533,069	796,627
TOTAL EXPENDITURES	20,811,345	3,941,313	3,430,973	28,183,631
Excess (deficiency) of revenues over expenditures	(344,901)	(30,663)	(1,330,384)	(1,705,948)
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	70,406	-	-	70,406
Lease and SBITA Proceeds	251,409	169,057	-	420,466
Transfers In	1,992,374	-	1,042,569	3,034,943
Transfers Out	(1,154,569)	(96,754)	(15,000)	(1,266,323)
TOTAL OTHER SOURCES (USES)	1,159,620	72,303	1,027,569	2,259,492
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	814,719	41,640	(302,815)	553,544
Fund Balance - Beginning of Year	14,364,243	1,613,509	2,431,744	18,409,496
Fund Balance - End of Year	\$ 15,178,962	\$ 1,655,149	\$ 2,128,929	\$ 18,963,040

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Net change in fund balances - total governmental funds \$ 553,544

Amounts reported for governmental activities in the statement of activities are different because:

Revenues in the governmental funds that provide current financial resources for notes receivable accrued in the statement of net position. (22,564)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed Asset Additions	\$ 9,734,037	
Deletions Net of Accumulated Depreciation	12,333	
Depreciation and Amortization Expense	(2,095,189)	
Capital Assets Transferred to Business-Type Activities	<u>(23,367)</u>	
		7,627,814

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The bond premium provides a current financial resource to governmental funds, but must be capitalized and amortized over the life of the bonds in the government-wide financial statements.

Financed and Lease Payments	754,784	
Lease and SBITA Proceeds	<u>(420,466)</u>	
		334,318

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences (60,272)

Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension expenditures.

PERA	(179,097)	
FPPA	63,924	
OPEB	<u>53,201</u>	
		(61,972)

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenues (expenses) of the health insurance internal service fund is reported with governmental activities. (319,392)

Change in net position of governmental activities \$ 8,051,476

CITY OF ALAMOSA, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	ENTERPRISE FUND	Governmental Activities INTERNAL SERVICE FUND
ASSETS		
Current Assets:		
Cash and Investments	\$ 7,570,228	\$ 1,144,441
Accounts Receivable (Net allowance of \$14,996)	107,996	-
Due From Other Governments	338,422	-
Prepaid	-	-
Inventory of Materials and Supplies	238,540	-
Total Current Assets	8,255,186	1,144,441
Noncurrent Assets:		
Capital Assets:		
Construction in Progress	2,505,285	-
Land	2,491,839	-
Buildings and Contents	1,035,832	-
Utility Plant	26,983,815	-
Vehicles	2,403,402	-
Equipment	4,906,041	-
Land Improvements	70,878	-
Infrastructure	27,767,477	-
Less: Accumulated Depreciation	(32,249,029)	-
Total Noncurrent Assets	35,915,540	-
TOTAL ASSETS	44,170,726	1,144,441
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	475,705	-
LIABILITIES		
Current Liabilities:		
Accounts Payable	266,969	297,382
Escrow	24,375	-
Long-Term Debt - Current Portion (Note 7)	1,034,978	-
Compensated Absences - Current Portion (Note 7)	97,957	-
Total Current Liabilities	1,424,279	297,382
Noncurrent Liabilities:		
Compensated Absences	119,586	-
Bonds Payable	761,217	-
Certificate of Participation	1,580,000	-
Premium	161,864	-
Pension and Other Post Employment Benefits Liability	987,411	-
Total Noncurrent Liabilities	3,610,078	-
TOTAL LIABILITIES	5,034,357	297,382
DEFERRED INFLOWS OF RESOURCES		
Pensions	34,736	-
NET POSITION		
Net Investment in Capital Assets	32,377,481	-
Restricted for TABOR	58,762	-
Unrestricted	7,141,095	847,059
TOTAL NET POSITION	39,577,338	\$ 847,059
Adjustment to reflect consolidation of Internal Service Funds	218,905	
NET POSITION OF BUSINESS-TYPE ACTIVITIES	\$ 39,796,243	

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2025

	ENTERPRISE FUND	Governmental Activities INTERNAL SERVICE FUND
OPERATING REVENUES		
Charges for Services	\$ 5,717,441	\$ -
Insurance Deposits	-	1,766,824
Miscellaneous Revenues	37,046	1,061
Total Operating Revenues	<u>5,754,487</u>	<u>1,767,885</u>
OPERATING EXPENSES		
Personnel Services	1,985,801	-
Supplies and Materials	264,753	-
Utilities and Telephone	552,622	-
Gas and Oil	95,311	-
Repairs and Maintenance	717,343	-
Landfill Fees	109,601	-
Professional Fees	62,649	-
Depreciation & Amortization Expense	1,859,553	-
Insurance Premiums	-	707,609
Claims	-	1,427,303
Insurance Administration	-	773
Other	64,977	-
Total Operating Expenses	<u>5,712,610</u>	<u>2,135,685</u>
Operating Income (Loss)	<u>41,877</u>	<u>(367,800)</u>
NONOPERATING REVENUES (EXPENSES)		
Sales Tax Revenue	1,938,985	-
Bond Interest Expense	(88,005)	-
Bond Administrative Fees	(85,532)	-
Grant Revenue	662,571	-
Interest on Investments	59,360	-
Gain on Sale of Assets	-	-
Total Nonoperating Revenues (Expenses)	<u>2,487,379</u>	<u>-</u>
Income Before Other Revenue and Operating Transfers	<u>2,529,256</u>	<u>(367,800)</u>
Capital Contributions		
Water and Sewer Taps	82,067	-
Total Capital Contributions	<u>82,067</u>	<u>-</u>
OPERATING TRANSFERS		
Transfers In	172,000	-
Transfers Out	(1,940,620)	-
Total Operating Transfers	<u>(1,768,620)</u>	<u>-</u>
Changes in Net Position	842,703	(367,800)
Net Position at beginning of year	<u>38,734,635</u>	<u>1,214,859</u>
Net Position at end of year	<u>39,577,338</u>	<u>\$ 847,059</u>
Adjustment to reflect consolidation of Internal Service Fund	218,905	
Net Position of Business-Type Activities	<u>\$ 39,796,243</u>	

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2025

		Governmental Activities
		INTERNAL SERVICE
	ENTERPRISE FUND	FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 5,702,658	\$ -
Cash received from insurance deposits	-	1,766,824
Cash received from other revenues	37,046	1,061
Cash paid for personnel services	(1,928,115)	-
Cash paid for supplies and materials	(122,116)	-
Cash paid for gas and oil	(95,311)	-
Cash paid for utilities	(552,622)	-
Cash paid for repairs and maintenance	(717,343)	-
Cash paid for landfill fees	(109,601)	-
Cash paid for professional fees	(62,649)	-
Cash paid for insurance claims	-	(1,275,492)
Cash paid for insurance premiums	-	(707,609)
Cash paid for insurance administration	-	(773)
Cash paid for other expenses	(64,977)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,086,970	(215,989)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from sales tax	1,957,967	-
Transfers (to) from other funds	(1,768,620)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	189,347	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(3,364,549)	-
Sale of Capital Assets	-	-
Capital contributions	82,067	-
Financed Purchase Agreement	(270,000)	-
Bond Interest Expense	(88,005)	-
Bond Administrative fees	(85,532)	-
Principal paid on general obligation bonds	(672,960)	-
Grant Revenue	651,582	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,747,397)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Income	59,360	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES:	59,360	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,411,720)	(215,989)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	8,981,948	1,360,430
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,570,228	\$ 1,144,441

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2025

		Governmental Activities
		INTERNAL
	ENTERPRISE FUND	SERVICE FUND
OPERATING INCOME (LOSS)	\$ 41,877	\$ (367,800)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation & Amortization expense	1,859,553	-
Pension expense	39,758	-
Change in Assets and Liabilities		
(Increase) decrease in accounts receivable	(22,958)	-
(Increase) decrease in prepaid expense	-	-
(Increase) decrease in inventory	(11,182)	-
Increase (decrease) in accounts payable	153,819	151,811
Increase (decrease) in escrow	8,175	-
Increase (decrease) in compensated absences	17,928	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,086,970	\$ (215,989)
SUPPLEMENTAL DISCLOSURES		
Noncash Capital and Related Financing Activities		
Capital asset transfers (to) from other funds	\$ 23,367	\$ -

The accompanying notes are an integral part of this financial statement.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

The City of Alamosa was incorporated August 12, 1878. In January 1952, the City was reorganized as a Home Rule City under Article 20 of the Colorado Constitution. The current City Charter was adopted at a special election held March 12, 1957. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water, sanitation, health and welfare, culture and recreation, public improvements, planning and zoning, and general administrative services.

Component Units

The City's combined financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City
- the organization is financially accountable to the City
- the organization receives or holds funds that are for the benefit of the City; and the City has access to a majority of the funds held; and the funds that are accessible are also significant to the City

Based on the aforementioned criteria, the City of Alamosa has one component unit, the Alamosa Capital Leasing Corporation (a Colorado not for profit Corporation). The activity of this component unit has been blended into the City's financial statements as a Debt Service Fund.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide financial statements include the Statement of Net Position and the Statement of Activities. Government-wide statements report information on all of the activities of the City and its component units, except for City fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The Statement of Activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and major individual enterprise funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

Sales and use taxes, other taxes, charges for services, intergovernmental revenues, and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The *General Fund* is the general operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Community Recreation Fund* is used to account for activities from the Community Recreation Facility. Sources of revenue consist of sales taxes, membership dues, and fees for programs.

The City reports the following major enterprise fund:

- The *Enterprise Fund* accounts for user charges and expenses for operating, financing, and maintaining the City's water, sewer, and sanitation systems.

Additionally, the City reports the following fund types:

- The *Employee Benefit Fund* is an internal service fund established to finance and account for the costs of health insurance for the other funds on a cost-reimbursement basis.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

The principal operating revenues of the internal service fund are service fees charged to the other funds and employee contributions. Operating expenses for the internal service fund include insurance premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash and Investments

Cash and investments for all funds, excluding investments in the Fireman's Pension and Community Recreation funds, are pooled into one common pooled account in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the end of each quarter. An individual fund's pooled cash and investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities that are owned by the specific accounts noted above are also considered to be "cash equivalents". Negative balances incurred in pooled cash at year-end are treated as interfund payables or receivables.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All investments are recorded at fair market value.

Grants Receivable

Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The County Treasurer bills and collects all property taxes for the City. Property tax revenue is recognized by the City to the extent it results in a current receivable.

The 2025 property tax levy due January 1, 2026, has been recorded as a receivable and corresponding deferred inflow of resources in the financial statements.

Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market value.

Capital Assets

Capital Assets, which include land, buildings and improvements, equipment, construction in progress, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

capital assets or remaining period of the lease, as applicable. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	15-50
Equipment	5-30
Land Improvements	10-35
Vehicles	5-10
Infrastructure	20-50

Leases

Lessee: The City recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease terms, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the leases. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City 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 inflows 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 inflows of resources is recognizes as revenues over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstance that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITAs)

The City has contracts, referred to as SBITAs, providing the right-to-use a vendor's software, alone or in combination with tangible capital assets for a specified period of time. For short-term SBITAs with a maximum term of 12 months or less at commencement, the City recognizes expenditures based on the provisions of the SBITA agreement. For long-term SBITAs with a term exceeding 12 months at commencement and initial individual value of \$45,000 or more, the City recognizes a SBITA liability and an intangible right-to-use SBITA asset. SBITA assets are reported with capital assets and SBITA liabilities are reported with long-term debt in the government-wide statement of net position. SBITA assets are amortized over the term of the agreement, and SBITA liabilities are reduced by the principal portion of the SBITA payments made. The City uses its estimated incremental borrowing rate as the discount rate for the SBITA liability unless the rate is explicitly stated in the contract.

Compensated Absences

The City employees are entitled to 10 to 15 days of vacation leave each year. The number of days received depends upon the number of completed years of service. Unused vacation leave may accumulate up to approximately 32 days. Any vacation leave accrued in excess of the maximum allowable accrued vacation leave will be lost to the employee and shall not be deemed an obligation of the City.

The City employees receive 10 days of sick leave each year. Unused sick days accumulate up to 60 days. After an employee has accumulated 60 days of sick leave, the employee may convert any additional credited days into vacation leave at the ratio of three sick leave hours to one vacation hour. Upon separation from the City in good standing, an employee will be paid banked sick leave up to 480 hours at a rate of 33%.

All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability is reported in governmental funds only if they have matured, for example as a result of employee resignations or retirements.

Long-Term Obligations

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as an other financing use.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the statement of net position and the balance sheet report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Property taxes levied for the subsequent year are reported in the statement of net position and recognized as an inflow of resources in the period for which the taxes are levied. In the governmental funds,

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

unavailable property taxes and leases are reported as deferred inflows of resources until the period in which the funds become available.

Certain amounts related to pensions must be deferred.

Pensions

The City participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

The City participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Interest Capitalization

Interest costs are capitalized when incurred by proprietary funds and similar component units on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. No interest was capitalized in the current period.

Encumbrances

The City does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the City is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form- such as inventory and prepaid insurance.
- *Restricted Fund Balance* – amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – amounts that can only be used for specific purposes as a result of constraints imposed through adopted ordinance by City Council, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless City Council removed those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent can be expressed by City Council or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Use of Estimates

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

Reclassifications

Certain reclassifications were made to fiscal year 2024 financial statements in order to conform to the fiscal year 2025 financial statement presentation.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff, which shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.
- Ordinance to adopt supplemental appropriations
- Budget changes via resolution

Formal budgetary integration is employed as a management control device for all funds of the City. The governmental funds budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). The proprietary funds and the pension fund budgets are adopted using the same accounting methods as governmental fund types; this procedure follows Colorado State Statute, but is not in accordance with GAAP.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The City Council adopted supplemental appropriations during 2025.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

Expenditures in the Employee Benefit Fund exceeded appropriations as of December 31, 2025 by \$100,688. This may be a violation of Colorado Revised State Statutes 29-1-110.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

Cash and Deposits

Cash on Hand and in Banks	\$ 3,706,582
C-SAFE	1,387,276
ColoTrust	19,986,469
Other Investments	<u>1,506,076</u>
Total Cash, Deposits, and Investments on the Statement of Net Position	<u><u>\$ 26,586,403</u></u>

Colorado State Statutes govern the City's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds 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 102% of the aggregate uninsured deposits. All deposits in 2025 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At December 31, 2025, \$2,134,682 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Investments

The City's investments are subject to interest rate risk, credit risk, and concentration of credit risk. The types of investments which are authorized to be made with City funds are controlled by state statute and the investment policies of the City. Colorado statutes and the City's investment policies specify investment instruments meeting defined rating and risk criteria in which the City may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks.

Interest Rate Risk

Colorado Revised Statutes and the City's investment policy limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates.

Credit Risk

The City's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The City's investment policy allows for the City to invest in local government investment pools (CSAFE and Colotrust). The City also invested in money market funds that are not rated.

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

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<u>Investment Type</u>		<u>Rating /Moody's</u>	<u>Fair Value Measurements Using:</u>	
			<u>Up to 120 Days</u>	<u>121 Days to 5 Years</u>
Federal Home Loan Bank Bond	18%	AA1	\$ -	\$ 270,040
Federal Home Loan Mortgage Corp	17%	AA1	-	250,107
Invesco Short Term Bond Fund	64%	AAA-BBB	-	966,533
			<u>\$ -</u>	<u>\$ 1,486,680</u>
Peak Money Market	1%	(un-rated)		19,396
				<u>19,396</u>
				<u>\$ 1,506,076</u>

The Colorado Government Liquid Asset Trust (COLOTRUST) is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. COLOTRUST operates in a manner similar to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. ColoTrust is rated AAAM by Standard and Poor's.

The Colorado Surplus Asset Fund Trust (CSAFE) investments are valued using the net asset value (NAV) per share provided by the pool. The NAV is calculated daily, and participant transactions may occur daily. There are no unfunded commitments, withdrawal restrictions, or redemption notice periods for participation in CSAFE. CSAFE investments conform to Colorado Statutes CRS 24-75-601 et. seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado depositories collateralized at 102% of market value according to the guidelines of the Public Deposit Protection Act. CSAFE measures all of its investments at amortized cost. CSAFE is rated AAAsf/S1 by Fitch Ratings, reflecting the highest underlying credit quality of the portfolio and very low sensitivity to market risk.

ColoTrust Edge is a variable net asset value (NAV) local government investment pool that offers weekly liquidity to participants. Edge is suitable for a local government's strategic reserves/non-operating funds and has a NAV that is managed to approximate a \$10.00 transactional share price. ColoTrust Edge measures its investments at fair value so investments in Edge are not required to be categorized within the fair value hierarchy. ColoTrust Edge investments is rated AAAsf by FitchRatings. \$5,902,739 was invested with ColoTrust Edge at December 31, 2025.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4 INTERFUND TRANSFERS

Interfund Transfers

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Enterprise Fund	\$ 1,920,620
	Community Recreation Fund	26,754
		<u>1,947,374</u>
General Fund (Capital Improvement)	Cemetery Endowment Fund	15,000
	Community Recreation Fund	10,000
	Enterprise Fund	20,000
		<u>45,000</u>
Streets Trust Fund	General Fund	500,000
Cemetery Endowment Fund	General Fund (Capital Improvement)	10,000
Debt Service Fund	Community Recreation Fund	60,000
	General Fund	472,569
		<u>532,569</u>
Enterprise Fund	General Fund (Capital Improvement)	172,000
	TOTALS	<u><u>\$ 3,206,943</u></u>

Transfers are routinely made between the City funds to enhance the operations of the City. Many fund operations are similar and, in some cases, City functions may be shared by several funds. For example, the Community Recreation Fund is providing recreation and culture as is the Parks and Recreation Division of the General Fund. Other routine transfers are for: 1) administrative costs performed by the General Fund on behalf of the Enterprise Fund 2) for debt service from the Community Recreation Fund and General Fund to the Debt Service Fund 3) for annual street maintenance and improvement from the General Fund into the Streets Trust Fund 4) for purchase of a Sanitation Truck, a Fire Rescue 1 Truck, and pending storage leases for the Water Augmentation Plan from the Capital Reserve Fund to the Enterprise Fund and General Fund and 5) for future improvements to the levee from the Enterprise Fund to the General Fund. Non-routine transfers are typically to provide for building reserves for future purchases of equipment or special projects and to consolidate or create new fund.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 5 CAPITAL ASSETS

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

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
<i>Governmental Activities</i>				
Capital Assets not being depreciated				
Land	\$ 2,113,596	\$ -	\$ -	\$ 2,113,596
Non-Depreciable Assets	702,295	-	-	702,295
Construction in Progress	2,969,058	5,985,517	170,162	8,784,413
Total Capital Assets not being depreciated	5,784,949	5,985,517	170,162	11,600,304
Capital Assets being depreciated				
Land Improvements	3,384,942	47,141	-	3,432,083
Buildings and Contents	19,306,807	123,612	-	19,430,419
Furniture, Equipment & Software	4,877,427	234,824	8,250	5,104,001
Vehicles	5,402,470	353,315	109,909	5,645,876
Infrastructure	19,782,174	2,740,624	-	22,522,798
Total Capital Assets being depreciated	52,753,820	3,499,516	118,159	56,135,177
Less Accumulated Depreciation for				
Land Improvements	2,352,304	97,947	-	2,450,251
Buildings and Contents	7,977,087	444,623	-	8,421,710
Furniture, Equipment & Software	3,276,894	340,229	8,250	3,608,873
Vehicles	3,864,561	423,278	97,576	4,190,263
Infrastructure	5,319,419	618,278	-	5,937,697
Total Accumulated Depreciation	22,790,265	1,924,355	105,826	24,608,794
Total Capital Assets being depreciated, net	29,963,555	1,575,161	12,333	31,526,383
Assets being amortized				
Right-to-use SBITA	420,703	155,606	-	576,309
Right-to-use Lease Asset - Equipment	253,924	264,860	120,416	398,368
Total Assets being amortized	674,627	420,466	120,416	974,677
Less Accumulated Amortization for				
Right-to-use SBITA	45,769	109,584	-	155,353
Right-to-use Lease Asset - Equipment	167,581	61,251	120,416	108,416
Total Accumulated Amortization	213,350	170,835	120,416	263,769
Total Assets being amortized, net	461,277	249,631	-	710,908
Total Governmental Activities, net	\$ 36,209,781	\$ 7,810,309	\$ 182,495	\$ 43,837,595

CITY OF ALAMOSA, COLORADO
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	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
<i>Business-type Activities:</i>				
Capital Assets not being depreciated				
Land	\$ 2,491,839	\$ -	\$ -	\$ 2,491,839
Construction in Progress	2,872,698	2,387,251	2,754,664	2,505,285
Total Capital Assets not being depreciated	<u>5,364,537</u>	<u>2,387,251</u>	<u>2,754,664</u>	<u>4,997,124</u>
Capital Assets being depreciated				
Building and Contents	876,382	159,450	-	1,035,832
Utility Plant	26,983,815	-	-	26,983,815
Vehicles	2,328,282	75,120	-	2,403,402
Equipment	4,904,904	6,850	5,713	4,906,041
Land Improvements	70,878	-	-	70,878
Infrastructure	24,253,568	3,513,909	-	27,767,477
Total Capital Assets being depreciated	<u>59,417,829</u>	<u>3,755,329</u>	<u>5,713</u>	<u>63,167,445</u>
Less Accumulated Depreciation	<u>30,339,448</u>	<u>1,915,294</u>	<u>5,713</u>	<u>32,249,029</u>
Total Capital Assets being depreciated, net	<u>29,078,381</u>	<u>1,840,035</u>	<u>-</u>	<u>30,918,416</u>
Business-type Activities Capital Assets, net	<u>\$ 34,442,918</u>	<u>\$ 4,227,286</u>	<u>\$ 2,754,664</u>	<u>\$ 35,915,540</u>

Depreciation and amortization expense was charged to the functions/programs of the primary government as follows:

Governmental activities:

General Government	\$ 301,771
Public Safety	416,229
Highways and Streets	809,685
Culture and Recreation	567,505
Total depreciation and amortization expense - governmental activities	<u>\$ 2,095,190</u>

Business-type activities:

Water Services	\$ 1,153,403
Sewer Services	652,801
Sanitation Services	109,090
Total depreciation expense - business-type activities	<u>\$ 1,915,294</u>

CITY OF ALAMOSA, COLORADO
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NOTE 6 LEASES RECEIVABLE

The City is leasing land to be used by a solar farm. The lease expires in 2049. The discount rate applied is 3.5%. The City has recognized a lease receivable and a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2025 the balance recorded is \$115,411.

The City has leased fiber network access for telecommunication services. The lease expires in 2043. The discount rate applied is 5%. The City has recognized a lease receivable and a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2025 the balance recorded is \$88,628.

The City has leased land to be used for ranching. The lease expires in 2029. The discount rate applied is 5%. The City has recognized a lease receivable and a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2025 the balance recorded is \$69,843.

Total lease revenue recognized during the fiscal year ending December 31, 2025 is \$23,342 and \$12,815 of interest income.

The following is the lease receivables schedule as of December 31, 2025:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 24,554	\$ 11,668	\$ 36,222
2027	25,825	10,462	36,287
2028	27,159	9,193	36,352
2029	17,559	7,860	25,419
2030	7,197	7,290	14,487
2031-2035	42,132	31,330	73,462
2036-2040	54,227	21,018	75,245
2041-2045	45,936	9,355	55,291
2046-2049	29,293	2,651	31,944
	<u>\$ 273,882</u>	<u>\$ 110,827</u>	<u>\$ 384,709</u>

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

	Beginning Balance 12/31/2024	Additions	Deletions	Ending Balance 12/31/2025	Due Within One Year
<i>Governmental activities:</i>					
Financed Purchase Agreement	\$ 451,657	\$ -	\$ 107,300	\$ 344,357	\$ 112,058
Certificate of Participation	3,680,000	-	405,000	3,275,000	415,000
Premium on Certificate of Participation	201,676	-	33,613	168,063	33,613
Note Payable	134,160	-	20,775	113,385	21,384
Lease Agreements	86,343	264,860	79,116	272,087	79,284
SBITA Liability	318,992	155,606	108,980	365,618	107,348
Compensated Absences	929,035	60,272	-	989,307	376,518
	<u>\$ 5,801,863</u>	<u>\$ 480,738</u>	<u>\$ 754,784</u>	<u>\$ 5,527,817</u>	<u>\$ 1,145,205</u>
Governmental activities long-term debt	<u>\$ 5,801,863</u>	<u>\$ 480,738</u>	<u>\$ 754,784</u>	<u>\$ 5,527,817</u>	<u>\$ 1,145,205</u>
<i>Business-type activities:</i>					
Certificate of Participation	\$ 2,130,000	\$ -	\$ 270,000	\$ 1,860,000	\$ 280,000
Premium on Certificate of Participation	226,609	-	32,373	194,236	32,373
Bond Payable	2,156,783	-	672,961	1,483,822	722,605
Compensated Absences	199,615	17,928	-	217,543	97,957
	<u>\$ 4,713,007</u>	<u>\$ 17,928</u>	<u>\$ 975,334</u>	<u>\$ 3,755,601</u>	<u>\$ 1,132,935</u>
Business-type activities long-term debt	<u>\$ 4,713,007</u>	<u>\$ 17,928</u>	<u>\$ 975,334</u>	<u>\$ 3,755,601</u>	<u>\$ 1,132,935</u>

*The change in compensated absences liability is presented as a net change.

GOVERNMENTAL ACTIVITIES

Certificates of Participation

Ice Rink/Multi-Purpose Facility

The City entered into an annually renewable Financed Purchase Agreement dated September 8, 2017, with Alamosa Capital Leasing Corporation (the "Corporation"). The Corporation issued \$2,400,000 of Certificates of Participation Series 2017B for the construction, furnishing and equipping of a new Ice Rink/Multi-Purpose Facility. The facility is recorded in the fixed assets of the government-wide financial statements at \$3,077,204 less accumulated depreciation of \$609,030, at December 31, 2025.

The City will make financed purchase payments to the Corporation and the Corporation will use those funds to pay the principal and interest payments prescribed by the Certificates of Participation document. The interest rate is 3.07%.

Principal and interest payments on these Certificates of Participation will be funded from unrestricted resources of the Community Recreation Fund and are paid semi-annually in March and September. Principal repayments will

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begin March 1, 2018, and will finish on March 1, 2037. The cost of issuing the Certificates of Participation was \$51,000.

Presented below are the annual requirements for repayment of the Certificates of Participation Series 2017B.

	Principal	Interest	Total
2026	\$ 115,000	\$ 47,815	\$ 162,815
2027	115,000	44,285	159,285
2028	120,000	40,678	160,678
2029	125,000	36,917	161,917
2030	125,000	33,079	158,079
2031-2035	700,000	103,613	803,613
2036-2037	315,000	9,746	324,746
	<u>\$ 1,615,000</u>	<u>\$ 316,133</u>	<u>\$ 1,931,133</u>

Municipal Complex

The City entered into an annually renewable Financed Purchase Agreement, dated October 5, 2010, with Alamosa Capital Leasing Corporation (the "Corporation"). The Corporation issued \$6,525,000 of Certificates of Participation Series 2010 to construct and equip a building or buildings consisting of a municipal complex project (the "Project") on land (the "Site") owned by the City and located in Alamosa, Colorado for the use of the inhabitants of the City. Construction on the facility was completed in January 2018. The Certificates of Participation Series 2010 were refunded during the issuance of the Series 2019.

The City also entered into an annually renewable Financed Purchase Agreement dated December 26, 2019. The Corporation issued Certificates of Participation Series 2019 in the amount of \$3,045,000 for the purpose of refunding \$3,875,000 of Certificates of Participation Series 2010. Proceeds in the amount of \$3,362,867, and cash of \$904,402 were placed into a certificate fund established at Zion's Bancorporation in order to pay the full called amount due on February 15, 2020. As a result, the Certificate of Participation Series 2010 refunded are considered defeased and the liability has been removed from the City's Statement of Net Position. The Certificates of Participation are collateralized by the City Hall/Library municipal complex. The municipal complex is recorded in the fixed assets of the government-wide financial statements at \$6,908,679 less accumulated depreciation of \$1,977,480, at December 31, 2025.

The City will make financed purchase payments to the Corporation and the Corporation will use those funds to pay the principal and interest payments prescribed by the Certificates of Participation document. The interest rate is 4.0%.

Principal and interest payments on these Certificates of Participation will be funded from unrestricted resources of the City and are paid semi-annually in June and December. Principal repayments begin June 1, 2021, and will finish on June 1, 2030. The cost of issuing the Certificates of Participation was \$34,688.

As a result of the advance refunding, the City reduced its total debt services requirements over the next 11 years by \$590,632 which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$585,688.

CITY OF ALAMOSA, COLORADO
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Presented below are the annual requirements for repayment of the Certificates of Participation Series 2019:

	Principal	Interest	Total
2026	\$ 300,000	\$ 60,400	\$ 360,400
2027	320,000	48,000	368,000
2028	335,000	20,800	355,800
2029	345,000	28,200	373,200
2030	360,000	14,400	374,400
	<u>\$ 1,660,000</u>	<u>\$ 171,800</u>	<u>\$ 1,831,800</u>

Financed Purchase Agreements

Cattails Clubhouse Financed Purchase Agreement

The City entered into an annually renewable Financed Purchase Agreement, dated January 24, 2008, with San Luis Valley Federal Bank (the “Bank”). The bank issued \$635,000 to the City for the completion of the Cattails Clubhouse. The Clubhouse is recorded in the fixed assets as buildings of the government-wide financial statements at \$971,109, less accumulated depreciation of \$575,570, at December 31, 2025.

Payments on the Financed Purchase Agreement are funded from resources of the City in the Community Recreation Fund. Payments starting in 2023 were funded by the General Fund. Payments are due to the Bank in annual installments through October 2027.

The annual debt service for the Financed Purchase Agreement is as follows:

	Principal	Interest	Total
2026	\$ 49,215	\$ 4,255	\$ 53,470
2027	51,170	2,300	53,470
	<u>\$ 100,385</u>	<u>\$ 6,555</u>	<u>\$ 106,940</u>

Cattails Watering System Financed Purchase Agreement

The City entered into an annually renewable Financed Purchase Agreement, dated January 31, 2019, with San Luis Valley Federal Bank (the “Bank”). The bank issued \$500,000 at a rate of 4.297% to the City to partially pay for the replacement of the front nine irrigation system at the golf course. Construction was completed on the irrigation system in May 2019. The irrigation system is recorded in the fixed assets as infrastructure of the government-wide financial statements at \$771,956, less accumulated depreciation of \$127,051, at December 31, 2025.

Payments on the Financed Purchase Agreement are funded from resources of the City in the General Fund. Payments are due to the Bank in annual installments through February 2029. The City can purchase the land site and title back at any time for the Purchase Option Price included in the financed purchase agreement.

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The annual debt service for the Financed Purchase Agreement is as follows:

	Principal	Interest	Total
2026	\$ 52,877	\$ 9,691	\$ 62,568
2027	55,149	7,419	62,568
2028	57,518	5,050	62,568
2029	59,989	2,574	62,563
	<u>\$ 225,533</u>	<u>\$ 24,734</u>	<u>\$ 250,267</u>

Cattails Golf Car Financed Purchase Agreements

The City entered into two Financed Purchase Agreements, dated August 3, 2023 and December 28, 2023, with Yamaha Motor Finance Corporation (the "Corporation") for the purchase of two golf cars. The Corporation issued \$14,712 at a rate of 6.080% to the City for a range picker golf car and \$23,622 at a rate of 6.080% to the City for a bistrostd golf car. The golf cars are recorded in the fixed assets as equipment of the government-wide financial statements at \$43,332 less accumulated depreciation of \$18,434, at December 31, 2025.

Payments on the Financed Purchase Agreement are funded from resources of the City in the Community Recreation Fund. Payments are due to the Corporation in six monthly installments a year through October 28, 2027.

The annual debt service for the Financed Purchase Agreements are as follows:

	Principal	Interest	Total
2026	\$ 9,967	\$ 866	\$ 10,833
2027	8,471	299	8,770
	<u>\$ 18,438</u>	<u>\$ 1,165</u>	<u>\$ 19,603</u>

Notes Payable

The City entered into a note payable dated March 10, 2020 with San Luis Valley Federal Bank (the "Bank"). The Bank issued \$211,500 to the City to pay off existing debt of the golf course secured by a Certificate of Deposit at San Luis Federal Valley Bank. Payments are due annually in the amount of \$24,706, which includes interest at a rate of 2.93%. Payments begin March 10, 2021 and will be made from the General Fund. Final payment is due in 2030. The Principal balance is included in restricted cash.

The annual debt service for the note payable is as follows:

	Principal	Interest	Total
2026	\$ 21,384	\$ 3,322	\$ 24,706
2027	22,010	2,696	24,706
2028	22,650	2,056	24,706
2029	23,319	1,387	24,706
2030	24,022	704	24,726
	<u>\$ 113,385</u>	<u>\$ 10,165</u>	<u>\$ 123,550</u>

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Lease Agreements

A Lease Agreement was entered into between the City and Yamaha Commercial Finance, dated May 15, 2025, for the lease of golf carts. The terms of the lease consist of six monthly principal and interest payments and six interest payments per year, 5.64% interest rate, with the final payment due in April 2030. The equipment is recorded in the lease assets as equipment of the government-wide financial statements at \$169,057 less accumulated depreciation of \$34,804, at December 31, 2025.

The City has entered into several agreements to lease copiers and other office equipment. The terms vary by lease. The value of the right to use assets is included in equipment under lease assets at \$229,310 less accumulated depreciation of \$73,612 at December 31, 2025.

The annual debt service for the lease agreements are as follows:

	Principal	Interest	Total
2026	\$ 77,284	\$ 17,606	\$ 94,890
2027	80,742	14,148	94,890
2028	58,708	10,904	69,612
2029	55,353	10,303	65,656
2030	-	-	-
	\$ 272,087	\$ 52,961	\$ 325,048

SBITA Liability

The City has a subscription agreement for the use of Axon software. The initial term of the agreements are 5 years. The initial subscription liability was recorded using an estimated incremental borrowing rate of 3.5%. Payments are due annually. Total value of the intangible right-to-use SBITA asset and related accumulated amortization is disclosed in Note 5 by asset classification. Interest expense on the SBITAs recognized in 2025 is \$11,165 for governmental activities.

	Principal	Interest	Total
2026	\$ 107,348	\$ 12,797	\$ 120,145
2027	111,105	9,039	120,144
2028	114,994	5,151	120,145
2029	32,171	1,126	33,297
	\$ 365,618	\$ 28,113	\$ 393,731

BUSINESS-TYPE ACTIVITIES

Water Augmentation

The City entered into an annually renewable Financed Purchase Agreement, dated April 18, 2017, with Alamosa Capital Leasing Corporation (the "Corporation"). The Corporation issued \$4,300,000 of Certificates of Participation Series 2017 to acquire certain water rights and water storage rights, relocate and construct a new discharge point for its wastewater treatment plant, and pay the legal and engineering costs of implementing such plans and construction (the "Project") on land (the "Site") owned by the City. The Certificates of Participation Series 2017 were refunded during the issuance of the Series 2019.

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On December 26, 2019, the City issued Certificates of Participation Series 2019 in the amount of \$3,235,000 for the purpose of refunding \$3,552,000 of Certificates of Participation Series 2017. Proceeds in the amount of \$3,565,619 were placed into a certificate fund established at UMB Bank in order to pay the full called amount due on January 14, 2020. As a result, the Certificate of Participation Series 2017 refunded are considered defeased and the liability has been removed from the City's Statement of Net Position. The Financed Purchase Agreement was entered into to finance for certain water storage outbuildings and various agricultural sheds.

The City will make financed purchase payments to the Corporation and the Corporation will use those funds to pay the principal and interest payments prescribed by the Certificates of Participation document. The interest rate is 4.0%.

Principal and interest payments on these Certificates of Participation will be funded from unrestricted resources and paid semi-annually in June and December. Principal repayments began June 1, 2020, and will finish on December 1, 2031. The cost of issuing the Certificates of Participation was \$36,852.

As a result of the advance refunding, the City reduced its total debt services requirements over the next 12 years by \$236,124, which resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$209,675.

The annual requirements for the repayment of the Certificates of Participation Series 2019 is as follows:

	Principal	Interest	Total
2026	\$ 280,000	\$ 68,800	\$ 348,800
2027	290,000	57,400	347,400
2028	305,000	45,500	350,500
2029	315,000	33,100	348,100
2030	330,000	20,200	350,200
2031	340,000	6,800	346,800
	<u>\$ 1,860,000</u>	<u>\$ 231,800</u>	<u>\$ 2,091,800</u>

Revenue Bonds Payable

Revenue Bonds dated November 2, 2006, payable to Colorado Water Resources and Power Development Authority for the purpose of constructing the arsenic removal facility with the maximum principal amount \$11,865,063 with an interest rate of 4.21%. Payments will be made semiannually over a twenty year period and the final payment is due in 2027. In February 2019, Colorado Water Resources and Power Development Authority refunded bonds to generate savings to their borrowers, which included the City of Alamosa. The interest rate will be reduced to 3.42% and the savings will be allocated over 17 semiannual payments starting August 1, 2019. The facility is recorded in the fixed assets as utility plant of the Enterprise Fund at \$13,801,150, less accumulated depreciation of \$8,489,906, at December 31, 2025.

Principal and interest payments on the Revenue Bonds are funded from sales tax revenue collected in the Enterprise Fund. The annual debt service for the revenue bond is as follows:

	Principal	Fee	Interest	Refunding Savings	Total
2026	\$ 722,605	\$ 58,844	\$ -	\$ (10,622)	\$ 770,827
2027	761,217	30,190	-	(41,880)	749,527
	<u>\$ 1,483,822</u>	<u>\$ 89,034</u>	<u>\$ -</u>	<u>\$ (52,502)</u>	<u>\$ 1,520,354</u>

CITY OF ALAMOSA, COLORADO
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NOTE 8 PENSION PLANS

PERA DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the City are provided with pensions through the LGDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits provided as of December 31, 2024. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2025. Eligible employees of the City are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of January 1, 2025 through December 31, 2025 are summarized in the table below:

	January 1, 2025 Through December 31, 2025
Employee contribution	9.00%

** Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101 (42). The employer contribution requirements for all employees are summarized in the table below:

	January 1, 2025 Through December 31, 2025
Employer Contribution Rate	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%
Amount Apportioned to the LGDTF	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.11%
Total Employer Contribution Rate to LGDTF	13.79%

*Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$913,080, for the year ended December 31, 2025.

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

At December 31, 2025, the City reported a liability of \$3,876,802 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the TPL to December 31, 2024. The City's proportion of the net pension liability was based on the City contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers.

At December 31, 2024, the City's proportion was 0.632%, which was an increase of 0.06% from its proportion measured as of December 31, 2023.

CITY OF ALAMOSA, COLORADO
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For the year ended December 31, 2025, the City recognized pension expense of \$235,652. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 292,537	\$ -
Net difference between projected and actual earnings on pension plan investments	364,822	-
Changes in proportion and differences between contributions recognized and proportionate share contributions	146,301	-
Changes of assumptions or other inputs	114,415	-
Contributions subsequent to the measurement date	913,080	-
Total	<u>\$ 1,831,155</u>	<u>\$ -</u>

\$913,080 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2026	\$ 846,138
2027	933,910
2028	(617,504)
2029	(244,468)
2030	-
Thereafter	-
	<u>\$ 918,076</u>

Actuarial assumptions. The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20 – 11.30%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA Benefit Structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

CITY OF ALAMOSA, COLORADO
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As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

	Mortality Rate	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rated prior to age 80/ 107% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation:	
Members other than Safety Officers	3.40%-13.00%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

	Mortality Rate	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rated prior to age 85/ 105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

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The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include the current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced

CITY OF ALAMOSA, COLORADO
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by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the Local Government Division Trust Fund and HCTF were \$0.486 million and \$0.020 million, respectively.

Based on the above assumptions and methods, the LGDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	<u>\$ 8,485,543</u>	<u>\$ 3,876,802</u>	<u>\$ 4,934</u>

Pension plan fiduciary net position- Detailed information about the LGDTF's fiduciary net position is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

PERA DEFINED CONTRIBUTION PENSION PLAN

Plan Description - Employees of the City of Alamosa that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report may be obtained online at www.copera.org/forms-resources/financial-reports-and-studies.

Funding Policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended.

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Employees are immediately vested in their own contributions, employer contributions, and investment earnings. For the year ended December 31, 2025 program members contributed \$50,168 for the Voluntary Investment Program.

ICMA DEFERRED COMPENSATION PLAN

ICMA Deferred Compensation Plan is available in lieu of PERA and is only available to department heads. The purpose of this plan is to provide retirement income and other deferred benefits to certain employees of the City in accordance with the provisions of section 457 of the Internal Revenue Code ("IRC"). The plan was adopted in 1984 and is a defined contribution plan. The City contributes 10.5%-14.2% of covered payroll and the employee is not required to contribute, although, they have the option to contribute to the plan. Total employer and employee contributions for 2025 were \$71,520. This exceeds the amount required as there are employees who have elected to make additional contributions. Of the five employees contributing two employees were making additional contributions. The City has no other liability other than to make the required monthly contribution.

The financial report can be obtained by writing to ICMA Retirement Corporation, 777 North Capital Street NE, Washington DC, 2002-4240 or by calling 1-800-669-7400.

POLICE MONEY PURCHASE PENSION PLAN

Pension benefits are provided for all employees of the Police Department through the City of Alamosa Police Department Money Purchase Pension Plan. This is a defined contribution retirement plan. Rollover and current contributions in the name of each police officer were deposited with the plan trustee and plan administrator - an organization outside the City of Alamosa. The City has no other liability other than to make the required monthly contributions.

The Pension Plan was established in order to provide retirement income for eligible police officers and to provide funds for their beneficiaries in the event of death. Plan provisions and contribution requirements are established and may be amended by the Alamosa City Council.

The Plan requires employer and employee contributions of 10% of covered payroll. The employees contributed \$257,644 and the City recognized expense of \$257,644 during 2025.

The employees are immediately vested in their own contributions and 100% vested in the employer contributions after five years of service. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the plan's administrative expenses. For the year ended December, 31, 2025 forfeitures reduced the City's pension expense by \$18,073.

VOLUNTEER FIREMEN'S DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description

The City's defined benefit pension plan (the Plan), provides retirement, survivor, and funeral benefits to plan members and beneficiaries. The Plan is affiliated with the Affiliated Local Plans (AFL), an agent multiple-employer pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). Title 31, Article 30, part 4 of the Colorado Revised Statutes provides for the creation of a Fireman's Pension Trust Fund and assigns the authority to establish and amend the benefit provisions of the plans that participate in AFL to the respective employer entities; for the Plan, that authority rests with a Board of Trustees composed of City board members and firefighters selected in accordance with Colorado Statutes. FPPA issues a publicly available comprehensive annual financial report that can be obtained at:

http://www.fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20FPPA%20CAFR.pdf.

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Benefits provided

A volunteer fireman who has reached age 50 and attained 20 years of service may be granted a pension, not to exceed \$425 per month. In the event of injury or death, an annuity not to exceed \$212.50 per month may be granted to the fireman or his survivors. In addition, a onetime lump sum will be provided for funeral benefits. If at any time there is not sufficient money in the Fund to pay the full amount to which each beneficiary is entitled, an equal percentage of such monthly payment shall be made to each beneficiary until the Fund is replenished as to permit full payment.

Volunteers covered by the plan

At December 31, 2024, the following volunteers were covered by the benefit terms:

Retirees and beneficiaries	31
Inactive, nonretired members	5
Active Members	<u>32</u>
Total	68

Contributions

There are no paid employees within the volunteer firefighter's pension plan. The State of Colorado provides a discretionary contribution to the Plan as defined in the Colorado Revised Statutes. The City contributes to the Plan with proceeds from a local mill levy.

Contributions to the Plan from the City were \$52,168 for the year ended December 31, 2025.

Net Pension Asset

At December 31, 2025, the City reported an asset of \$536,559. The City's net pension asset was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2024.

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Actuarial assumptions

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023 determines the contribution amounts for 2024 and 2025.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2024:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount weighted, projected with the MP-2020 Ultimate projection scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Long-Term Expected Return on Plan Assets

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

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

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Single Discount rate

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

For the purpose of this valuation, the long-term expected rate of return pension plan investments is 7.00%; the municipal bond rate is 4.08% (based on the weekly rate closet to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and resulting Single Discount Rate is 7.00%.

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

For the year ended December 31, 2025, the City recognized pension expense of (\$63,924). At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,270	\$ 57,651
Changes in assumptions	1,341	-
Net difference between projected and actual earnings on pension plan investments	136,290	108,849
Contributions subsequent to the measurement date	100,375	-
Total	<u>\$ 242,276</u>	<u>\$ 166,500</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	
2026	\$ 2,087
2027	27,736
2028	(40,408)
2029	(14,018)
2030	-
Thereafter	-
	<u>\$ (24,603)</u>

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using a single discount rate of 7.0 percent, as well as the City's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent):

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	Current Discount	
1% Decrease	Rate	1% Increase
6.00%	7.00%	8.00%
<u>\$ (316,831)</u>	<u>\$ (536,559)</u>	<u>\$ (715,689)</u>

Changes in the net pension liability (asset)

The Schedule of Employers' Net Pension Liability presented in the Required Supplementary Information section presents multi-year trend information about whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension liability. The total pension liability as of December 31, 2025, is based on the results of the most recent actuarial valuation date and rolled-forward using generally accepted actuarial procedures.

NOTE 9 PERA POSTEMPLOYMENT HEALTHCARE BENEFITS

General Information about the OPEB Plan

Plan description. Eligible employees of the City are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

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PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were \$66,747 for the year ended December 31, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2025, the City reported a liability of \$237,407 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The City's proportion of the net OPEB liability was based on the City's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the City proportion was 0.0496%, which was an increase of 0.005% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized OPEB expense of (\$70,002). At December 31, 2025, City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 52,367
Net difference between projected and actual earnings on OPEB plan investments	805	-
Changes of assumptions or other inputs	2,722	75,887
Changes in proportion and differences between contributions recognized and proportionate share of contributions	80,678	16,478
Contributions subsequent to the measurement date	66,747	-
Total	<u>\$ 150,952</u>	<u>\$ 144,732</u>

\$66,747 is reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended December 31,</u>	
2026	\$ (12,676)
2027	(15,206)
2028	(18,211)
2029	(7,236)
2030	(4,161)
Thereafter	(3,036)
	<u>\$ (60,526)</u>

Actuarial assumptions. The TOL in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20%-11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 %
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-

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affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase	Annual Increase
	(Male)	(Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,710	\$ 1,420	\$ 585	\$ 486	\$ 1,897	\$ 1,575
70	1,921	1,589	657	544	2,130	1,763
75	2,122	1,670	726	571	2,353	1,853

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 6,536	\$ 5,429	\$ 4,241	\$ 3,523	\$ 7,063	\$ 5,866
70	7,341	6,073	4,764	3,941	7,933	6,563
75	8,110	6,385	5,262	4,143	8,763	6,900

The 2024 Medicare Part A premium is \$505 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

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Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates that were used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	MAPD PPO #2	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

¹Increase in 2024 trend rate due to effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

	Mortality Rate	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2024 plan year.

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- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of the 2020 experience analysis dated October 28, 2020 and November 4, 2020 for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation: 3.40%-13.00%

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	\$ 1,824	\$ 6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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	Mortality Rate	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The actuarial assumptions pertaining to the per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

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	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 231,011	\$ 237,407	\$ 244,646

¹For the January 1, 2025, plan year.

Discount rate. The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection year, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Based on the above assumptions and methods, the HCTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what

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the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	<u>\$ 290,946</u>	<u>\$ 237,407</u>	<u>\$ 191,250</u>

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 10 SEGMENT INFORMATION FOR ENTERPRISE FUND

Because water, sewer, and sanitation services are provided for in one fund, several items cannot be allocated between each segment. Therefore, a condensed statement of net position and statement of cash flows, as well as some line items have been omitted in the segment information.

The following is a summary of operating income and expense information on the various segments of the Enterprise Fund. All services are provided from a single enterprise fund.

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	<u>WATER</u>	<u>SEWER</u>	<u>SANITATION</u>	<u>TOTAL</u>
Charges for Services	\$ 2,258,868	\$ 1,676,531	\$ 1,782,042	\$ 5,717,441
Miscellaneous Revenue	37,046	-	-	37,046
Total Operating Revenue	<u>2,295,914</u>	<u>1,676,531</u>	<u>1,782,042</u>	<u>5,754,487</u>
Operating Expense	1,530,073	1,246,672	1,076,312	3,853,057
Depreciation & Amortization	1,097,662	652,801	109,090	1,859,553
Total Operating Expense	<u>2,627,735</u>	<u>1,899,473</u>	<u>1,185,402</u>	<u>5,712,610</u>
OPERATING INCOME (LOSS)	<u>(331,821)</u>	<u>(222,942)</u>	<u>596,640</u>	<u>41,877</u>
Non-operating Revenue/(Expense)				
Bond Interest	(88,005)	-	-	(88,005)
Sales Tax Revenue	1,938,985	-	-	1,938,985
Bond Administrative Fees	(85,532)	-	-	(85,532)
Grant Revenue	-	229,615	432,956	662,571
Interest on Investments	23,452	17,406	18,502	59,360
Net Gain/Loss on Sale of Assets	-	-	-	-
Total Non-operating Expense	<u>1,788,900</u>	<u>-</u>	<u>-</u>	<u>2,487,379</u>
Income (Loss) Before Operating Transfers	<u>1,457,079</u>	<u>(222,942)</u>	<u>596,640</u>	<u>2,529,256</u>
Capital Contributions (Water & Sewer Taps)	<u>60,067</u>	<u>22,000</u>	<u>-</u>	<u>82,067</u>
Transfers				
Transfer In	172,000	-	-	172,000
Transfer Out	<u>(1,159,553)</u>	<u>(451,671)</u>	<u>(329,396)</u>	<u>(1,940,620)</u>
Total Transfers	<u>(987,553)</u>	<u>(451,671)</u>	<u>(329,396)</u>	<u>(1,768,620)</u>
Change in Net Position	<u>\$ 529,593</u>	<u>\$ (652,613)</u>	<u>\$ 267,244</u>	<u>842,703</u>
Net Position at Beginning of Year				<u>38,734,635</u>
Net Position at End of Year				39,577,338
Adjustment to reflect consolidation of Internal Service Fund				<u>232,548</u>
Net Position of Business-Type Activities				<u>\$ 39,809,886</u>

	<u>WATER</u>	<u>SEWER</u>	<u>SANITATION</u>	<u>TOTAL</u>
Total Utility Plant	\$ 16,836,296	\$ 10,147,519	\$ -	\$ 26,983,815
Total other Capital Assets	22,530,218	15,763,794	2,886,742	41,180,754
Accumulated Depreciation	19,644,403	11,133,900	1,470,726	32,249,029
2025 Additions to Utility Plant	-	-	-	-
2025 Additions to other Capital Assets	1,488,394	918,154	981,368	3,387,916

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NOTE 11 RISK MANAGEMENT

The City 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. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

Self-Funded Insurance

The City provides health insurance benefits to all full-time employees through a self-funded insurance program. An Internal Service Fund was created to account for the self-funded insurance. The insurance program is administered by a professional administration company. The other funds of the City participate in the program and make payments to the Internal Service Fund based on actuarial estimates of the amounts needed to pay premiums and claims. The City pays the first 75% of the monthly rate and the remaining 25% is provided from payroll withholdings. The dollar amounts of the City's share of the different rates per employee as of December 31, 2025, are as follows:

	Medical Only	Medical and Dental	Medical and Vision	Medical, Dental and Vision
Single Employee Medical	\$ 672	\$ 700	\$ 679	\$ 707
Employee plus Child(ren)	1,129	1,191	1,141	1,203
Employee plus Spouse	1,313	1,368	1,324	1,379
Employee plus Family	1,523	1,614	1,542	1,633

The above rates include employee life insurance premiums.

The plan is amended annually because of changes in coverage, deductibles, limits of liability, and stop loss carriers. On October 1, 2024, the plan was amended to reflect the following conditions.

Employees pay 40% if they are out of the network and 20% if they are in the network after meeting the \$575 deductible for singles and the \$1,150 deductible for a family. The plan also has a \$2,875 out of pocket max for singles and \$6,925 out of pocket max for family per year for in the network. Co-pays for the office visits are not subject to deductible, but do count toward the calendar year maximum. The City has purchased stop loss coverage to cover claims in excess of \$50,000, which is the specific liability. The maximum aggregate benefit per benefit period is unlimited.

The Internal Service Fund is responsible for collecting premiums, paying medical, prescription and life insurance claims, and purchasing certain insurance policies which include individual (specific) stop loss reinsurance and aggregate stop loss reinsurance. Interfund revenues and expenses are accrued when the interfund premiums are earned. Claims settlement and loss expenses are accrued in the Internal Service Fund for the estimated settlement value of claims reported and unreported up to stop loss arising from incidents during the period.

The claims liability of \$297,382 at December 31, 2025, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred and the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Internal Service Fund's claims liability amount in fiscal 2025 and 2024 were:

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Fiscal Year	Beginning Claims Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Claims Liability
2024	\$ 142,793	\$ 983,718	\$ 980,940	\$ 145,571
2025	\$ 145,571	\$ 1,427,303	\$ 1,275,492	\$ 297,382

NOTE 12 TABOR EMERGENCY RESERVE

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. The amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The voters of the City passed ballot issues in 1993, 1995, and 1996 allowing for the retention of revenues generated in excess of the limits imposed by the amendment.

The amendment also requires that emergency reserves be established. These reserves must be at least three percent of fiscal year spending. This emergency reserve has been presented as restricted net position/fund balance in the financial statements. The City is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 13 JOINT VENTURE

San Luis Valley Regional Solid Waste Authority

The San Luis Valley Regional Solid Waste Authority was created by an intergovernmental agreement between Rio Grande County and Alamosa County on April 14, 1995, pursuant to the authority granted by C.R.S. 29-1-203. It has been designated as a joint venture under the provisions of GASB Statement No. 14. Its purpose is to provide the citizens of both counties an integrated municipal solid waste disposal facility in accordance with provision of C.R.S. 30-20-1005.

The Authority is governed by a Board of Directors consisting of five members as follows: one Rio Grande County Commissioner, one Alamosa County Commissioner, one director appointed by the City of Monte Vista, one director appointed by the City of Alamosa, and one director who is a member of the Rio Grande County Land Use or administrative staff as appointed by the Rio Grande County Commissioners.

It is the intent of the counties that the initial funding of the Authority by each county be provided on a loan basis in substantially the same proportion that the population of each county bears to the combined population of both counties. Alamosa and Rio Grande Counties may provide additional funding at any time in the future if they choose to do so by resolution.

The City of Alamosa is not exposed to any closure or post-closure expenses.

CITY OF ALAMOSA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2025

The most recent audited financial statements of the Authority report total assets of \$5,379,426, total liabilities of \$1,704,874, and net position of \$3,674,552 at December 31, 2025.

The San Luis Valley Regional Solid Waste Authority issues publicly available annual financial statements. That report may be obtained by writing to the San Luis Valley Regional Solid Waste Authority, PO Box 861, Monte Vista, Colorado 81144.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Grant Programs

The City participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Litigation

The City is currently the defendant in lawsuits arising principally in the normal course of operations. In the opinion of legal counsel, the outcome of the lawsuit will not have a material adverse effect on the accompanying financial statements, accordingly, no provision for losses has been recorded.

Construction Projects

The City is in the process of constructing affordable housing near the San Luis Valley Regional Airport. The housing project is estimated to be completed by early 2026. As of December 31, 2025 project costs are approximately \$2,572,342 with total estimated completion costs of \$2,557,156. The City is using proceeds of \$2,388,914 (per grant amend) from Coronavirus State and Local Fiscal Recovery Funds for the project.

The City is in the process of updating the infrastructure to support a housing development project. The project is estimated to be completed by 2026. As of December 31, 2025, project costs are approximately \$5,300,321 with total estimated completion costs of \$6,695,213. The City is using proceeds of \$6,116,170 from the Department of Local Affairs for the project.

The City is in the process of constructing a pedestrian bridge over the Rio Grande River. The project is estimated to be completed by November 2027. As of December 31, 2025, project costs are approximately \$460,329 with total estimated completion costs of \$5,109,640. The City is using proceeds of \$4,777,640 from the US Department of Transportation through the Federal Highway Administration.

NOTE 15 SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 14, 2026, the date the financial statements were available to be issued.

On February 5, 2026, subsequent to the fiscal year-end of December 31, 2025, the City purchased a building located at 514 2nd Street for \$259,728. The building was acquired for the purpose of providing office space for the newly acquired LEAD Department. Because the purchase occurred after the fiscal year-end, no amounts related to this acquisition are reflected in the accompanying financial statements as of December 31, 2025 .

CITY OF ALAMOSA, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund, and if applicable, each of the City's major special revenue funds. In addition, pension plan contributions and the City's proportionate share of the net pension and OPEB liability are required to supplement the basic financial statements.

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes				
Property Taxes	\$ 698,200	\$ 627,067	\$ 631,035	\$ 3,968
Motor Vehicle - S. O. T.	82,000	82,000	84,579	2,579
Sales Tax - City	4,098,069	3,924,476	3,924,476	0
Sales Tax - County	5,650,727	5,527,180	5,527,179	(1)
Cigarette Tax	12,000	12,000	18,124	6,124
Construction Use Tax	102,000	120,584	120,584	-
Gas Franchise Tax	160,000	160,000	156,651	(3,349)
Electric Franchise Tax	220,000	220,000	255,590	35,590
Telephone Franchise Tax	1,000	1,000	611	(389)
Television Franchise Tax	60,000	60,000	52,076	(7,924)
PILT	-	-	-	-
Total Taxes	11,083,996	10,734,307	10,770,905	36,599
Licenses and Permits				
Liquor Licenses	12,000	12,000	12,513	513
Contracting Licenses	3,060	3,060	3,585	525
Building and Other Permits	100,000	141,165	124,944	(16,221)
Dog and Bike Licenses	600	600	1,008	408
Sales Tax Licenses	6,000	6,000	5,125	(875)
Total Licenses and Permits	121,660	162,825	147,175	(15,650)
Intergovernmental Revenue				
Motor Vehicle Registration Fees	30,000	30,000	30,083	83
Highway Users Tax	346,742	346,742	345,720	(1,022)
Coronavirus Grants	20,000	20,000	-	(20,000)
Law Enforcement Grants	179,800	171,184	207,171	35,987
Pass Thru Grants	585,000	585,000	477,156	(107,844)
Other Grants	10,000,940	6,813,808	6,781,015	(32,793)
Total Intergovernmental Revenue	11,162,482	7,966,734	7,841,145	(125,589)
Charges for Services				
Special Policeman Services	18,500	24,051	39,600	15,549
Special Fire Services	1,000	1,000	1,057	57
Economic Development Revenue	51,500	51,500	49,167	(2,333)
Cemetery Fees	18,000	18,000	12,760	(5,240)
Street Improvements	45,000	45,000	27,936	(17,064)
Total Charges for Services	134,000	139,551	130,520	(9,031)
Fines and Forfeits				
Municipal Court Fines	100,765	123,238	127,924	4,686
County Court Fines	3,570	3,570	4,823	1,253
Total Fines and Forfeits	104,335	126,808	132,747	5,939

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
Investment Income	350,000	971,516	972,427	911
Miscellaneous Revenue				
Lease Agreement Revenue	145,000	145,000	151,107	6,107
General Miscellaneous	183,738	183,738	282,818	99,080
Public Safety Miscellaneous	3,000	3,000	19,221	16,221
Public Works Miscellaneous	10,000	-	18,379	18,379
Total Miscellaneous Revenue	341,738	331,738	471,525	139,787
TOTAL REVENUES	23,298,211	20,433,479	20,466,444	32,965
EXPENDITURES				
General Government				
City Council and Mayor	112,637	162,637	152,833	9,804
City Manager	428,113	428,113	410,550	17,563
Legal Services	188,017	188,017	185,206	2,811
Municipal Court	888,407	895,290	766,161	129,129
Information Technology Department	1,008,382	1,056,951	1,032,719	24,232
City Clerk	177,869	177,869	175,978	1,891
City Hall Complex Maintenance and Operation	270,717	270,717	273,947	(3,230)
Financial Administration	511,808	517,278	499,343	17,935
HR/Risk Management	216,440	225,457	197,899	27,558
Bonds and Insurance Premiums	402,581	402,581	421,598	(19,017)
Total General Government	4,204,971	4,324,910	4,116,234	208,676
Public Safety				
Police Administration	305,193	313,663	305,003	8,660
Police Operational	2,710,826	2,863,355	2,825,821	37,534
Fire Protection	519,144	250,172	537,824	(287,652)
Support Services	1,325,282	1,467,655	1,373,082	94,573
Development Services	2,933,954	1,857,500	1,273,594	583,906
Total Public Safety	7,794,399	6,752,345	6,315,324	437,021
Public Works				
Administration	432,672	435,938	392,923	43,015
Maintenance of Condition	1,240,394	1,256,311	1,148,362	107,949
Building Maintenance	442,703	455,981	458,878	(2,897)
Fleet Maintenance	156,305	181,322	405,140	(223,818)
Planning	-	-	-	-
Total Public Works	2,272,074	2,329,552	2,405,303	(75,751)
Health and Welfare				
Cemetery Operations	155,061	158,152	147,596	10,556

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
Culture and Recreation				
Parks	796,412	786,590	724,058	62,532
Economic Development	222,080	222,080	199,808	22,272
Total Culture and Recreation	1,018,492	1,008,670	923,866	84,804
Capital Outlay				
General Government	484,106	489,652	5,300,321	(4,810,669)
Public Safety	7,915,778	5,577,619	1,060,356	4,517,263
Highways and Streets	294,300	294,300	278,787	15,513
Culture and Recreation	-	-	-	-
Total Capital Outlay	8,694,184	6,361,571	6,639,464	(277,893)
Debt Service	328,811	328,811	263,558	65,253
TOTAL EXPENDITURES	24,467,992	21,264,011	20,811,345	452,666
Excess (deficiency) of revenues over expenditures	(1,169,782)	(830,532)	(344,901)	485,631
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	-	93,426	70,406	(23,020)
Lease and SBITA Proceeds	-	-	251,409	251,409
Transfers In	1,877,566	1,988,174	1,992,374	4,200
Transfers Out	(1,135,027)	(1,154,569)	(1,154,569)	-
TOTAL OTHER FINANCING SOURCES (USES)	742,539	927,031	1,159,620	232,589
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(427,242)	96,499	814,719	718,220
Fund Balance - Beginning of Year	10,101,682	10,101,682	14,364,243	4,262,561
Fund Balance - End of Year	\$ 9,674,440	\$ 10,198,181	\$ 15,178,962	\$ 4,980,781

Notes to the Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY RECREATION FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Sales Tax	\$ 2,049,034	\$ 1,938,984	\$ 1,938,985	\$ 1
Intergovernmental Revenue - Grant	607,850	961,253	658,130	(303,123)
Charges for Services				
Recreation Membership Fees	997,500	1,269,273	1,246,557	(22,716)
Net Investment Income/(Loss)	5,000	5,000	2,994	(2,006)
Miscellaneous Revenue				
Lease Agreement Revenue	1,000	1,000	-	(1,000)
Recreation Miscellaneous Revenue	14,400	14,400	30,214	15,814
Sponsorships and Donations	28,000	28,000	33,770	5,770
Total Miscellaneous Revenue	43,400	43,400	63,984	20,584
TOTAL REVENUES	3,702,784	4,217,910	3,910,650	(307,260)
EXPENDITURES				
Culture and Recreation				
Personnel Services	1,952,069	2,017,820	2,026,620	(8,800)
Other Miscellaneous Supplies	304,877	304,877	293,502	11,375
Travel and Conference/Includes Meals	6,500	6,500	4,673	1,827
Telephone Services	7,530	7,530	2,770	4,760
Tuition and Training	2,500	2,500	1,069	1,431
Membership and Dues	38,900	38,900	43,131	(4,231)
Books and Magazines	35,700	35,700	34,945	755
Other Expenses	374,600	628,961	409,380	219,581
Electrical Services	90,000	101,024	105,580	(4,556)
Repairs and Maintenance Agreement	127,500	127,500	139,794	(12,294)
Gas and Oil	56,400	56,400	70,096	(13,696)
Vehicle Repair	1,000	1,000	1,034	(34)
Recreation Programs	65,000	354,436	58,759	295,677
Library	5,500	24,560	5,577	18,983
Advertising	5,850	5,850	4,656	1,194
Other Office Equipment/Furniture/Fixtures	58,300	68,106	66,632	1,474
Total Culture and Recreation Expenditures	3,132,226	3,781,664	3,268,218	513,446
Debt Service	-	-	-	-
Capital Outlay	293,000	293,000	673,095	(380,095)
TOTAL EXPENDITURES	3,425,226	4,074,664	3,941,313	133,351

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY RECREATION FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
Excess (deficiency) of revenues over expenditures	277,558	143,246	(30,663)	(173,909)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(96,754)	(96,754)	(96,754)	-
Lease Proceeds	-	-	169,057	169,057
TOTAL OTHER FINANCING SOURCES (USES)	(96,754)	(96,754)	72,303	169,057
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	180,804	46,492	41,640	(4,852)
Fund Balance - Beginning of Year	1,031,750	1,031,750	1,613,509	581,759
Fund Balance - End of Year	\$ 1,212,554	\$ 1,078,242	\$ 1,655,149	\$ 576,907

Notes to the Required Supplementary Information

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

CITY OF ALAMOSA, COLORADO
SCHEDULE OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY/(ASSET)
PERA LGDTF PENSION PLAN
For the Years Ended December 31,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net pension liability	0.631815%	0.574366%	0.535627%	0.541606%	0.539109%	0.483212%	0.482717%	0.487968%	0.476217%	0.482049%
City's proportionate share of the net liability (asset)	\$ 3,876,802	\$ 4,216,085	\$ 5,369,996	\$ (464,357)	\$ 2,809,443	\$ 3,534,169	\$ 6,068,778	\$ 5,433,184	\$ 6,430,549	\$ 5,310,162
City's covered payroll	\$ 6,543,779	\$ 5,992,328	\$ 5,000,361	\$ 4,354,793	\$ 4,011,896	\$ 3,846,636	\$ 3,333,131	\$ 3,096,651	\$ 2,960,839	\$ 2,886,467
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	59%	70%	107%	-11%	70%	92%	182%	175%	217%	184%
Plan fiduciary net position as a percentage of the total pension liability	90.45%	88.03%	82.99%	101.49%	90.88%	86.26%	75.96%	79.37%	73.60%	76.90%

See Notes to the Required Supplementary Information

CITY OF ALAMOSA, COLORADO
SCHEDULE OF CONTRIBUTIONS
PERA LGDTF PENSION PLAN
For the Years Ended December 31,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 913,080	\$ 834,264	\$ 695,483	\$ 594,155	\$ 537,090	\$ 497,370	\$ 422,641	\$ 392,655	\$ 375,434	\$ 366,064
Contributions in relation to the contractually required contribution	<u>(913,080)</u>	<u>(834,264)</u>	<u>(695,483)</u>	<u>(594,155)</u>	<u>(537,090)</u>	<u>(497,370)</u>	<u>(422,641)</u>	<u>(392,655)</u>	<u>(375,434)</u>	<u>(366,064)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 732,128</u>
City's covered payroll	\$ 6,543,779	\$ 5,992,328	\$ 5,000,361	\$ 4,354,793	\$ 4,011,896	\$ 3,846,636	\$ 3,333,131	\$ 3,096,651	\$ 2,960,839	\$ 2,886,467
Contributions as a percentage of covered payroll	13.95%	13.92%	13.91%	13.64%	13.39%	12.93%	12.68%	12.68%	12.68%	12.68%

See Notes to the Required Supplementary Information

CITY OF ALAMOSA, COLORADO
SCHEDULE OF THE PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
COLORADO PERA HEALTHCARE TRUST FUND
For the Years Ended December 31,

	2025	2024	2023	2022	2021	2020	2019	2018	2017
City's proportion of the net OPEB liability	0.049649%	0.045031%	0.042479%	0.041316%	0.045038%	0.036333%	0.036801%	0.037821%	0.036556%
City's proportionate share of the net OPEB liability (asset)	\$ 237,407	\$ 321,401	\$ 346,834	\$ 356,270	\$ 427,959	\$ 408,385	\$ 500,687	\$ 491,520	\$ 473,962
City's covered payroll	\$ 6,543,779	\$ 5,992,238	\$ 5,000,361	\$ 4,354,793	\$ 4,011,896	\$ 3,846,636	\$ 3,333,131	\$ 3,096,651	\$ 2,960,839
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	4%	5%	7%	8%	11%	11%	15%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the City presents information for those years for which information is available.

See Notes to the Required Supplementary Information

CITY OF ALAMOSA, COLORADO
SCHEDULE OF CONTRIBUTIONS
COLORADO PERA HEALTHCARE TRUST FUND
For the Years Ended December 31,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 66,747	\$ 61,122	\$ 51,004	\$ 44,419	\$ 40,920	\$ 39,236	\$ 33,998	\$ 31,586
Contributions in relation to the contractually required contribution	<u>(66,747)</u>	<u>(61,122)</u>	<u>(51,004)</u>	<u>(44,419)</u>	<u>(40,920)</u>	<u>(39,236)</u>	<u>(33,998)</u>	<u>(31,586)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,543,779	\$ 5,992,328	\$ 5,000,361	\$ 4,354,793	\$ 4,011,896	\$ 3,846,636	\$ 3,333,131	\$ 3,096,651
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the City presents information for those years for which information is available.

See Notes to the Required Supplementary Information

CITY OF ALAMOSA, COLORADO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
AND RELATED RATIOS
FPPA AFFILIATED LOCAL PLAN
For the Measurement Period Ending December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 20,463	\$ 20,463	\$ 11,012	\$ 11,012	\$ 12,535	\$ 12,535	\$ 10,745	\$ 10,745	\$ 13,682	\$ 13,682
Interest on the Total Pension Liability	119,479	118,152	99,394	99,996	97,796	97,938	98,854	99,077	93,795	94,034
Benefit Changes	-	-	206,218	-	-	-	-	-	-	-
Difference between expected and actual experience of total pension liability	(76,056)	-	54,661	-	-	-	20,518	-	37,802	-
Changes of Assumptions	-	-	17,163	-	34,263	-	62,607	-	39,416	-
Benefit Payments	(116,189)	(123,014)	(127,133)	(112,338)	(112,501)	(112,501)	(112,477)	(113,088)	(112,588)	(109,282)
Net Change in Total Pension Liability	(52,303)	15,601	261,315	(1,330)	32,093	(2,028)	80,247	(3,266)	72,107	(1,566)
Total Pension Liability - Beginning	1,753,902	1,738,301	1,476,986	1,478,316	1,446,223	1,448,251	1,368,004	1,371,270	1,299,163	1,300,729
Total Pension Liability - Ending	<u>\$ 1,701,599</u>	<u>\$ 1,753,902</u>	<u>\$ 1,738,301</u>	<u>\$ 1,476,986</u>	<u>\$ 1,478,316</u>	<u>\$ 1,446,223</u>	<u>\$ 1,448,251</u>	<u>\$ 1,368,004</u>	<u>\$ 1,371,270</u>	<u>\$ 1,299,163</u>
Plan Fiduciary Net Position										
Contributions- Employer	\$ -	\$ 45,223	\$ 44,945	\$ 42,769	\$ 42,560	\$ 39,681	\$ 39,302	\$ 38,938	\$ 56,245	\$ 75,195
Net Investment Income	204,320	191,550	(183,292)	297,189	235,242	238,992	1,060	229,648	82,403	28,180
Benefit Payments	(116,189)	(123,014)	(127,133)	(112,338)	(112,501)	(112,501)	(112,477)	(113,088)	(112,588)	(109,282)
Pension Plan Administrative Expense	(15,990)	(11,755)	(12,657)	(13,577)	(10,536)	(15,504)	(13,982)	(13,488)	(2,722)	(3,553)
State of Colorado Supplemental Discretionary Payment	18,549	18,549	18,549	37,098	-	18,549	18,549	18,549	18,549	-
Net Change in Plan Fiduciary Net Position	90,690	120,553	(259,588)	251,141	154,765	169,217	(67,548)	160,559	41,887	(9,460)
Plan Fiduciary Net Position-										
Beginning (Market Value of Assets at Beginning of Year)	2,147,468	2,026,915	2,286,503	2,035,362	1,880,597	1,711,380	1,778,928	1,618,369	1,576,482	1,585,942
Plan Fiduciary Net Position-										
Ending (Market Value of Assets at End of Year)	<u>\$ 2,238,158</u>	<u>\$ 2,147,468</u>	<u>\$ 2,026,915</u>	<u>\$ 2,286,503</u>	<u>\$ 2,035,362</u>	<u>\$ 1,880,597</u>	<u>\$ 1,711,380</u>	<u>\$ 1,778,928</u>	<u>\$ 1,618,369</u>	<u>\$ 1,576,482</u>
Net Pension Liability (Asset)	<u>\$ (536,559)</u>	<u>\$ (393,566)</u>	<u>\$ (288,614)</u>	<u>\$ (809,517)</u>	<u>\$ (557,046)</u>	<u>\$ (434,374)</u>	<u>\$ (263,129)</u>	<u>\$ (410,924)</u>	<u>\$ (247,099)</u>	<u>\$ (277,319)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	131.53%	122.44%	116.60%	154.81%	137.68%	130.04%	118.17%	130.04%	118.02%	121.35%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See Notes to the Required Supplementary Information

CITY OF ALAMOSA, COLORADO
SCHEDULE OF CONTRIBUTIONS
FPPA AFFILIATED LOCAL PLAN
For the Measurement Period Ending December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual Contributions**	<u>18,549</u>	<u>63,772</u>	<u>63,494</u>	<u>79,867</u>	<u>42,560</u>	<u>58,230</u>	<u>57,851</u>	<u>57,487</u>	<u>74,794</u>	<u>75,195</u>
Contribution Deficiency (Excess)	<u>\$ (18,549)</u>	<u>\$ (63,772)</u>	<u>\$ (63,494)</u>	<u>\$ (79,867)</u>	<u>\$ (42,560)</u>	<u>\$ (58,230)</u>	<u>\$ (57,851)</u>	<u>\$ (57,487)</u>	<u>\$ (74,794)</u>	<u>\$ (75,195)</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual Contribution as % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Includes both City contributions and State of Colorado Supplemental Discretionary Payment

See Notes to the Required Supplementary Information

CITY OF ALAMOSA, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2025

NOTE 1 NET PENSION LIABILITY

PERA:

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2024

- As of the December 31, 2024, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were \$0.486 and \$0.020 million, respectively.

2023

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the Local Government Division Trust Fund and Health Care Trust Fund (HCTF) were \$24.967 million and \$1.033 million, respectively.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a “12-pay” method to a “non-12-pay” method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

2022

- The TPL for the Local Government Division, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, as allowable under C.R.S. 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

2021

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
 - Member contribution rates increase by 0.50%.
 - Employer contribution rates increase by 0.50%.
 - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.

2020

- SB 18-200 and SB 20-057, enacted in 2018 and 2020, respectively expanded the definition of “State Trooper” under Colorado law as follows:
 - Beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII;
 - New members hired on or after January 1, 2020, as a county sheriff, undersheriff, deputy sheriff, noncertified deputy sheriff, or detention officer by a Local Government Division employer; and

CITY OF ALAMOSA, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2025

- New members hired on or after January 1, 2020, as a corrections officer classified as I through IV by a State Division employer.

2019

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
 - Member contribution rates increase by 0.50%.
 - Employer contribution rates increase by 0.50%.
 - AI cap is lowered from 1.50% per year to 1.25% per year.
- HB 19-1217, enacted May 20, 2019, repealed the member contribution increases scheduled for the Local Government Division pursuant to SB 18-200.

2018

- The following changes were made to the plan provisions as part of SB 18-200:
 - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
 - Employer contribution rates increase by 0.25% effective July 1, 2019, for State, School, Judicial, and DPS Divisions.
 - An annual direct distribution of \$225,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
 - AI cap is lowered from 2.00% per year to 1.50% per year.
 - Initial AI waiting period is extended from one year after retirement to three years after retirement. AI payments are suspended for 2018 and 2019.
 - The number of years used in the highest average salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government, and DPS Divisions and increases from one to three years for the Judicial Division.

2017

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division on December 2, 2017. For the purpose of the December 31, 2017, measurement date, liabilities were determined assuming no additional benefit accruals for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063 and \$96 million, respectively.

2016

- There were no changes made to the plan provisions.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2024

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.

CITY OF ALAMOSA, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2025

- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

2023

- There were no changes made to the actuarial methods or assumptions.

2022

- There were no changes made to the actuarial methods or assumptions.

2021

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

2020

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses form 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State and Local Government Divisions (members other than Safety Officers) was changed to the PubG-2010 Employer Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions (members other than Safety Officers) was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
 - Males: 94% of the rates prior to age 80 and 90% of the rates for the ages 80 and older, with generational projection using scale MP-2019.
 - Females: 875 of the rates prior to age 80 and 107% of the rated for ages 80 and older, with generational projection using scale MP-2019.
- The disabled morality assumption for the Division Trust Funds (members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rated for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a benefit-weighted basis.

2019

- The assumption used to value the AI cap benefit provision was changed from 1.50% to 1.25%.

2018

- There were no changes made to the actuarial methods or assumptions.

2017

- There were no changes made to the actuarial methods or assumptions.

2016

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 3.90% to 3.50%.
- The post-retirement mortality assumption for healthy lives for the State and Local Government Divisions was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments of a 73% factor applied

CITY OF ALAMOSA, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2025

to ages below 80 and a 108% factor applied to age 80 and above, projected to 2018, for males, and a 78% factor applied to ages below 80 and a 109% factor applied to at 80 and above, projected to 2020, for females.

- For disabled retirees, the mortality assumption was changed to reflect 905 of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active member was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The SEIR for the Local Government Division was lowered from 7.50% to 7.25%, reflecting the change in the long-term expected rate of return.

Subsequent Events

SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling \$500 million (actual dollars) on or after July 1, 2025, and before October 1, 2025. These dollars are to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

FPPA:

2024 There were no changes in assumptions or other inputs effective this measurement period.

2023 There were no changes in assumptions or other inputs effective this measurement period.

2022 There were no changes in assumptions or other inputs effective this measurement period.

2021 There were no changes in assumptions or other inputs effective this measurement period.

2020

- Pre-retirement mortality assumptions were changed to 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.
- Post-retirement mortality assumptions were changed to 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
- Disabled mortality assumptions were changed to 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

2019 There were no changes in assumptions or other inputs effective this measurement period.

CITY OF ALAMOSA, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2025

2018

- The assumed investment rate of return was lowered from 7.50% to 7.00%
- Inflation rate was decreased from 3.00% to 2.50%.
- Pre-retirement mortality assumptions were changed to the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality.
- Post-retirement mortality assumptions were changed for ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

2017 There were no changes in assumptions or other inputs effective this measurement period.

2016 There were no changes in assumptions or other inputs effective this measurement period.

2015 There were no changes in assumptions or other inputs effective this measurement period.

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2024

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

2023

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000 payment received on December 4, 2023 and a \$2,000 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1,033 and \$24,967, respectively.

2022

- The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

2021 – no changes

2020 – no changes

2019 – no changes

CITY OF ALAMOSA, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2025

2018 – no changes

2017

- The Cunningham Fire Protection District (CFPD) disaffiliated from the Local Government Division, thereby ending participation in the HCTF on December 2, 2017. For the purpose of disclosure as of the December 31, 2017, measurement date, liabilities were determined assuming no additional service accruals impacting possible future premium subsidies for the disaffiliated membership of the CFPD that had not refunded their PERA member contribution accounts. The total disaffiliation payment of \$1,159 was allocated to the Local Government Division Trust Fund and the HCTF in the amount of \$1,063 and \$96, respectively.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2024

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

2023 – no changes

2022

- The timing of the retirement decrement was adjusted to middle-of-year.

2021 – no changes

2020

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:

CITY OF ALAMOSA, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2025

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a head-count weighted basis.

2019 – no changes

2018 – no changes

2017 – no changes

CITY OF ALAMOSA, COLORADO

SUPPLEMENTARY INFORMATION

The combining financial statements represent the second level of financial reporting for the City. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

**CITY OF ALAMOSA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expend for particular purposes.

Streets Trust Fund – This fund is used to account for the City’s sales taxes solely to fund street maintenance and improvements over a ten year period ending December 31, 2029.

Conservation Trust Fund – This fund is used to account for the City’s share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

DEBT SERVICE FUNDS

Debt service funds are used to account for resources and principal and interest expenditures for outstanding bonds.

Debt Service Fund – This fund is used to make debt service payments. Revenue is derived from transfers from other funds.

PERMANENT FUNDS

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for the purposes that support the City’s programs.

Cemetery Endowment Fund – This fund is used to account for all funds collected by the City for cemetery space sales to be held in trust for the perpetual care of the facilities.

CITY OF ALAMOSA, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	<u>Special Revenue Fund</u>			<u>Permanent Fund</u>	
	<u>STREETS</u>	<u>CONSERVATION</u>	<u>DEBT</u>	<u>CEMETERY</u>	<u>TOTAL</u>
	<u>TRUST</u>	<u>TRUST</u>	<u>SERVICE</u>	<u>ENDOWMENT</u>	<u>NONMAJOR</u>
	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>GOVERNMENTAL</u>
ASSETS					
Cash and Investments	\$ 1,617,055	\$ 280,996	\$ 3,014	\$ 137,893	\$ 2,038,958
Restricted Cash and Investments	-	-	-	-	-
Due from Other Governments	133,360	-	-	-	133,360
TOTAL ASSETS	<u>\$ 1,750,415</u>	<u>\$ 280,996</u>	<u>\$ 3,014</u>	<u>\$ 137,893</u>	<u>\$ 2,172,318</u>
LIABILITIES					
Vouchers Payable	\$ 979	\$ 36,384	\$ 1,000	\$ 5,026	\$ 43,389
TOTAL LIABILITIES	<u>979</u>	<u>36,384</u>	<u>1,000</u>	<u>5,026</u>	<u>43,389</u>
FUND BALANCE					
Restricted:					
Debt Service	-	-	2,014	-	2,014
Committed:					
Culture and Recreation	-	244,612	-	-	244,612
Streets	1,749,436	-	-	-	1,749,436
Assigned:					
Health and Welfare	-	-	-	132,867	132,867
TOTAL FUND BALANCE	<u>1,749,436</u>	<u>244,612</u>	<u>2,014</u>	<u>132,867</u>	<u>2,128,929</u>
TOTAL LIABILITIES					
AND FUND BALANCE	<u>\$ 1,750,415</u>	<u>\$ 280,996</u>	<u>\$ 3,014</u>	<u>\$ 137,893</u>	<u>\$ 2,172,318</u>

CITY OF ALAMOSA, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	<u>Special Revenue Fund</u>			<u>Permanent Fund</u>	
	<u>STREETS</u>	<u>CONSERVATION</u>	<u>DEBT</u>	<u>CEMETERY</u>	<u>TOTAL</u>
	<u>TRUST</u>	<u>TRUST</u>	<u>SERVICE</u>	<u>ENDOWMENT</u>	<u>NONMAJOR</u>
	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>GOVERNMENTAL</u>
REVENUES					
Taxes	\$ 1,938,984	\$ -	\$ -	\$ -	\$ 1,938,984
Intergovernmental Revenue	-	118,896	-	-	118,896
Charges for Services	-	-	-	42,550	42,550
Miscellaneous Revenue	-	-	-	-	-
Net Investment Income/(Loss)	-	104	-	55	159
TOTAL REVENUE	<u>1,938,984</u>	<u>119,000</u>	<u>-</u>	<u>42,605</u>	<u>2,100,589</u>
EXPENDITURES					
Current Expenditures					
Health and Welfare	-	-	-	43,909	43,909
Culture and Recreation	-	74,794	-	-	74,794
Highway and Streets	264,694	-	-	-	264,694
Capital Outlay	2,485,410	-	-	29,097	2,514,507
Debt Service	-	-	533,069	-	533,069
TOTAL EXPENDITURES	<u>2,750,104</u>	<u>74,794</u>	<u>533,069</u>	<u>73,006</u>	<u>3,430,973</u>
Excess (deficiency) of revenues over expenditures	<u>(811,120)</u>	<u>44,206</u>	<u>(533,069)</u>	<u>(30,401)</u>	<u>(1,330,384)</u>
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	-	-	-	-	-
Transfers In	500,000	-	532,569	10,000	1,042,569
Transfers Out	-	-	-	(15,000)	(15,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>500,000</u>	<u>-</u>	<u>532,569</u>	<u>(5,000)</u>	<u>1,027,569</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(311,120)</u>	<u>44,206</u>	<u>(500)</u>	<u>(35,401)</u>	<u>(302,815)</u>
Fund Balance - Beginning of Year	<u>2,060,556</u>	<u>200,406</u>	<u>2,514</u>	<u>168,268</u>	<u>2,431,744</u>
Fund Balance - End of Year	<u>\$ 1,749,436</u>	<u>\$ 244,612</u>	<u>\$ 2,014</u>	<u>\$ 132,867</u>	<u>\$ 2,128,929</u>

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
STREETS TRUST FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes				
Sales Tax - City	\$ 2,049,034	\$ 1,938,983	\$ 1,938,984	\$ 1
Investment Income				
Interest on Investments	-	-	-	-
TOTAL REVENUES	<u>2,049,034</u>	<u>1,938,983</u>	<u>1,938,984</u>	<u>1</u>
EXPENDITURES				
Highway and Streets				
Maintenance of Condition	350,000	350,000	264,694	85,306
Capital Outlay	2,815,509	2,400,104	2,485,410	(85,306)
Debt Service	-	-	-	-
TOTAL EXPENDITURES	<u>3,165,509</u>	<u>2,750,104</u>	<u>2,750,104</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,116,475)</u>	<u>(811,121)</u>	<u>(811,120)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	<u>(616,475)</u>	<u>(311,121)</u>	<u>(311,120)</u>	<u>1</u>
Fund Balance, Beginning of Year	<u>1,561,438</u>	<u>1,561,438</u>	<u>2,060,556</u>	<u>499,118</u>
Fund Balance, End of Year	<u><u>\$ 944,963</u></u>	<u><u>\$ 1,250,317</u></u>	<u><u>\$ 1,749,436</u></u>	<u><u>\$ 499,119</u></u>

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Intergovernmental Revenue				
State Lottery	\$ 130,000	\$ 118,896	\$ 118,896	\$ -
Investment Income				
Interest on Investments	70	104	104	-
TOTAL REVENUES	130,070	119,000	119,000	-
EXPENDITURES				
Culture and Recreation	130,000	74,794	74,794	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
TOTAL EXPENDITURES	130,000	74,794	74,794	-
Excess (deficiency) of revenues over expenditures	70	44,206	44,206	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	70	44,206	44,206	-
Fund Balance, Beginning of Year	208,564	208,564	200,406	(8,158)
Fund Balance, End of Year	\$ 208,634	\$ 252,770	\$ 244,612	\$ (8,158)

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CEMETERY ENDOWMENT FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Charges for Services				
Cemetery Space Sales	\$ 35,000	\$ 42,550	\$ 42,550	\$ -
Investment Income				
Interest on Investments	150	10,150	55	(10,095)
Miscellaneous Revenue	-	-	-	-
TOTAL REVENUES	35,150	52,700	42,605	(10,095)
EXPENDITURES				
Health and Welfare				
Cemetery Improvements	19,100	15,737	43,909	(28,172)
Capital Outlay	41,000	59,975	29,097	30,878
TOTAL EXPENDITURES	60,100	75,712	73,006	2,706
Excess (deficiency) of revenues over expenditures	(24,950)	(23,012)	(30,401)	(7,389)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	10,000	10,000
Transfers Out	(15,000)	(15,000)	(15,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(15,000)	(15,000)	(5,000)	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(39,950)	(38,012)	(35,401)	(7,389)
Fund Balance - Beginning of Year	160,995	160,995	168,268	7,273
Fund Balance - End of Year	\$ 121,045	\$ 122,983	\$ 132,867	\$ 9,884

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Bond Principal	405,000	405,000	405,000	-
Bond Interest Paid	123,569	123,569	123,569	-
Administrative Services	4,000	5,000	4,500	500
TOTAL EXPENDITURES	532,569	533,569	533,069	500
Excess (deficiency) of revenues over expenditures	(532,569)	(533,569)	(533,069)	500
OTHER FINANCING SOURCES (USES)				
Transfers In	532,569	532,569	532,569	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	532,569	532,569	532,569	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	-	(1,000)	(500)	500
Fund Balance - Beginning of Year	3,014	3,014	2,514	(500)
Fund Balance - End of Year	\$ 3,014	\$ 2,014	\$ 2,014	\$ -

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
ENTERPRISE FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
OPERATING REVENUES				
Charges for Services				
Water	\$ 2,425,500	\$ 2,224,129	\$ 2,258,868	\$ 34,739
Sewer	1,603,500	1,603,500	1,676,531	73,031
Sanitation	1,764,000	1,702,816	1,703,128	312
Recycling	90,000	77,185	78,914	1,729
Total Charges for Services	5,883,000	5,607,630	5,717,441	109,811
Miscellaneous Revenue				
Water	40,400	40,400	37,046	(3,354)
Sanitation	-	-	-	-
Total Miscellaneous Revenue	40,400	40,400	37,046	(3,354)
Total Operating Revenue	5,923,400	5,648,030	5,754,487	110,817
OPERATING EXPENSES				
Personnel Services				
Water	529,048	548,431	500,471	47,960
Sewer	396,601	357,678	338,562	19,116
Sanitation	780,081	797,963	817,033	(19,070)
Lagoon	119,028	159,311	170,178	(10,867)
Water Treatment	122,926	146,957	159,557	(12,600)
Total Personnel Services	1,947,684	2,010,340	1,985,801	24,539
Supplies and Materials				
Water	61,500	44,549	40,662	3,887
Sewer	1,019,000	756,601	17,377	739,224
Sanitation	5,000	5,000	3,283	1,717
Lagoon	6,500	36,478	5,985	30,493
Water Treatment	165,000	197,446	197,446	-
Total Supplies and Materials	1,257,000	1,040,074	264,753	775,321
Utilities and Telephone				
Water	135,000	135,000	156,201	(21,201)
Sewer	57,000	67,793	92,421	(24,628)
Sanitation	9,500	9,500	2,967	6,533
Lagoon	155,000	199,715	199,715	-
Water Treatment	110,000	110,000	101,318	8,682
Total Utilities and Telephone	466,500	522,008	552,622	(30,614)
Gas and Oil				
Water	16,000	16,000	20,574	(4,574)
Sewer	13,000	13,000	13,695	(695)
Sanitation	75,000	54,802	54,802	-
Lagoon	3,750	3,750	3,427	323
Water Treatment	2,500	2,500	2,813	(313)
Total Gas and Oil	110,250	90,052	95,311	(5,259)

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
ENTERPRISE FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Repairs and Maintenance				
Water	625,250	703,503	256,944	446,559
Sewer	4,728,919	254,346	181,263	73,083
Sanitation	69,500	934,226	64,528	869,698
Lagoon	64,000	64,000	146,989	(82,989)
Water Treatment	1,004,350	787,170	67,619	719,551
Total Repairs and Maintenance	6,492,019	2,743,245	717,343	2,025,902
Landfill Fees	128,750	128,750	109,601	19,149
Professional Fees				
Water	1,000,000	269,035	-	269,035
Sewer	-	-	-	-
Lagoon	55,000	55,000	53,118	1,882
Water Treatment	15,000	15,000	9,531	5,469
Total Professional Fees	1,070,000	339,035	62,649	276,386
Capital Outlay				
Water	47,500	47,500	783,526	(736,026)
Sewer	-	-	918,154	(918,154)
Sanitation	-	-	981,368	(981,368)
Lagoon	-	-	-	-
Water Treatment	-	-	704,868	(704,868)
Total Capital Outlay	47,500	47,500	3,387,916	(3,340,416)
Other				
Water	17,700	7,700	7,649	51
Sewer	10,300	10,300	6,034	4,266
Sanitation	5,900	5,900	4,951	949
Lagoon	29,250	29,250	17,908	11,342
Water Treatment	10,425	10,425	9,288	1,137
Recycling	430,000	430,000	19,147	410,853
Total Other	503,575	493,575	64,977	428,598
Total Operating Expenses	12,023,278	7,414,579	7,240,973	173,606
Operating income (loss)	(6,099,878)	(1,766,549)	(1,486,486)	280,063
NONOPERATING REVENUES (EXPENSES)				
Sales Tax Revenue	2,049,035	1,938,985	1,938,985	-
Bond Interest Expense	(368,608)	(379,208)	(88,005)	291,203
Bond Administrative Fees	(85,531)	(85,531)	(85,532)	(1)
Principal Payments	(672,960)	(672,960)	(942,961)	(270,001)
Grant Revenue	1,050,000	534,336	662,571	128,235
Interest on Investments	55,000	55,000	59,360	4,360
Total Nonoperating Revenues (Expenses)	2,026,936	1,390,622	1,544,418	153,796

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
ENTERPRISE FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Income Before Contributions and Transfers	(4,072,942)	(375,927)	57,932	433,859
Capital Contributions				
Water	30,000	30,000	60,067	30,067
Sewer	10,000	10,000	22,000	12,000
Total Capital Contributions	40,000	40,000	82,067	42,067
TRANSFERS				
Transfers In				
Water	172,000	172,000	172,000	-
Transfers Out				
Water	(1,070,956)	(1,101,276)	(1,101,276)	-
Water Treatment	(53,224)	(58,277)	(58,277)	-
Sewer	(365,174)	(395,494)	(395,494)	-
Sanitation	(299,076)	(329,396)	(329,396)	-
Lagoon	(51,124)	(56,177)	(56,177)	-
Total Transfers	(1,667,554)	(1,768,620)	(1,768,620)	-
Net Income - Budget Basis	(5,700,496)	(2,104,547)	(1,628,621)	\$ 475,926
Capital Outlay			3,387,916	
Principal Payments			942,961	
Gain on Sale of Assets			-	
Less: Depreciation & Amortization			(1,859,553)	
Change in Net Position - GAAP Basis			842,703	
Net Position - Beginning of Year	8,788,281	8,788,281	38,734,635	
Net Position - End of Year	\$ 3,087,785	\$ 6,683,734	\$ 39,577,338	

CITY OF ALAMOSA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
EMPLOYEE BENEFIT FUND
For the Year Ended December 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
OPERATING REVENUES				
Insurance Deposits	\$ 1,880,794	\$ 1,766,523	\$ 1,766,824	\$ 301
Intergovernmental Revenue	-	-	-	-
Miscellaneous Revenue	-	-	1,061	1,061
Total Operating Revenues	1,880,794	1,766,523	1,767,885	1,362
OPERATING EXPENSES				
Insurance Premiums	684,794	708,016	707,609	407
Claims	1,340,000	1,326,208	1,427,303	(101,095)
Insurance Administration	25,000	773	773	-
Total Operating Expenses	2,049,794	2,034,997	2,135,685	(100,688)
Excess (deficiency) of revenues over expenditures	(169,000)	(268,474)	(367,800)	(99,326)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(169,000)	(268,474)	(367,800)	(99,326)
Net Position - Beginning of Year	1,025,054	1,025,054	1,214,859	189,805
Net Position - End of Year	\$ 856,054	\$ 756,580	\$ 847,059	\$ 90,479

CITY OF ALAMOSA, COLORADO
COMBINING BALANCE SHEET SCHEDULE
GENERAL FUND
December 31, 2025

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	TOTAL
ASSETS			
Cash and Investments	13,368,568	\$ 916,748	\$ 14,285,316
Restricted Cash and Investments	113,385	-	113,385
Receivables (Net)			
Accounts Receivable	102,094	-	102,094
Property Taxes	657,569	-	657,569
Lease Receivable	273,882	-	273,882
Due from Other Governments	2,649,427	-	2,649,427
Other Assets	-	-	-
TOTAL ASSETS	<u>\$ 17,164,925</u>	<u>\$ 916,748</u>	<u>\$ 18,081,673</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 1,919,029	\$ -	\$ 1,919,029
Due to Other Governments	-	-	-
Unearned Revenue- Grants	14,971	-	14,971
TOTAL LIABILITIES	<u>1,934,000</u>	<u>-</u>	<u>1,934,000</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Tax	657,569	-	657,569
Unavailable Revenue - Leases	273,882	-	273,882
Unavailable Revenue - Other	37,260	-	37,260
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>968,711</u>	<u>-</u>	<u>968,711</u>
FUND BALANCE			
Nonspendable			
Prepaid Expenses	-	-	-
Restricted			
TABOR Amendment Reserve	745,000	-	745,000
Debt Service	113,385	-	113,385
Pension Expense	118	-	118
Assigned			
Designated for Subsequent Years	2,216,114	-	2,216,114
Capital Improvements	-	916,748	916,748
Unassigned	11,187,597	-	11,187,597
TOTAL FUND BALANCE	<u>14,262,214</u>	<u>916,748</u>	<u>15,178,962</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 17,164,925</u>	<u>\$ 916,748</u>	<u>\$ 18,081,673</u>

CITY OF ALAMOSA, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended December 31, 2025

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	ELIMINATIONS	TOTAL
REVENUES				
Taxes	\$ 10,770,905	\$ -	\$ -	\$ 10,770,905
Licenses and Permits	147,175	-	-	147,175
Intergovernmental Revenue	7,841,145	-	-	7,841,145
Charges for Services	130,520	-	-	130,520
Fines and Forfeits	132,747	-	-	132,747
Net Investment Income/(Loss)	972,427	-	-	972,427
Lease Agreement Revenue	151,107	-	-	151,107
Miscellaneous Revenue	320,418	-	-	320,418
TOTAL REVENUES	20,466,444	-	-	20,466,444
EXPENDITURES				
Current Expenditures				
General Government	4,116,234	-	-	4,116,234
Public Safety	6,315,324	-	-	6,315,324
Highways and Streets	2,405,303	-	-	2,405,303
Health and Welfare	147,596	-	-	147,596
Culture and Recreation	923,866	-	-	923,866
Capital Outlay	6,639,464	-	-	6,639,464
Debt Service	263,558	-	-	263,558
TOTAL EXPENDITURES	20,811,345	-	-	20,811,345
Excess (deficiency) of revenues over expenditures	(344,901)	-	-	(344,901)
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	70,406	-	-	70,406
Lease and SBITA Proceeds	251,409	-	-	251,409
Transfers In	2,778,916	170,000	(956,542)	1,992,374
Transfers Out	(1,097,569)	(1,013,542)	956,542	(1,154,569)
TOTAL OTHER FINANCING SOURCES (USES)	2,003,162	(843,542)	-	1,159,620
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	1,658,261	(843,542)	-	814,719
Fund Balance - Beginning of Year	12,603,953	1,760,290	-	14,364,243
Fund Balance - End of Year	\$ 14,262,214	\$ 916,748	\$ -	\$ 15,178,962

CITY OF ALAMOSA, COLORADO
OTHER SCHEDULES AND REPORTS

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
THIS INFORMATION FROM THE RECORDS OF: City of Alamosa		PREPARED BY: Kristen Reynolds kreynolds@ci.alamosa.co.us	
		REPORT YEAR ENDING DATE(mm/yyyy): 12/2025	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes D. Receipts from Federal Highway Administration
1. Total receipts available			
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Total (1 - (2 through 4))			
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		A.4. Miscellaneous Local Receipts:	
a. Property Taxes and Assesments		a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	2,023,562.47	b. Other Misc. Local Receipts	
c. Total (a + b)	\$ 2,023,562.47	c. Total (a + b)	\$ -
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user Taxes (from Item I.C.5.)	345,720.39	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	30,083.37		
c. Total (a + b)	\$ 30,083.37		
4. Total (1 + 2 + 3c)	\$ 375,803.76		
		3. Total (1 + 2)	\$ -
III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT		
A.1. Capital outlay:			
a. Right-Of-Way Costs			
b. Engineering Costs			
c. Construction Costs	2,671,709.89		
d. Total Capital Outlay (a+ b + c)	\$ 2,671,709.89		

LOCAL HIGHWAY FINANCE REPORT STATE: COLORADO REPORT YEAR ENDING DATE(mm/yyyy): 12/2025					
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration	
1. Amount used for highway purposes					
II. RECEIPTS FOR ROAD AND STREET PURPOSES			III. EXPENDITURES FOR ROAD AND STREET PURPOSES		
ITEM	AMOUNT	ITEM	AMOUNT		
A. Receipts from Local Sources:		A. Local highway expenditures:			
1. Local Highway-user Taxes		1. Capital Outlay (from page 1, Item III.A1.d)	\$ 2,671,709.89		
a. Motor Fuel (from Item I.A.1)		2. Maintenance:	1,232,751.58		
b. Motor Vehicle (from Item I.B.1)		3. Road and Street Services:			
c. Total (a + b)		a. Snow and Ice Removal	52,363.75		
2. General Fund Appropriations	2,960,136.33	b. Other & Traffic Control Operations	220,430.47		
3. Other Local Imposts (from page 1, Item II.A3.c)	\$ 2,023,562.47	c. Total (a + b)	\$ 272,794.22		
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	\$ -	4. General Administration & Miscellaneous	78,627.42		
5. Transfers from Toll Facilities		5. Highway Law Enforcement and Safety	1,103,619.45		
6. Proceeds of Sale of Bonds and Notes:		6. Total (1 through 5)	\$ 5,359,502.56		
a. Bonds - Original Issues		B. Debt Service on Local Obligations:			
b. Bonds - Refunding Issues		1. Bonds:			
c. Notes		a. Interest			
d. Total (a + b + c)	\$ -	b. Redemption			
7. Total (1 through 6)	\$ 4,983,698.80	c. Total (a + b)	\$ -		
B. Private Contributions		2. Notes:			
C. Receipts from State government (from page 1, Item II.C.4)	\$ 375,803.76	a. Interest			
D. Receipts from Federal government (from page 1, Item II.D.3)	\$ -	b. Redemption			
E. Total receipts (A.7 + B + C + D)	\$ 5,359,502.56	c. Total (a + b)	\$ -		
		3. Total (1c + 2c)	\$ -		
		C. Payments to State for Highways			
		D. Payments to Toll Facilities			
		E. Total Expenditures (A6 + B3 + C + D)	\$ 5,359,502.56		
IV. LOCAL HIGHWAY DEBT STATUS					
(Show all entries at par)					
ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT	
A. Bonds (Total)		\$ -	\$ -	\$ -	
1. Bonds (Refunding Portion)		\$ -			
B. Notes (Total)		\$ -	\$ -	\$ -	

CITY OF ALAMOSA, COLORADO
SINGLE AUDIT SECTION

CITY OF ALAMOSA, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures (\$)</i>
Highway Safety Cluster				
U.S. Department of Transportation				
National Priority Safety Programs	20.616		\$ -	\$ 9,053
Total Highway Safety Cluster			-	9,053
Total All Clusters			-	9,053
Other Programs				
U.S. Department of Agriculture				
Inflation Reduction Act Urban & Community Forestry Program	10.727	Colorado State Forest Service, 5330651	-	68,287
Total U.S. Department of Agriculture			-	68,287
U.S. Department of Housing and Urban Development				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Colorado Department of Local Affairs, CDBG 21-501	950,000	950,000
Total U.S. Department of Housing and Urban Development			950,000	950,000
U.S. Department of Justice				
Bulletproof Vest Partnership Program	16.607	Office of Justice Programs, 2024BUBX24041361/ 2022BUBX22031967	-	7,536
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	Office of Justice Programs, 15PBJA22-GG-03004-MENT	-	159,865
Total U.S. Department of Justice			-	167,401
U.S. Department of the Transportation				
National Infrastructure Investments	20.933	Federal Highway Administration, 693JJ32440119	-	202,044
			-	202,044

CITY OF ALAMOSA, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures (\$)</i>
U.S. Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Transportation, 23-HA5-XC-00009	-	94,970
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Human Services, 24 IBEH 180340	-	76,650
Total U.S. Department of the Treasury			-	171,620
Total Other Programs			950,000	1,559,352
Total Expenditures of Federal Awards			\$ 950,000	\$ 1,568,405

CITY OF ALAMOSA, COLORADO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Alamosa, Colorado under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Alamosa, Colorado, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of the Alamosa, Colorado.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii funds were passed through to a subrecipient. The City did not elect to use the 10-percent or 15-percent de minimis indirect cost rate, as applicable, as allowed under Uniform Guidance for the year ended December 31, 2025.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**



Wall,
Smith,
Bateman Inc.

To the Honorable Mayor and City Council
City of Alamosa, Colorado
Alamosa, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alamosa, Colorado (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 14, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

Certified Public Accountants

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regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Alamosa's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying corrective action plan. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 14, 2026

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**



Wall,
Smith,
Bateman Inc.

To the Honorable Mayor and City Council
City of Alamosa, Colorado
Alamosa, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Alamosa, Colorado's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2025-002. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were

not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and question costs as Finding 2025-002 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance and internal control over compliance finding identified in our compliance audit described in the accompanying corrective action plan. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 14, 2026

CITY OF ALAMOSA, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- | | | |
|--|----------------|--------------------|
| ▪ Material weakness(es) identified? | _____yes | _____X_____no |
| ▪ Significant deficiency(ies) identified that are not considered to be material weakness(es)? | _____X_____yes | _____none reported |
| ▪ Noncompliance material to financial statements noted? | _____yes | _____X_____no |

Federal Awards

Internal control over major programs:

- | | | |
|--|----------------|--------------------------|
| ▪ Material weakness(es) identified? | _____X_____yes | _____no |
| ▪ Significant deficiency(ies) identified that are not considered to be material weakness(es)? | _____yes | _____X_____none reported |

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____X_____yes _____no

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/ State’s Program and Non-Entitlement Grants in Hawaii

Dollar threshold used to distinguish between type A and type B programs: \$1,000,000

Auditee qualified as a low-risk auditee? _____X_____yes _____no

Section II – Financial Statement Findings

Finding 2025-001: Internal Control over Financial Reporting
(Repeat of Finding 2024-001, 2023-001, 2022-001)

Type of finding: Internal Control (significant deficiency)

Criteria: A system of internal control should include procedures to ensure financial transactions and capital asset activity are properly tracked and reconciled, grant activity is monitored, and non-routine transactions are properly evaluated and recorded to ensure financial statements are prepared in accordance with generally accepted accounting principles.

Condition: The City's internal control procedures were not sufficient to identify and correct errors related to financial reporting on a timely basis. During the audit, adjustments were required to properly record financial activity and account balances, including non-routine transactions related to lease and subscription-based information technology arrangement (SBITA) agreements entered into during the year. In addition, grant reimbursement requests were not

CITY OF ALAMOSA, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

submitted timely, resulting in the use of City cash resources while grant funds remained available for reimbursement. Capital asset records were also not updated accurately, resulting in adjustments to capital asset balances and activity.

Cause: Existing control procedures were not effective in ensuring financial transactions, capital asset activity, grant-related activity, and non-routine transactions were accurately recorded and reconciled throughout the year.

Effect: Audit adjustments were required to properly state the financial statements in accordance with generally accepted accounting principles.

Recommendation: The City should continue strengthening its internal control procedures over financial reporting by implementing processes to ensure transactions are accurately recorded, capital asset records are maintained and reconciled, grant reimbursement requests are monitored and submitted timely, and non-routine transactions are evaluated for proper accounting treatment.

Management's Response: See corrective action plan.

Section III – Federal Award Findings and Questioned Costs

Finding 2025-002: **Community Development Block Grants/
State's Program and Non-Entitlement Grants in Hawaii
Assistance Listing No. 14.228
U.S. Department of Housing and Urban Development**

Compliance Requirement: Special Tests and Provisions

Grant No.: Not applicable

Type of finding: Internal Control (material weakness) and Compliance (material noncompliance)

Criteria: Contract provisions and Davis-Bacon labor standards under 29 CFR Part 5 require the contractor performing covered work to submit weekly certified payrolls and signed statements of compliance for each week in which contract work is performed.

Condition: The City did not obtain the required weekly certified payrolls from the contractor for work subject to Davis-Bacon wage rate requirements.

Cause: The City does not have a complete system of internal controls to ensure that contractors subject to Davis-Bacon wage rate requirements submit weekly certified payrolls for each week that contract work was performed.

Questioned Costs: None

Effect: The City is not in compliance with the provisions of 29 CFR Part 5 wage rate requirements. Without the required certified payrolls, the City cannot demonstrate that wage classifications, wage rates, and fringe benefits were reviewed for compliance prior to payment.

Recommendation: The City should establish and implement formal policies and procedures requiring weekly certified payrolls be obtained and reviewed against the applicable Davis-Bacon wage requirement before contractor payment. The review should be documented and include evidence of comparison of labor classifications, wage rates, fringe benefits, and reviewer approval.

Grantee's Response: See corrective action plan.

CITY OF ALAMOSA, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2025

Section II – Financial Statement Findings

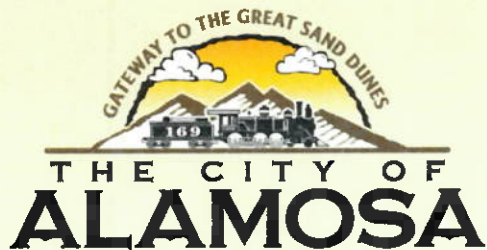
Finding 2024-001: Internal Control Over Financial Reporting
(Repeat of Finding 2023-001, 2022-001)

Type of finding: Internal Control (significant deficiency)

Condition/Cause: The City does not have a complete system of internal control to detect and correct financial misstatements, ensure grant related revenues and expenditures are reconciled, and required reporting over grants are completed timely.

Recommendation: The City should continue to strengthen its internal controls through the implementation of adopted policies and procedures to help ensure that grant reconciliation and required reporting are completed in a timely and accurate manner, and incorporating adequate communication between the finance and responsible program departments. In addition, the City should consider separating grant funding into distinct accounts on the general ledger. Consolidating grant funding into a single account can complicate the reconciliation of revenue to expenditures.

Status: Partially Implemented. (See Finding 2025-001.)



CORRECTIVE ACTION PLAN

Oversight Agencies: U.S. Department of Housing and Urban Development

City of Alamosa, Colorado respectfully submits the following corrective action plan for the year ended December 31, 2025.

Independent Accountants: Wall, Smith, Bateman Inc.
Certified Public Accountants
3001 Adcock Circle
Alamosa, CO 81101

Audit period: Year ended December 31, 2025

The findings from the December 31, 2025 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditors' Results, does not include findings and is not addressed.

Section II – Financial Statement Findings

Finding 2025-001: Internal Control Over Financial Reporting (Repeat of Finding 2024-001, 2023-001 and 2022-001)

Type of finding: Internal Control (significant deficiency)

Recommendation: The City should continue strengthening its internal control procedures over financial reporting by implementing processes to ensure transactions are accurately recorded, capital asset records are maintained and reconciled, grant reimbursement requests are monitored and submitted timely, and non-routine transactions are evaluated for proper accounting treatment.

Action Taken: Management will continue strengthening internal control procedures for grants, capital assets, and non-routine transactions. To ensure timely reimbursement and reporting, management will implement quarterly grant reconciliations. Additionally, a full review of the general ledger will be conducted to ensure all capital assets are accurately captured and recorded.



Section III – Federal Award Findings and Questioned Costs

**Finding 2025-002: Community Development Block Grants/
State's Program and Non-Entitlement Grants in Hawaii
Assistance Listing No. 14.228
U.S. Department of Housing and Urban Development**

Compliance Requirement: Special Tests and Provisions

Grant No.: Not applicable

Type of finding: Internal Control (material weakness) and Compliance (material noncompliance)

Recommendation: The City should establish and implement formal policies and procedures requiring weekly certified payrolls be obtained and reviewed against the applicable Davis-Bacon wage requirement before contractor payment. The review should be documented and include evidence of comparison of labor classifications, wage rates, fringe benefits, and reviewer approval.

Action Taken: Management will establish comprehensive, formal policies and procedures to ensure strict compliance with Davis-Bacon regulations alongside all applicable federal and state grant requirements.

If there are questions regarding this plan, please call the responsible parties listed below.

Sincerely yours,



Heather Sanchez
City Manager
City of Alamosa, Colorado



Emily Martinez
Finance Director
City of Alamosa, Colorado