CITY OF FORT LUPTON, COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

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INTRODUCTORY SECTION

Fort Lupton
COLORADO

Finance Department
130 S. McKinley Avenue Phone: 303-857-6694
Fort Lupton, CO 80621 Fax: 303.857.6090
www.fortluptonco.gov

June 29, 2026

Members of the Council
Of the City of Fort Lupton, Colorado

State Law requires that all general-purpose local governments publish within seven months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Fort Lupton (the City) for the fiscal year ended December 31, 2025.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

ClingerHagerman, LLC, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2025, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City is located in Weld County along State Highway 85 approximately 30 miles north of Denver. Fort Lupton encompasses 14.26 square miles and serves approximately 9,721 residents.

The City is the oldest continuously inhabited settlement in Weld County, founded in 1836 as a trading post on the banks of the South Platte River and was incorporated in 1890. The City operates under the council-manager form of government. Legislative and policy making authority is vested in the City Council, consisting of a mayor and six council members. The mayor is elected at large and the council is elected by wards. The mayor and council members are elected to four-year staggered terms with three to four members being elected every two years.

The Council is responsible for passing ordinances, adopting the annual budget, appointing committees, hiring the city administrator, clerk, attorney and judge. The city administrator is responsible for carrying out policies and ordinances passed by the council and appointing heads of departments to oversee the operations of the City.

The City provides a range of services to its residents including: police protection, courts, municipal water, sanitary sewer and storm water, construction and maintenance of streets, parks and trails, recreation center and golf course facilities, cultural events, planning, development, code enforcement and general government services.

LOCAL ECONOMY

The City's general fund revenues are derived 27% from sales taxes and 42% from property tax. These taxes are used to provide services such as police, parks, municipal court, planning and economic development, and general governmental services. In addition to services, the tax revenue in the general fund also provided for street maintenance and repair and the purchase of water. The major sources of tax revenue within the City are oil & gas, grocery stores, auto sales, and restaurants.

Four of the top ten major employers in the City are in the oil and gas industry or related services. The property tax valuation for 2024, taxes collected in 2025, increased 2%, due to the continued oil & gas extraction within the City. Sales Tax increased 8% in 2025.

LONG-TERM FINANCIAL PLANNING

The annual budget and the six-year capital improvement plan are the tools used by the City to project cash flows needed for improvements. Every department of the City is required to submit a capital request and six-year improvement plan by the end of July and a budget request for the following year, by the beginning of September. The Finance Department presents the budget to the City Administrator and Council for review and amendment before October 31st. Public hearings are held and the Council adopts the budget before December 15th.

The City monitors the budget throughout the year and adjusts as necessary to provide services and infrastructure improvements.

Sincerely,

Leann Perino

Leann Perino
Finance Director

CITY OF FORT LUPTON

PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2025

CITY COUNCIL

Chris Ceretto
Mayor
At-Large

Valerie Blackston
Council Member
Ward 1

David Crespin
Council Member
Ward 1

Bruce Davis
Council Member
Ward 2

Claud Hanes
Council Member
Ward 2

Michael Sanchez
Council Member
Ward 3

Bruce Fitzgerald
Council Member
Ward 3

LEGAL AND COURT

Andrew Ausmus
City Attorney

Frederick M. Goodbee
Municipal Court Judge

CITY ADMINISTRATION

Chris Cross
City Administrator

Maricela Pena
City Clerk

Leann Perino
Finance Director

Jeanelle Anderson
Court Coordinator

Travis Aksamitowski
Internal Technology Director

William Carnes
Interim Police Chief

Amanda Rice
Human Resource Manager

Beth Ann Gudmestad
Library Director

Doug Cook
Recreation Director

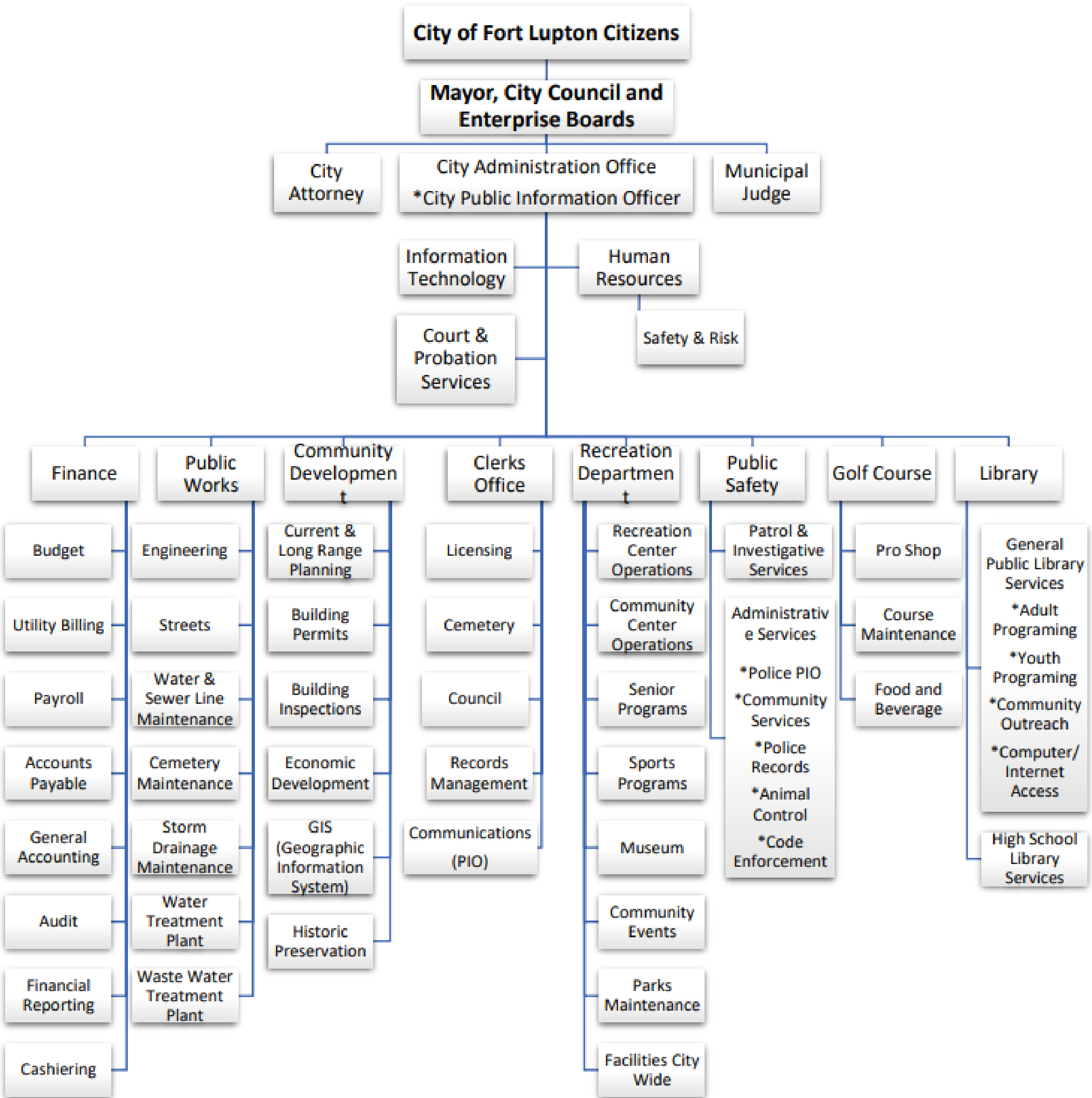
Tyler Tarpley
Golf Course Manager

Roy Vestal
Public Works Director/
City Engineer

Todd Hodges
City Planner
Todd Hodges Designs, LLC

Aaron Richardson
Wastewater/Water Plant
Operator – OMI

CITY OF FORT LUPTON
2025 FUNCTIONAL ORGANIZATIONAL CHART



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Fort Lupton, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fort Lupton, 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 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, the aggregate discretely presented component units, 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 Auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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

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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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison 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 statements, the Local Highway Finance Report, and 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*, 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 statements, the Local Highway Finance Report, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 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 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 City's internal control over financial reporting and compliance.

Clinger Hagerman, LLC

Greeley, Colorado
June 29, 2026

This discussion and analysis of the City's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the transmittal letter and the City's financial statements.

FINANCIAL HIGHLIGHTS

- The City's financial position continues to be strong and improving during 2025.

- The City's assets exceeded liabilities and deferred inflows of resources by $212,862,809 at the end of 2025. Of this amount, $48,481,600 or approximately 22.8% is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The remaining $164,381,209 includes $123,779,990 invested in capital assets, net of related debt, and $40,601,219 restricted by agreement or regulation.

- The City's total net position increased by $15,478,942 in 2025. Governmental Activities increased net position by $5,943,493. In the Governmental Activities, current assets increased $6,750,599, current liabilities increased $2,020,072 and deferred inflows of resources increased $5,711,612.

- The City's General Fund balance was $55,567,274 as of December 31, 2025; which is a decrease of $2,538,114 from the previous year. The unassigned fund balance in 2025 is $20,253,418 or 67.3% of expenditures.

- Sales tax revenue for the Governmental Funds increased by $1,329,165 or 11.3% in 2025.

- The enterprise funds had an unrestricted net position of $25,476,226, an increase of $15,486,631.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information including combining statements for nonmajor funds, and individual fund statements.

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The City's governmental activities include general government, public safety, public works, parks and recreation, and other auxiliary services. The business-type activities include water treatment, sewage treatment, storm water drainage, recreation center, and a golf course.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same function as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, which is considered to be a major fund for the City. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of combining statements elsewhere in the report.

The basic governmental fund financial statements can be found starting on page 15 of this report.

For the Proprietary Funds, the City maintains four operations that are considered enterprise in nature. The four enterprise funds are the Recreation Center, Utility Fund, Storm Water Drainage Fund and the Golf Fund which are presented in the business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Recreation Center, Utility Fund, Storm Water Drainage Fund and the Golf Fund, which are all considered major funds of the City.

The basic proprietary fund financial statements can be found starting on page 19 of this report.
The City adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all governmental and enterprise funds to demonstrate compliance with the budgets.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the financial statements.

In addition to the financial statements and accompanying notes, this report also includes required and other supplementary information.

CITY-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2025 assets exceeded liabilities and deferred inflows of resources by $212,862,809.

The following table provides a summary of the City's governmental and business-type net position for 2024 and 2025.

Table 1
Net Position
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current Assets	$ 81,247	$ 74,496	$ 49,464	$ 33,269	$ 130,711	$ 107,765
Capital Assets	65,206	58,853	143,877	119,472	209,083	178,325
Total Assets	146,453	133,349	193,341	152,741	339,794	286,090
Liabilities:						
Current Liabilities	3,919	1,899	7,817	5,311	11,736	7,210
Long-Term Liabilities	4,823	5,395	92,024	64,141	96,847	69,536
Total Liabilities	8,742	7,294	99,841	69,452	108,583	76,746
Deferred Inflows of Resources	15,749	10,037	2,598	1,923	18,347	11,960
Net Position:						
Net Investment in Capital Assets	62,934	57,617	60,846	50,827	123,780	108,444
Restricted	20,652	21,319	19,948	20,549	40,600	41,868
Unrestricted	38,376	37,082	10,106	9,990	48,482	47,072
Total Net Position	$ 121,962	$ 116,018	$ 90,900	$ 81,366	$ 212,862	$ 197,384

A significant portion of the City's net position (50.9%) reflects its investment in capital assets. These assets include land, buildings, machinery, equipment, and infrastructure. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Another small portion of the City's net position (19.1%) represents resources that are subject to external restrictions and City ordinance on how they may be used. Of this, 3.5% of the funds are restricted for the payment of debt, 4.8% is restricted for the purchase of water, 5.8% of the funds have been legally restricted by ordinance for the purchase and maintenance of infrastructure, 3.0% of funds have been restricted by ordinance for use in parks and recreation, and 0.1% of the funds are restricted by the State of Colorado Conservation Trust Fund for use in parks and recreation.

Governmental and Business-type activities increased the City's net position by $15,478,942 in 2025. The following table indicates the changes in net position for governmental and business-type activities in 2025.

Table 2
Changes in Net Position
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Service	$ 2,175	$ 2,443	$ 12,446	$ 14,301	$ 14,621	$ 16,744
Operating Grants and Contributions	710	238	-	-	710	238
Capital Grants and Contributions	89	1,107	6,611	4,775	6,700	5,882
General Revenue:						
Sales Tax	14,277	13,183	-	-	14,277	13,183
Property Taxes	9,991	9,568	1,975	2,198	11,966	11,766
Other Taxes	499	1,096	-	-	499	1,096
Grants	-		3,853		3,853	
Other Revenue	3,537	7,866	1,421	2,479	4,958	10,345
Total Revenue	31,278	35,501	26,306	23,753	57,584	59,254
Expenses:						
General Government	6,597	6,144	-	-	6,597	6,144
Public Safety	4,746	4,735	-	-	4,746	4,735
Public Works	8,066	7,973	-	-	8,066	7,973
Culture, Parks, and Recreation	2,003	1,426	-	-	2,003	1,426
Other	3,292	3,949	-	-	3,294	3,950
Utilities	-	-	11,292	9,382	11,292	9,382
Storm Water Drainage	-	-	113	160	113	160
Recreation	-	-	2,612	2,467	2,612	2,467
Golf	-	-	3,385	2,704	3,385	2,704
Total Expenses	24,704	24,227	17,402	14,713	42,108	38,941
Increase (Decrease) in Net Position Before Transfers	6,574	11,274	8,904	9,040	15,476	20,313
Transfers	(630)	(2,509)	630	2,510	-	1
Increase (Decrease) in Net Position	5,944	8,765	9,534	11,550	15,476	20,314
Net Position - Beginning of Year	116,018	107,253	81,366	69,816	197,384	177,069
NET POSITION - END OF YEAR	$ 121,962	$ 116,018	$ 90,900	$ 81,366	$ 212,860	$ 197,383

Governmental Activities – Governmental activities increased the City's net position by $5,943,493 in 2025. Key elements of this increase are as follows:

- Revenues decreased $4,225,671 or (11.9%) primarily due to a slowdown of contribution of streets and infrastructure by annexation and development.
- Expenses increased $474,286 or 2.0% in mostly recreation fees.

Business-type Activities – Business-type activities increased the City's net position by $9,535,449 in 2025. The key elements are as follows:

- Revenues increased $2,554,764 or 10.8% due to increased grant funding through the drinking water revolving fund.

- Expenses increased $2,689,637 or 18.3% due to an increase in recreational activities and operations with the new recreation center.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds Overview – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2025, the combined ending fund balance of the City government's funds was $62,311,892 with $20,253,418 in unassigned, which is available as working capital and for current spending in accordance with the purposes of specific funds.

The City has one major governmental fund.

1. General Fund. This is the primary operating fund of the City. It accounts for many of the City's core services, such as law enforcement, legal and court, public works, planning, finance and administration. The general fund balance was $55,567,274 as of December 31, 2025, of which $20,253,418 was unassigned. The 2025 general fund balance decreased $2,538,114. This fund generates a 1% sales tax reserved for the operation and maintenance of the water treatment facility, as well as purchase of water for future needs. The fund also collects a 1/2% sales tax reserved for street improvements and maintenance. The water and street sales tax accounts for 88.8% of the $13,973,664 restricted balance in the general fund.

PROPRIETARY FUNDS OVERVIEW

The City's proprietary fund statements provide the same information found in the government-wide statements, but in more detail. The City has three major enterprise-type funds. These are 1) Utility Enterprise Fund, 2) Golf Course Fund, and 3) Recreation Center Fund.

1. Utility Enterprise Fund – This fund generates revenue through billings for water and sewer usage in the incorporated area of the City. Funds are utilized for the maintenance of the sewer treatment plant, water treatment plant, and the various water and sewer infrastructure for the City. The net position for this fund was $81,555,910 an increase of $9,542,494 compared to 2024, with 9.3% of the assets obligated to debt service. The increase is largely due to an increase in charges for services revenue with the growing population.

2. Golf Course Fund – This fund accounts for the operation of the Coyote Creek Golf Course, which is City owned. At year-end the golf course net position was ($1,282,363), an increase of 17.0%, largely due to increased revenues under the new dynamic pricing fee structure.

3. Recreation Center Fund – Provides various activities for the citizenry of all ages. At year-end the unrestricted net position totaled ($767,110), a decrease of $576,618 from 2024. Operating costs increased 26.8% and property tax revenue decreased 10.1%.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund; excluding funds consolidated with the General Fund for reporting purposes (see General Fund Budgetary Comparison Schedule in Required Supplementary information).

The Council appropriated $43,188,736 for general fund expenditures and other financing uses, no reserves.

Table 3
General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenue and Other Financing Sources	$ 23,843,751	$ -	24,905,411	$ 28,261,703
Expenditures and Other Financing Uses	43,188,736	-	44,705,828	30,799,817

Actual expenditures are under budget by $16,088,403, due to capital projects not started in 2025.

The revenues are over budget by $2,224,599 due to underestimating sales tax, property tax, use tax building permits and interest revenue in the 2025 budget.

On a budgetary basis, the ending fund balance increased by $33,784. This differs from the GAAP basis fund balance reported in the financial statements due to the inclusion of certain revenues and expenditures outside of the legally adopted budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

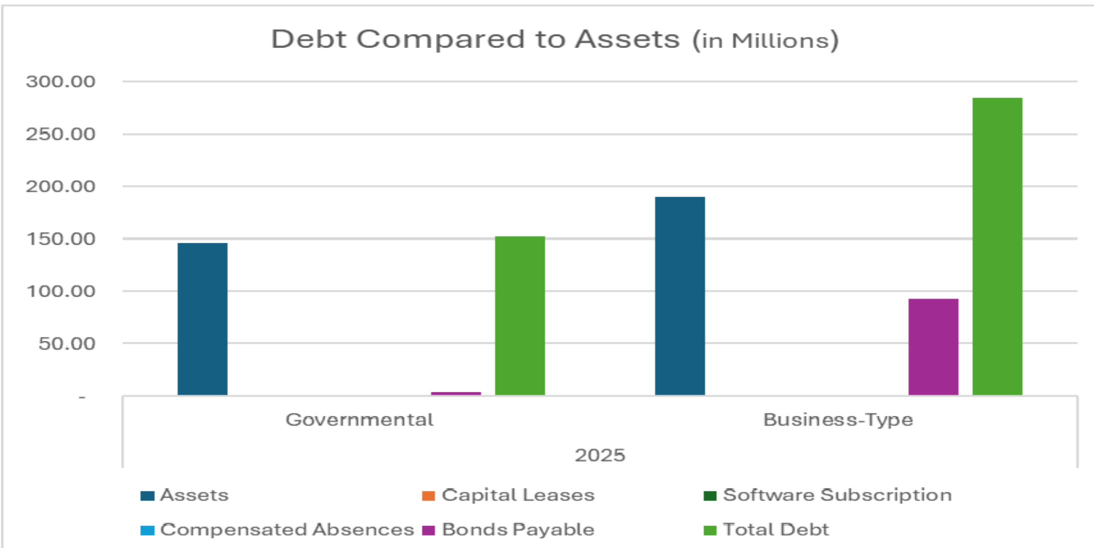
The City's net investment in capital assets for its governmental and business-type activities as of December 31, 2025 totals $123,779,990 (net of accumulated depreciation, amortization and related debt). This investment includes land, buildings, machinery, equipment, and infrastructure. The increase in investment in capital assets for the current fiscal year is $15,336,233 which is primarily due to water infrastructure projects.

Additional information on the City's capital assets can be found in Note 6 of this report.

At December 31, 2025, the City had outstanding long-term debt totaling $100,040,108. This debt consists of 1) bonds payable; 2) loans payable; 3) leases; 4) subscription-based IT arrangements (SBITA) and 5) compensated absences payable. Debt increased in the enterprise funds by $27,883,232. The increase was primarily due to $30,402,745 loan proceeds for certain water resource projects.

A debt limit is not imposed by the State of Colorado, but it is measured by the worth of the entity. Below is a graphic presentation of each of the debt segments compared to the assets of the City segregated into governmental and business-type activities:

Table 4
Debt Compared to Assets
(In Millions)



Additional information on the City's debt can be found in Note 7.

Other matters: The following factors are expected to have a significant effect on the City's financial position or results of operations and were considered in developing the 2026 budget.

- The Planning Department continues to work with developers and building permits for new single-family housing and commercial construction continues to have a positive effect on revenues in all funds.

- The City Council is supportive of the development plan for the City, which will position us well for the upcoming growth and development that the City should experience.

- The Public Works director has been working on large infrastructure projects.

  - The wastewater connection to Metro Water Recovery (MWR) designed in 2020, started construction in October 2024. Estimated project completion date is June 2026. Flows to the MWR North facility started in late 2025.

  - A one-million-gallon water tower was designed in 2024. An application for funding through the Colorado Water Resource and Power Development Authority was approved in 2025, construction started in 2025 and is expected to be completed in 2027.

  - The Harrison street project began in 2023 will continue into 2026.

- Design of a new City Hall building began in November 2024. Construction began in 2025 and is estimated to take eighteen months to complete. Funding from the project will come from reserves in the general fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. For questions concerning any of the information provided in this or for additional financial information, those should be addressed to the Fort Lupton City Administrator, 130 South McKinley Avenue, Fort Lupton, CO 80621.

CITY OF FORT LUPTON
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Public and School Library	Fort Lupton Urban Renewal Authority
ASSETS					
Current Assets:					
Cash and Investments	$ 55,369,476	$ 16,155,392	$ 71,524,868	$ 12,667,376	$ 1,438,841
Restricted Cash	738,106	16,864,313	17,602,419	129,441	-
Receivables:					
Accounts	253,455	19,984,041	20,237,496	3,690	-
Property Taxes	15,749,029	2,597,915	18,346,944	-	452,122
Sales Tax	2,442,709	-	2,442,709	-	-
Internal Balance	6,647,490	(6,647,490)	-	-	-
Prepaid Items	46,250	174,689	220,939	-	-
Inventory	-	59,613	59,613	-	-
Other Assets	-	275,402	275,402	-	-
Total Current Assets	81,246,515	49,463,875	130,710,390	12,800,507	1,890,963
Non-Current Assets:					
Capital Assets:					
Nondepreciable Capital Assets	29,236,689	93,928,046	123,164,735	850,754	-
Depreciable Capital Assets, Net	35,465,804	48,629,276	84,095,080	7,939,677	-
Right to Use Leased Assets, Net	407,691	1,319,385	1,727,076	-	-
Right to Use SBITA Asset, Net	95,861	-	95,861	-	-
Total Long-Term Assets	65,206,045	143,876,707	209,082,752	8,790,431	-
Total Assets	$ 146,452,560	$ 193,340,582	$ 339,793,142	$ 21,590,938	$ 1,890,963

See accompanying Notes to Financial Statements.

CITY OF FORT LUPTON
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Public and School Library	Fort Lupton Urban Renewal Authority
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 2,197,761	$ 4,688,057	$ 6,885,818	$ 102,195	$ 15,833
Accrued Expenses	387,833	669,630	1,057,463	44,013	-
Unearned Revenue	600,000	-	600,000	-	-
Long-Term Liabilities Due Within One Year:					
Bonds Payable	-	846,813	846,813	-	5,000
Loans Payable	465,946	1,208,915	1,674,861	-	-
Financed Purchase Arrangement	-	89,241	89,241	-	-
Leases Payable	214,004	207,807	421,811	-	-
SBITA Payable	45,122	-	45,122	-	-
Compensated Absences	8,354	106,888	115,242	40,595	-
Total Current Liabilities	3,919,020	7,817,351	11,736,371	186,803	20,833
Long-Term Liabilities:					
Long-Term Liabilities Due in More Than One Year:					
Loans Payable	3,909,046	54,293,730	58,202,776	-	-
Bonds Payable	-	36,050,589	36,050,589	-	5,000
Finance Purchase Arrangement	-	471,618	471,618	-	-
Leases Payable	273,618	1,157,753	1,431,371	-	-
Compensated Absences	639,863	50,801	690,664	-	-
Total Long-Term Liabilities	4,822,527	92,024,491	96,847,018	-	5,000
Total Liabilities	8,741,547	99,841,842	108,583,389	186,803	25,833
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	15,749,029	2,597,915	18,346,944	-	452,122
Total Deferred Inflows of Resources	15,749,029	2,597,915	18,346,944	-	452,122
NET POSITION					
Net Investment in Capital Assets	62,933,573	60,846,417	123,779,990	8,790,431	-
Restricted for Purchase of Water	-	10,223,112	10,223,112	-	-
Restricted for Water Resource Projects	-	3,000,000	3,000,000	-	-
Restricted for Debt Service	730,650	6,641,202	7,371,852	-	-
Restricted for Streets and Water Projects	12,408,823	-	12,408,823	-	-
Restricted for Culture, Parks, and Recreation	6,397,553	-	6,397,553	-	-
Restricted for Cemeteries	162,148	-	162,148	-	-
Restricted for Donations	32,200	-	32,200	129,441	-
Restricted for Police Evidence	8,301	-	8,301	-	-
Restricted for Emergencies	913,007	84,223	997,230	88,785	19,200
Unrestricted	38,375,729	10,105,871	48,481,600	12,395,478	1,393,808
Total Net Position	$ 121,961,984	$ 90,900,825	$ 212,862,809	$ 21,404,135	$ 1,413,008

See accompanying Notes to Financial Statements.

CITY OF FORT LUPTON
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenue (Expense) and Changes in Net Position			Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Public and School Library	Fort Lupton Urban Renewal Authority
GOVERNMENTAL ACTIVITIES									
General Government	$ 6,596,651	$ 718,448	$ 51,450	$ 41,729	$ (5,785,024)	$ -	$ (5,785,024)	$ -	$ -
Public Safety	4,746,169	258,152	-	-	(4,488,017)	-	(4,488,017)	-	-
Public Works	8,065,528	578,882	-	-	(7,486,646)	-	(7,486,646)	-	-
Culture, Parks, and Recreation	2,002,611	619,849	658,559	47,322	(676,881)	-	(676,881)	-	-
Other	3,291,722	-	-	-	(3,291,722)	-	(3,291,722)	-	-
Total Governmental Activities	24,702,681	2,175,331	710,009	89,051	(21,728,290)	-	(21,728,290)	-	-
BUSINESS-TYPE ACTIVITIES									
Utilities	11,292,191	8,512,985	-	6,611,218	-	3,832,012	3,832,012	-	-
Storm Water Drainage	112,988	354,072	-	-	-	241,084	241,084	-	-
Golf	2,612,478	2,836,806	-	-	-	224,328	224,328	-	-
Recreation	3,384,764	741,982	-	-	-	(2,642,782)	(2,642,782)	-	-
Total Business-Type Activities	17,402,421	12,445,845	-	6,611,218	-	1,654,642	1,654,642	-	-
Total Primary Government	$ 42,105,102	$ 14,621,176	$ 710,009	$ 6,700,269	(21,728,290)	1,654,642	(20,073,648)	-	-
COMPONENT UNITS									
Public and School Library	$ 1,771,327	$ 517,256	$ 2,442,252	$ -				$ 1,188,181	$ -
Fort Lupton Urban Renewal Authority	49,260	-	-	-				-	(49,260)
Total Component Units	$ 1,820,587	$ 517,256	$ 2,442,252	$ -				1,188,181	(49,260)
GENERAL REVENUES AND TRANSFERS									
Taxes:									
Sales and Use					14,276,775	-	14,276,775	-	-
Property					9,990,995	1,975,354	11,966,349	-	622,360
Other					498,821	-	498,821	-	-
Grants not Restricted to Specific Programs					-	3,853,297	3,853,297	-	-
Investment Earnings					2,299,053	1,412,364	3,711,417	-	17,637
Miscellaneous					1,217,648	9,750	1,227,398	-	-
Gain on sale of capital assets					16,750	-	16,750	-	-
Insurance Proceeds					1,783	-	1,783	-	-
Transfers					(630,042)	630,042	-	-	-
Total General Revenue and Transfers					27,671,783	7,880,807	35,552,590	-	639,997
CHANGES IN NET POSITION					5,943,493	9,535,449	15,478,942	1,188,181	590,737
Net Position - Beginning of Year					116,018,491	81,365,376	197,383,867	20,215,954	822,271
NET POSITION - END OF YEAR					$ 121,961,984	$ 90,900,825	$ 212,862,809	$ 21,404,135	$ 1,413,008

See accompanying Notes to Financial Statements.

CITY OF FORT LUPTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Nonmajor Governmental Funds	Total
ASSETS			
Cash and Investments	$ 48,231,768	$ 7,137,708	$ 55,369,476
Restricted Cash	738,106	-	738,106
Receivables:			
Accounts	253,455	-	253,455
Property Taxes	15,749,029	-	15,749,029
Sales Tax	2,150,644	292,065	2,442,709
Prepaid Items	46,250	-	46,250
Due from Other Funds	581,013	-	581,013
Advance to Golf Course Fund	6,066,477	-	6,066,477
Total Assets	$ 73,816,742	$ 7,429,773	$ 81,246,515
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 2,146,154	$ 51,607	$ 2,197,761
Accrued Expenditures	354,285	33,548	387,833
Unearned Revenue	-	600,000	600,000
Total Liabilities	2,500,439	685,155	3,185,594
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	15,749,029	-	15,749,029
Total Deferred Inflows of Resources	15,749,029	-	15,749,029
FUND BALANCES			
Nonspendable	6,112,727	-	6,112,727
Restricted	13,973,664	6,679,018	20,652,682
Committed	2,468,625	-	2,468,625
Assigned	15,000,000	65,600	15,065,600
Unassigned	18,012,258	-	18,012,258
Total Fund Balances	55,567,274	6,744,618	62,311,892
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 73,816,742	$ 7,429,773	$ 81,246,515

See accompanying Notes to Financial Statements.

CITY OF FORT LUPTON
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2025

Total Fund Balance - Governmental Funds	$ 62,311,892
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, the underlying resources are not recognized currently in the governmental funds.	
Capital Assets, net	64,702,493
Right-to-use Leased Assets, net	407,691
Subscriptions, net	95,861
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Loans Payable	(4,130,000)
Unamortized Premiums on Loans	(244,992)
Compensated Absences	(648,217)
Leases Payable	(487,622)
Subscriptions Payable	(45,122)
Net Position of Governmental Activities	$ 121,961,984

See accompanying Notes to Financial Statements.

CITY OF FORT LUPTON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	*Formerly Major Fund* Culture, Parks, and Recreation	Nonmajor Governmental Funds	Total
REVENUES				
Taxes and Assessments	$ 23,014,852	$ -	$ 1,751,739	$ 24,766,591
Licenses and Permits	708,363	-	-	708,363
Intergovernmental	688,439	-	110,621	799,060
Charges for Services	1,137,242	-	230,294	1,367,536
Fines and Forfeits	99,432	-	-	99,432
Interest Income	2,065,739	-	233,314	2,299,053
Other	529,103	-	688,545	1,217,648
Total Revenues	28,243,170	-	3,014,513	31,257,683
EXPENDITURES				
Current:				
General Government	6,058,857	-	-	6,058,857
Public Safety	4,393,187	-	-	4,393,187
Public Works	3,169,678	-	-	3,169,678
Culture, Parks, and Recreation	-	-	1,441,870	1,441,870
Other	3,291,722	-	-	3,291,722
Capital Outlay	12,230,024	-	225,409	12,455,433
Debt Service:				
Principal	705,864	-	-	705,864
Interest	227,250	-	-	227,250
Debt Issuance Cost	2,500	-	-	2,500
Total Expenditures	30,079,082	-	1,667,279	31,746,361
REVENUES OVER (UNDER) EXPENDITURES	(1,835,912)	-	1,347,234	(488,678)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	90,693	90,693
Transfers Out	(720,735)	-	-	(720,735)
Insurance Proceeds	1,783	-	-	1,783
Proceeds from Sale of Capital Assets	16,750	-	-	16,750
Total Other Financing Sources (Uses)	(702,202)	-	90,693	(611,509)
NET CHANGE IN FUND BALANCES	(2,538,114)	-	1,437,927	(1,100,187)
Fund Balances - Beginning of Year, as previously presented	58,105,388	4,974,671	332,020	63,412,079
Change within financial reporting entity (major to nonmajor)	-	(4,974,671)	4,974,671	-
Fund Balances - Beginning of Year, as restated	-	-	5,306,691	-
FUND BALANCES - END OF YEAR	$ 55,567,274	$ -	$ 6,744,618	$ 62,311,892

See accompanying Notes to Financial Statements.

CITY OF FORT LUPTON
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balance - Governmental Funds		$ (1,100,187)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for Capital Assets	12,455,433	
Current Year Depreciation	(5,777,518)	
Current Year Amortization - Leases	(213,923)	
Current Year Amortization - SBITAs	(110,968)	6,353,024
Debt proceeds provide current financial resources for 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.		
Principal Payments on Notes	415,000	
Principal Payments on Leases	209,326	
Principal Payments on Subscriptions Payable	81,538	705,864
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.		
Compensated Absences, Net	(46,154)	
Amortization of Premiums on Debt	30,946	(15,208)
Change in Net Position of Governmental Activities as Reported in the Statement of Activities		$ 5,943,493

See accompanying Notes to Financial Statements.

CITY OF FORT LUPTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Utility Enterprise Fund	Golf Course Fund	Recreation Center Fund	*Formerly Major Fund* / *Nonmajor* StormWater Drainage Fund	Total
ASSETS					
Current Assets:					
Cash and Investments	$ 11,943,509	$ 1,401,313	$ -	$ 2,810,570	$ 16,155,392
Restricted Cash	15,844,045	-	1,020,268	-	16,864,313
Receivables:					
Accounts Receivable	19,888,990	61	66,140	28,850	19,984,041
Property Tax Receivable	-	-	2,597,915	-	2,597,915
Inventory	-	59,613	-	-	59,613
Prepaid Items	174,464	225	-	-	174,689
Total Current Assets	47,851,008	1,461,212	3,684,323	2,839,420	55,835,963
Noncurrent Assets:					
Nondepreciable:					
Land	372,077	3,383,203	-	-	3,755,280
Water Rights	54,356,881	-	-	-	54,356,881
Construction in Progress	34,966,964	-	-	848,921	35,815,885
Depreciable:					
Wells	1,027,539	-	-	-	1,027,539
Buildings and Land Improvements	13,226,660	1,624,300	19,926,124	-	34,777,084
Utility System	39,390,764	-	-	2,440,935	41,831,699
Equipment	8,707,792	1,293,021	686,153	-	10,686,966
Total	152,048,677	6,300,524	20,612,277	3,289,856	182,251,334
Less: Accumulated Depreciation	(31,148,047)	(2,149,645)	(5,848,009)	(548,311)	(39,694,012)
Capital Assets, Net	120,900,630	4,150,879	14,764,268	2,741,545	142,557,322
Leased Assets	2,201,931	-	-	-	2,201,931
Accumulated Amortization	(882,546)	-	-	-	(882,546)
Leased Assets, Net	1,319,385	-	-	-	1,319,385
Total Noncurrent Assets	122,220,015	4,150,879	14,764,268	2,741,545	143,876,707
OTHER ASSETS					
Inclusion Fee	275,402	-	-	-	275,402
Total Other Assets	275,402	-	-	-	275,402
Total Assets	170,346,425	5,612,091	18,448,591	5,580,965	199,988,072

See accompanying Notes to Financial Statements.

CITY OF FORT LUPTON
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Utility Enterprise Fund	Golf Course Fund	Recreation Center Fund	*Formerly Major Fund* / *Nonmajor* StormWater Drainage Fund	Total
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 4,484,483	$ 116,274	$ 33,340	$ 53,960	$ 4,688,057
Accrued Expenses	541,801	43,956	83,873	-	669,630
Due to Other Funds	-	-	581,013	-	581,013
Long-Term Liabilities Due Within One Year:					
Bonds Payable	846,813	-	-	-	846,813
Loans Payable	1,033,915	-	175,000	-	1,208,915
Financed Purchase Arrangement	-	89,241	-	-	89,241
Leases Payable	207,807	-	-	-	207,807
Compensated Absences	-	106,888	-	-	106,888
Total Current Liabilities	7,114,819	356,359	873,226	53,960	8,398,364
Long-Term Liabilities:					
Advance from General Fund	-	6,066,477	-	-	6,066,477
Loans Payable	44,467,354	-	9,826,376	-	54,293,730
Bonds Payable	36,050,589	-	-	-	36,050,589
Financed Purchase Arrangement	-	471,618	-	-	471,618
Leases Payable	1,157,753	-	-	-	1,157,753
Compensated Absences	-	-	50,801	-	50,801
Total Long-Term Liabilities	81,675,696	6,538,095	9,877,177	-	98,090,968
Total Liabilities	88,790,515	6,894,454	10,750,403	53,960	106,489,332
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	-	-	2,597,915	-	2,597,915
Total Deferred Inflows of Resources	-	-	2,597,915	-	2,597,915
NET POSITION					
Net Investment in Capital Assets	49,805,920	3,590,020	4,762,892	2,687,585	60,846,417
Restricted for:					
Purchase of Water	10,223,112	-	-	-	10,223,112
Water Resource Projects	3,000,000	-	-	-	3,000,000
Debt Service	3,391,179	-	1,020,268	2,229,755	6,641,202
Emergencies	-	-	84,223	-	84,223
Unrestricted	15,135,699	(4,872,383)	(767,110)	609,665	10,105,871
Total Net Position	81,555,910	(1,282,363)	5,100,273	5,527,005	90,900,825

See accompanying Notes to Financial Statements.

CITY OF FORT LUPTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Utility Enterprise Fund	Golf Course Fund	Recreation Center Fund	*Formerly Major Fund* / *Nonmajor* StormWater Drainage Fund	Total
OPERATING REVENUES					
Charges for Services	$ 7,825,276	$ 2,117,239	$ 695,024	$ 354,072	$ 10,991,611
Sales of Merchandise	-	713,692	-	-	713,692
Other Income	687,709	5,875	46,958	-	740,542
Total Operating Revenues	8,512,985	2,836,806	741,982	354,072	12,445,845
OPERATING EXPENSES					
Salaries and Benefits	-	1,405,211	1,543,413	-	2,948,624
Professional Fees	283,856	23,858	78,279	-	385,993
Contract Management	1,320,201	-	-	-	1,320,201
Insurance	140,470	56	85,991	-	226,517
Repairs and Maintenance	669,913	101,737	69,018	-	840,668
Merchandise for Resale	-	373,494	2,620	-	376,114
Supplies	538,422	283,859	95,975	-	918,256
Utilities	317,776	123,218	166,036	-	607,030
Water Assessments	573,259	-	-	-	573,259
Depreciation and Amortization	2,615,221	187,168	783,061	112,988	3,698,438
Other	117,173	97,314	93,838	-	308,325
Total Operating Expenses	6,576,291	2,595,915	2,918,231	112,988	12,203,425
OPERATING INCOME (LOSS)	1,936,694	240,891	(2,176,249)	241,084	242,420
NONOPERATING REVENUES (EXPENSES)					
Property Taxes (Pledged for Debt)	-	-	1,975,354	-	1,975,354
Investment Income	1,227,143	37,809	90,060	57,352	1,412,364
Grants	3,853,297	-	-	-	3,853,297
Interest Expense	(2,965,198)	(16,563)	(466,533)	-	(3,448,294)
Administrative Fee - Trustee	(800)	-	-	-	(800)
Capital Contributions to Other Governments	(1,438,374)	-	-	-	(1,438,374)
Other	(311,528)	-	9,750	-	(301,778)
Total Nonoperating Revenues (Expenses)	364,540	21,246	1,608,631	57,352	2,051,769
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	2,301,234	262,137	(567,618)	298,436	2,294,189
TRANSFERS AND CAPITAL CONTRIBUTIONS					
Transfers In	630,042	-	-	-	630,042
Capital Contributions Tap Fees	4,069,075	-	-	-	4,069,075
Capital Contributions	2,542,143	-	-	-	2,542,143
Total Transfers and Capital Contributions	7,241,260	-	-	-	7,241,260
CHANGE IN NET POSITION	9,542,494	262,137	(567,618)	298,436	9,535,449
Net Position - Beginning of Year	72,013,416	(1,544,500)	5,667,891	5,228,569	81,365,376
NET POSITION - END OF YEAR	$ 81,555,910	$ (1,282,363)	$ 5,100,273	$ 5,527,005	$ 90,900,825

See accompanying Notes to Financial Statements.

CITY OF FORT LUPTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Utility Enterprise Fund	Golf Course Fund	Recreation Center Fund	*Nonmajor* StormWater Drainage Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	$ 8,196,956	$ 2,830,870	$ 716,692	$ 354,460	$ 12,098,978
Other Receipts	544,426	5,877	46,958	-	597,261
Payments to Suppliers and Service Providers	(1,434,351)	(985,898)	(1,315,659)	53,960	(3,681,948)
Payments to Employees for Salaries and Benefits	-	(1,379,862)	(1,538,597)	-	(2,918,459)
Net Cash Provided (Used) by Operating Activities	7,307,031	470,987	(2,090,606)	408,420	6,095,832
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Grants Received	853,297				853,297
Transfers from Other Funds	630,042	-	-	-	630,042
Due to Other Funds	-	-	581,013	-	581,013
Net Cash Provided (Used) by Noncapital and Related Financing Activities	1,483,339	-	581,013	-	2,064,352
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Contributions	6,557,219	-	-	-	6,557,219
Acquisition and Construction of Capital Assets	(27,872,381)	-	(93,384)	(137,595)	(28,103,360)
Metro Water Recovery Tap Fees	(1,438,374)	-	-	-	(1,438,374)
Proceeds from Debt Financing	14,886,018	-	-	-	14,886,018
Administration Fees	(800)	-	-	-	(800)
Principal on Notes, Bonds, and Leases	(1,477,440)	(87,259)	(170,000)	-	(1,734,699)
Interest on Notes, Bonds, and Leases	(3,083,200)	(16,563)	(487,761)	-	(3,587,524)
Property Taxes	-	-	1,975,354	-	1,975,354
Other	(311,528)	-	9,750	-	(301,778)
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,740,486)	(103,822)	1,233,959	(137,595)	(11,747,944)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	1,227,143	37,809	90,060	57,352	1,412,364
Net Cash Provided (Used) by Investing Activities	1,227,143	37,809	90,060	57,352	1,412,364
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,722,973)	404,974	(185,574)	328,177	(2,175,396)
Cash and Cash Equivalents - Beginning of Year	30,510,527	996,339	1,205,842	2,482,393	35,195,101
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 27,787,554	$ 1,401,313	$ 1,020,268	$ 2,810,570	$ 33,019,705

See accompanying Notes to Financial Statements.

CITY OF FORT LUPTON
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Utility Enterprise Fund	Golf Course Fund	Recreation Center Fund	*Nonmajor* StormWater Drainage Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	$ 1,936,694	$ 240,891	$ (2,176,249)	$ 241,084	$ 242,420
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,615,221	187,168	783,061	112,988	3,698,438
Changes in Assets and Liabilities:					
Accounts Receivable	228,397	(61)	(653,425)	388	(424,701)
Prepaid Items	(8,846)	870	-	-	(7,976)
Unearned Revenue	-	-	675,093	-	675,093
Inventory	-	(1,950)	-	-	(1,950)
Accounts Payable	2,244,168	18,718	(723,902)	53,960	1,592,944
Other Liabilities	-	15,813	(4,799)	-	11,014
Accrued Expenses	291,397	9,538	9,615	-	310,550
Net Cash Provided (Used) by Operating Activities	$ 7,307,031	$ 470,987	$ (2,090,606)	$ 408,420	$ 6,095,832
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and Investments	$ 11,943,509	$ 1,401,313	$ -	$ 2,810,570	$ 16,155,392
Restricted Cash	15,844,045	-	1,020,268	-	16,864,313
Total Cash and Investments	$ 27,787,554	$ 1,401,313	$ 1,020,268	$ 2,810,570	$ 33,019,705
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Amortization of Premium	$ 118,595	$ -	$ 21,228	$ -	$ 139,823

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Fort Lupton (City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. Reporting Entity

The City incorporated on February 4, 1890. In compliance with the Colorado Revised Statutes, the City is governed by an elected mayor and six-member Governing Council from three wards. The accompanying financial statements present the government and its component units, entities for which the primary government may potentially benefit financially or be financially responsible for the component unit. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

<u>Discretely Presented Component Units</u>

The Fort Lupton Urban Renewal Authority (FLURA) was established by Resolution 2015R43 on August 18, 2015 as an independent organization under Colorado Law with the objective of carrying on urban renewal activities. The FLURA board is appointed by the Mayor with the consent of the City Council. The City Council has no authority to modify or approve FLURA's budget. The City is not able to significantly influence the programs and decisions of the FLURA board. However, the economic resources of FLURA are primarily for the benefit of Fort Lupton constituents. FLURA does not issue separate financial statements.

The Fort Lupton Public and School Library (Library) was created in 1976 by an intergovernmental agreement between the City and Weld County School District RE-8 (the School). In 1985, the City and School entered into an intergovernmental agreement with Weld County and five other municipalities to create the Weld County Library District, now High Plains Library District. The City and the School appoint three members of the seven-member Library board. The six appointed members appoint their seventh member. The Library is funded by a property tax levied by the High Plains Library District. The 1976 intergovernmental agreement requires the City and School to fund the approved budgeted expenditures. The City Council approves by resolution the budget set by the Library board but has no ability to significantly influence the programs and running of the Library. However, the economic resources of the Library are primarily for the benefit of Fort Lupton constituents. The Library does not issue separate financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation – Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government has a significant financial relationship.

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

C. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City’s funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds in separate columns in the fund financial statements.

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

The City reports the following major governmental fund:

General Fund
The General Fund is the City’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation – Fund Financial Statements (Continued)

The City reports the following major enterprise funds:

Utility Enterprise Fund
The Utility Enterprise Fund accounts for all activities relating to the City's water and sanitary sewer systems.

Golf Course Fund
The Golf Course Fund accounts for the pro-shop, restaurant services, and maintenance of the golf course, club house and restaurant.

Recreation Center Fund
The Recreation Center Fund accounts for recreational services including exercise classes, equipment, gym facilities and a swimming pool.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources or economic resources.* The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and asset retirement obligations are recognized based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available once cash is received by the City.

E. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash balances, unless a separate account is required, are pooled for investment purposes. Earnings from such investments are allocated to the respective funds based on applicable cash participation by each fund.

For purposes of the statement of cash flows, the City's proprietary funds consider demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

2. Investments

Money market investments and participating interest earning investments that have a maturity of less than one year from the date of purchase are reported at amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Investments in the State Investment Pool are stated at amortized cost.

3. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

4. Accounts Receivable

All trade and other receivables are shown net of allowances for uncollectible amounts. Receivables are analyzed for their collectability based on the terms and conditions of agreements, as well as current economic conditions and consideration of the creditors' ability to pay.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

5. Interfund Balances

Activity between funds that is representative of lending or borrowing arrangements is reported as either “due to/from other funds” (current portion) or “advances to/from other funds (noncurrent portion).” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

6. Property Taxes

Under Colorado law, all property taxes become due and payable in the year following that in which they are levied. Property taxes are recognized as revenue when received by the County Treasurer. The 2025 fiscal year property tax calendar for Weld County was as follows:

Lien Date	January 1
Levy Date	December 29
Tax Bills Mailed	January 1
First Installment Due	February 28
Second Installment Due	June 15
If Paid in Full, Due	April 30
Tax Sale – Delinquent Property Tax	November 6

7. Inventories and Prepaid Items

Inventories consist principally of materials and supplies held for consumption and are recorded at cost using the first-in, first-out method for proprietary funds. Inventory in all other funds is not recorded, as it is not considered significant. The cost is recorded as an expenditure when the individual inventory items are purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In the governmental funds, reported prepaid items are classified as nonspendable fund balance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

8. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary fund financial statements. Capital assets, including infrastructure assets, are defined by the City as assets with an initial, individual cost of more than $25,000 and an estimated useful life in excess of one year.

Capital assets are capitalized and reported at cost or estimated historical cost. The costs of normal maintenance and repairs that do not materially extend the assets life are not capitalized. Contributed capital assets are recorded at acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Capital Asset Class	Lives
Buildings and Improvements	10-50
Land Improvements	10-50
Machinery, Equipment, and Vehicles	5-10
Distribution Systems	10-100
Streets	20-50

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The City recognizes lease assets with an initial, individual value of $5,000 or more.

Subscription based technology arrangement (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets. The City recognizes SBITA assets with an initial, individual value of $5,000 or more.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and the governmental funds balance sheet includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Under the modified accrual basis of accounting, deferred inflows of resources also include revenues not collected within the availability period after the fiscal year-end. The City has reported deferred inflows of resources related to unavailable revenues for property taxes. These amounts are deferred and will be recognized as an inflow of resources in the period that amounts become available.

10. Unearned Revenue

Unearned revenues are reported in connection with resources that have been received but not yet earned. The City’s unearned revenue consists primarily of revenue for the sale of bulk water for industrial use.

11. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

12. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

13. Fund Balance

The classifications of fund balances are described as follows:

Nonspendable Fund Balance - Consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - Consists of amounts that can be spent only for specific purposes because of constraints imposed by external resource providers (creditors, grantors contributors or laws or regulations of other governments) or imposed by constitutional provisions or enabling legislation.

Committed Fund Balance - Consists of amounts that can be used only for the specific purposes determined by a formal action (resolution) of the City's Council, the City's highest decision-making level of authority. Commitments may be changed or lifted only by the Council taking the same formal action that originally imposed the constraint.

Assigned Fund Balance - Consists of amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Intent may be expressed either by the Council or officials to which the Council has delegated authority. Through resolution, the City Council has authorized the City's Finance Director to assign fund balances.

Unassigned Fund Balance - Consists of the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Any deficit fund balance within the other governmental fund types is reported as unassigned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

13. Fund Balance (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or 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.

Minimum Fund Balance Policy - Resolution 98-035 set the minimum fund balances as follows: The Culture, Parks & Recreation Sales Tax Fund must maintain the 3% emergency reserve defined under Article X, Section 20 to the Colorado Constitution also known as the Taxpayer's Bill of Rights (TABOR); the General Fund, and Utility Enterprise Fund are required to maintain the 3% TABOR reserve plus an additional 10% in emergency reserves. Ordinance 2012-950 created a contingency reserve starting with $500,000 transferred from the General Fund's fund balance and two percent of the General Fund's property tax is transferred to the contingency reserve annually in accordance with the 2019 approval. The Golf Course Enterprise Fund is not required to maintain the 3% emergency reserve.

14. Net Position

Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt 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 are included in this component of net position.

Restricted Net Position - Is reported when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grants, laws or regulations of other governments.

Unrestricted Net Position - Is the amount of net position that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

15. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget for the proprietary funds is appropriated on a non-GAAP basis.

The appropriated budget is prepared at the fund level. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Appropriations in all budgeted funds lapse at the end of the fiscal year.

NOTE 3 DEPOSITS AND INVESTMENTS

A. Deposits

<u>Custodial Credit Risk</u>

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may be lost. The Colorado Public Deposit Protection Act requires that all deposits be deposited only in eligible public depositories and protected by collateral. The market value of collateral pledged must equal 102% of the aggregate uninsured deposits. State statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include local government investment pools and obligations of the United States Government, and certain other investment types. State Statutes require that securities pledged as collateral be held in safekeeping in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

The City follows State Statutes to address custodial credit risk for deposits, ensuring all deposits must be in compliance with State Statutes, with collateralization levels of 102% of the fair value of the principal and accrued interest. At year-end, the carrying amount of the City's deposits was $9,460,716 while the bank balance was $9,611,130. At December 31, 2025, all deposits were either insured or collateralized in accordance with the Colorado Public Deposit Protection Act.

B. Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, local government external investment pools, and certain other investment types.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State statute limits investment maturities to five years or less. Investments in local government pools have a maturity of less than one year.

As of December 31, 2025, the City had the following cash and investments:

Type	Rating	Carrying Value
Deposits:		
Cash on Hand		$ 2,600
Demand Deposits		9,460,716
Investments:		
Money Market	N/A	6,235
ColoTrust	AAAm by S & P	55,581,839
CSAFE Cash	AAAm by S & P	5,160,334
CSAFE Core	AAAf/S1 Fitch	18,915,563
Total Deposits and Investments		$ 89,127,287

Reconciliation of Statement of Net Position:	
Current	
Cash and Investments	$ 71,524,868
Restricted Cash	17,602,419
Total Deposits and Investments	$ 89,127,287

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State Statutes limit the investment grade that the City may invest in.

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1 - Quoted prices for identical investments in active markets,

Level 2 - Observable inputs other than those in Level 1; and

Level 3 - Unobservable inputs.

As of December 31, 2025, the City had invested $55,581,839 in the Colorado Local Government Liquid Asset Trust – PLUS, which is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to $1.00. As of December 31, 2025, the investments in ColoTrust were valued at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

As of December 31, 2025, the City had $24,075,897 invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The City has $5,160,334 invested in CSAFE Cash and $18,915,563 in Colorado CORE an enhanced cash fund through CSAFE. CSAFE Cash is a highly liquid Fund operating like a money market fund with a $1.00 transactional share price. CSAFE Cash operates under GASB 79 amortized cost basis method of determining transactional share price. CSAFE Colorado Core Fund (Core) is an ultra-short duration, enhanced cash fund intended for short to intermediate term minimum investment with a $2.00 transactional share price. Core has a minimum investment of $100,000 and allows a maximum of three redemptions per month. Core operated under GASB 31 and 72 methods of fair market valuation.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. The City places no limit on the amount that may be invested in any one issuer. The City invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) safety; 2) liquidity; and 3) yield. The City invests in two investment pools, the Colorado Liquid Assets Trust (COLOTRUST) and Colorado Surplus Asset Fund Trust (CSAFE). COLOTRUST and CSAFE operate under the Colorado Revised Statutes (24-75-701) and are overseen by Colorado Securities Commissioner. The pool invests in securities that are specified by the Colorado Revised Statutes (24-75-601). Authorized securities include U.S. treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA).

NOTE 4 RESTRICTED CASH AND INVESTMENTS

The restricted cash and investments in the governmental activities and business-type activities represents special development loan accounts, and specific use funds.

Restricted Cash and Investments:	
Business-Type Activities:	
2017 Series A Bonds	$ 1,856,195
CWCB Loan	176,787
2018 Bank of Colorado Loan	492,423
2022 CWRPDA Loan	2,229,755
2025 CWRPDA Water Tower Loan	865,774
Water Purchase Restriction	10,223,111
2023 Series Bond	1,020,268
Total	16,864,313
Governmental Activities:	
2023 Certificates of Participation	705,650
Revolving Loan Fund	25,000
Museum Bequest	7,456
Total	738,106
Total Restricted Cash and Investments	$ 17,602,419

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2025, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Recreation Center Fund	$ 581,013
Total		$ 581,013

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Golf Course Fund	$ 6,066,477
Total		$ 6,066,477

The amounts payable to the general fund relate to the certificates of participation, which were issued in June 2023, to pay off the outstanding golf course debt in the amount of $5,095,000 representing the par value and accrued interest on the 1996 construction bonds. None of the balance is scheduled to be collected in the subsequent year.

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The composition of interfund transfers as of December 31, 2025, is as follows:

	Utility Enterprise Fund	Cemetery Fund	Total
Transfers Out:			
General Fund	$ 630,042	$ 90,693	$ 720,735
Total	$ 630,042	$ 90,693	$ 720,735

Annually, the general fund transfers funds to cover the costs of irrigation water to the cemetery fund. The Council approved the transfer from the general fund to the utility enterprise fund to cover costs of major infrastructure projects that involved replacing water, sewer and storm drainage lines.

NOTE 6 CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 10,572,723	$ -	$ -	$ -	$ 10,572,723
Water Rights	2,173,700	4,820,000	-	-	6,993,700
Construction in Progress	8,111,854	6,423,649	-	(2,865,237)	11,670,266
Total Capital Assets, Not Being Depreciated	20,858,277	11,243,649	-	(2,865,237)	29,236,689
Capital Assets Being Depreciated:					
Building and Improvements	6,289,989	53,597	-	-	6,343,586
Land Improvements	5,065,180	38,874	-	-	5,104,054
Equipment and Machinery	5,908,233	666,443	(76,794)	-	6,497,882
Infrastructure	53,101,605	452,870	-	2,865,237	56,419,712
Subtotal	70,365,007	1,211,784	(76,794)	2,865,237	74,365,234
Less: Accumulated Depreciation for:					
Buildings and Improvements	(3,010,395)	(180,577)	-	-	(3,190,972)
Land Improvements	(1,469,823)	(438,721)	-	-	(1,908,544)
Equipment and Machinery	(4,050,862)	(511,610)	76,794	-	(4,485,678)
Infrastructure	(24,667,626)	(4,646,610)	-	-	(29,314,236)
Subtotal	(33,198,706)	(5,777,518)	76,794	-	(38,899,430)
Total Capital Assets Being Depreciated, Net	37,166,301	(4,565,734)	-	2,865,237	35,465,804
Right-to-Use Lease Assets and SBITAs:					
Buildings	273,862	-	-	-	273,862
Equipment	204,914	-	-	-	204,914
Vehicles	632,392	-	-	-	632,392
Software	328,962	-	-	-	328,962
Subtotal	1,440,130	-	-	-	1,440,130
Less: Accumulated Amortization for:					
Buildings	(100,416)	(54,772)	-	-	(155,188)
Equipment	(45,751)	(41,279)	-	-	(87,030)
Vehicles	(343,387)	(117,872)	-	-	(461,259)
Software	(122,133)	(110,968)	-	-	(233,101)
Subtotal	(611,687)	(324,891)	-	-	(936,578)
Total Right-to-Use Assets, Net	828,443	(324,891)	-	-	503,552
Total Governmental Activities Capital Assets, Net	$ 58,853,021	$ 6,353,024	$ -	$ -	$ 65,206,045

NOTE 6 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-Type Activities					
Capital Assets Not Being Depreciated:					
Land	$ 3,755,280	$ -	$ -	$ -	$ 3,755,280
Water Rights	48,149,654	6,207,227	-	-	54,356,881
Construction in Progress	19,145,887	20,456,401	-	(3,786,403)	35,815,885
Total Capital Assets, Not Being Depreciated	71,050,821	26,663,628	-	(3,786,403)	93,928,046
Capital Assets Being Depreciated:					
Wells	1,027,539	-	-	-	1,027,539
Land Improvements	1,100,678	-	-	-	1,100,678
Buildings	33,633,022	43,384	-	-	33,676,406
Utility Systems	36,698,948	1,346,348	-	3,786,403	41,831,699
Equipment	10,636,966	50,000	-	-	10,686,966
Subtotal	83,097,153	1,439,732	-	3,786,403	88,323,288
Less: Accumulated Depreciation for:					
Wells	(631,933)	(25,495)	-	-	(657,428)
Land Improvements	(1,001,672)	(13,654)	-	-	(1,015,326)
Buildings	(14,204,662)	(1,072,596)	-	-	(15,277,258)
Utility Systems	(15,980,809)	(1,157,678)	-	-	(17,138,487)
Equipment	(4,397,490)	(1,208,023)	-	-	(5,605,513)
Subtotal	(36,216,566)	(3,477,446)	-	-	(39,694,012)
Total Capital Assets Being Depreciated, Net	46,880,587	(2,037,714)	-	3,786,403	48,629,276
Right-to-Use Lease Assets and SBITAs:					
Land	2,173,297	-	-	-	2,173,297
Vehicles	28,634		-	-	28,634
Subtotal	2,201,931	-	-	-	2,201,931
Less: Accumulated Amortization for:					
Land	(646,066)	(215,356)	-	-	(861,422)
Vehicles	(15,491)	(5,633)	-	-	(21,124)
Subtotal	(661,557)	(220,989)	-	-	(882,546)
Total Right-to-Use Assets, Net	1,540,374	(220,989)	-	-	1,319,385
Total Business-Type Activities Capital Assets, Net	$ 119,471,782	$ 24,404,925	$ -	$ -	$ 143,876,707

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

Governmental Activities:	
General Government	$ 292,836
Public Safety	352,982
Public Works	4,895,850
Culture, Parks and Recreation	560,741
Total	6,102,409
Business-Type Activities:	
Utility	2,615,221
Storm Water Drainage	112,988
Golf Course	187,168
Recreation	783,061
Total	3,698,438
Total Depreciation and Amortization	$ 9,800,847

NOTE 6 CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Unit Capital Asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Library Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 850,754	$ -	$ -	$ -	$ 850,754
Total Capital Assets, Not Being Depreciated	850,754	-	-	-	850,754
Capital Assets Being Depreciated:					
Buildings and Improvements	8,247,571	-	-	-	8,247,571
Furniture and Fixtures	295,483	-	-	-	295,483
Subtotal	8,543,054	-	-	-	8,543,054
Less: Accumulated Depreciation for:					
Buildings and Improvements	(180,916)	(272,915)	-	-	(453,831)
Furniture and Fixtures	(90,449)	(59,097)	-	-	(149,546)
Subtotal	(271,365)	(332,012)	-	-	(603,377)
Total Capital Assets Being Depreciated, Net	8,271,689	(332,012)	-	-	7,939,677
Total Library Activities Capital Assets, Net	$ 9,122,443	$ (332,012)	$ -	$ -	$ 8,790,431

The Library building is part of Fort Lupton High School and is owned by Weld County School District RE-8. Although the Library owns all the contents, collections, and equipment in the Library none of these items exceed the $25,000 limit required for capitalization.

NOTE 7 NOTES AND BONDS PAYABLE AND CHANGES IN LONG-TERM DEBT

A summary of the changes in the City's long-term liabilities for the year ended December 31, 2025, are as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Governmental Activities:					
Direct Purchases - Certificates of Participation	$ 4,545,000	$ -	$ (415,000)	$ 4,130,000	$ 435,000
Premium	275,938	-	(30,946)	244,992	30,946
Total Certificates of Participation Payable	4,820,938	-	(445,946)	4,374,992	465,946
Leases Payable	696,948	-	(209,326)	487,622	214,004
Subscriptions Payable	126,660	-	(81,538)	45,122	45,122
Compensated Absences (1)	602,063	46,154	-	648,217	8,354
Total Governmental Activities	$ 6,246,609	$ 46,154	$ (736,810)	$ 5,555,953	$ 733,426

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Business-Type Activities:					
Revenue and General Obligation Bonds	$ 34,360,000	$ -	$ (655,000)	$ 33,705,000	$ 705,000
Revenue and General Obligation Bonds Premium	3,332,225	-	(139,823)	3,192,402	141,813
Total Bonds Payable	37,692,225	-	(794,823)	36,897,402	846,813
Loans Payable	25,891,746	30,403,345	(792,446)	55,502,645	1,208,915
Financed Purchase Arrangement	648,118	-	(87,259)	560,859	89,241
Leases Payable	1,565,554	-	(199,994)	1,365,560	207,807
Compensated Absences (1)	146,677	11,012	-	157,689	106,888
Total Business-Type Activities	$ 65,944,320	$ 30,414,357	$ (1,874,522)	$ 94,484,155	$ 2,459,664

(1) The change in the compensated absence liability is presented as a net change.

NOTE 7 NOTES AND BONDS PAYABLE AND CHANGES IN LONG-TERM DEBT (CONTINUED)

Financed Purchase Arrangement

During the current fiscal year, the City entered into a financed purchase arrangement in the amount of $698,118. Principal and interest is due in five payments annually, at an interest rate of 5.64%. The financing is being used for the purchase of golf course equipment. The equipment is secured as collateral for the borrowing. The business-type activities outstanding financed purchase arrangement obligation at December 31, 2025, is as follows:

	Business-Type		
Year Ending December 31,	Principal	Interest	Total
2026	$ 89,241	$ 53,157	$ 142,398
2027	91,334	45,100	136,434
2028	93,545	36,915	130,460
2029	286,739	28,422	315,161
Total	$ 560,859	$ 163,594	$ 724,453

Enterprise Bonds and Notes Payable

The City issues bonds to provide funds for utility and infrastructure projects, including the acquisition and construction of major capital facilities. Revenue bonds and notes payable outstanding at December 31, 2025, are as follows:

$25,195,000 Revenue Bond, Series 2019, for the purchase of 10 units of Windy Gap Water. Principal payments due annually on December 1, 2023 through 2047. Interest due June 1 and December 1, 2019 through 2047 with rates varying from 2% to 5%.

$10,000,000 General Obligation Bond Series 2023 with a $627,990 Premium, for the construction of additions to the Recreation Center. Principal and interest payments due December 1 starting in 2023 and ending December 1, 2052. Interest only payments due June 1 starting 2023. Interest rates start at 5% and decrease to 4% in 2043. The Recreation Center Construction Bonds are general obligation bonds paid with a voter approved dedicated mill levy.

$4,396,456 Carter Lake Pipeline Construction Loan from the State of Colorado through the Colorado Water Conservation Board. The forty-year loan requires annual payments of $160,716 beginning January 1, 1997, and provides for interest at 2%.

$5,500,000 Loan from the Bank of Colorado. This twenty-year loan requires monthly payments of $36,365 beginning December 30, 2019 and ending November 30, 2038 with an interest rate of 4.95% per annum. The Bank of Colorado loan for the construction of a 152-acre foot water storage reservoir located at the water treatment plant is collateralized with shares of Colorado Big Thompson Water.

$25,000,000 Wastewater Revenue Loan with $1,500,000 in loan forgiveness, owned by the Colorado Water Resources and Power Development Authority. Payments of principal and interest are due every May 1 and November 1, starting in 2023 and ending in 2052. Interest rate is fixed at 2.75%.

$23,839,000 Multiple Advance Promissory Note from CoBank with a maximum term of 20 years for wastewater improvement projects. The promissory notes allow for variable annual payments as principal is borrowed at a daily SOFR rate of 1.35%.

NOTE 7 NOTES AND BONDS PAYABLE AND CHANGES IN LONG-TERM DEBT (CONTINUED)

Enterprise Bonds and Notes Payable (Continued)

On June 12, 2025, the City entered into a Drinking Water State Revolving Fund loan agreement with the Colorado Water Resources and Power Development Authority, which provides funds to finance a portion of the costs of certain water resource projects. The loan was executed in the principal amount of $19,000,000. The loan is a direct borrowing loan and includes both loan and principal forgiveness components. The loan amount of $16,000,000 is being amortized over 30 years at a fixed rate of 2.75% and the remaining $3,000,000 is principal forgiveness. The loan matures in 2055. Funds are disbursed on a reimbursement basis as expenses are incurred. The loan proceeds are for a portion of the project to install an elevated storage tank, a new pump station, and associated pipelines.

The business-type activities outstanding bonds and notes obligations at December 31, 2025, is as follows:

Year Ending December 31,	Principal	Premiums	Interest	Total
2026	$ 1,913,915	$141,813	$ 3,071,352	$ 5,127,080
2027	2,274,617	141,813	3,045,285	5,461,715
2028	2,353,459	141,813	2,968,053	5,463,325
2029	2,445,080	141,813	2,953,071	5,539,964
2030	2,537,641	141,813	2,813,395	5,492,849
2031-2035	14,217,530	709,065	12,289,380	27,215,975
2036-2040	16,211,856	709,065	9,641,520	26,562,441
2041-2045	17,858,947	709,065	6,726,885	25,294,897
2046-2050	15,493,454	356,142	3,429,245	19,278,841
2051-2055	8,784,665	-	1,394,160	10,178,825
2056-2060	2,279,930	-	404,590	2,684,520
2061-2065	2,836,551	-	150,431	2,986,982
Total	$ 89,207,645	$3,192,402	$ 48,887,367	$ 141,287,414

The City has pledged future water revenues from the Utility Fund to repay revenue bonds. The bonds were issued for the purchase of Windy Gap water shares and the construction of various water infrastructure including wells and water distribution lines. At December 31, 2025 net revenue available for service of debt was $5,405,811. Debt principal and interest paid in 2025 equals $1,863,205 (34% of available pledged revenues).

NOTE 7 NOTES AND BONDS PAYABLE AND CHANGES IN LONG-TERM DEBT (CONTINUED)

Governmental Activities Certificates of Participation

The City obtained financing to pay off the outstanding golf course debt accrued on the 1996 construction bonds. The Fort Lupton City Hall Complex, including the City Hall and Koshio Park, was used as collateral for the issuance by Lease Indenture for which base rental fees are paid to the Trustee and then distributed for the payment of the certificates and related interest. The certificates of participation outstanding obligation at December 31, 2025, is as follows:

$5,095,000 General Certificates of Participation, Series 2023 with a $322,358 premium and a 5% interest rate. Principal and interest payments are due June 1 and December 1, 2023 and ending December 1, 2033. The debt service requirements for the certificates of participation is as follows:

Year Ending December 31,	Principal	Premiums	Interest	Total
2026	$ 435,000	$ 30,946	$ 206,500	$ 672,446
2027	455,000	30,946	184,750	670,696
2028	475,000	30,947	162,000	667,947
2029	500,000	30,946	138,250	669,196
2030	525,000	30,946	113,250	669,196
2031-2033	1,740,000	90,261	177,000	2,007,261
Total	$ 4,130,000	$ 244,992	$ 981,750	$ 5,356,742

Leases Payable

The City leases equipment through long-term, noncancelable lease agreements. The leases expire at various dates through 2032 and provide for various renewal options. The leases have payments that range from $1,522 to $254,663 and interest rates that range from 2.4500% to 4.0700%. The right-to-use lease assets and the related accumulated amortization are detailed in Note 6.

Principal and interest requirements to maturity under lease agreements are as follows:

	Business-Type		Governmental Activites		
Year Ending December 31,	Principal	Interest	Principal	Interest	Total
2026	$ 207,808	$ 53,157	$ 214,003	$ 10,785	$ 485,753
2027	211,226	45,100	209,479	4,171	469,976
2028	217,748	36,915	64,140	965	319,768
2029	226,241	28,422	-	-	254,663
2030	235,064	19,599	-	-	254,663
2031-2032	267,473	11,337	-	-	278,810
Total	$ 1,365,560	$ 194,530	$ 487,622	$ 15,921	$ 2,063,633

Subscription-Based Information Technology Arrangements

The City has entered into subscription based-information technology arrangements (SBITAs) for various software. The SBITA arrangements expire at various dates through 2026 and provide for renewal options. The right-to-use SBITA assets and the related accumulated amortization are detailed in Note 6.

NOTE 7 NOTES AND BONDS PAYABLE AND CHANGES IN LONG-TERM DEBT (CONTINUED)

Subscription-Based Information Technology Arrangements (Continued)

The future subscription payments under SBITA agreements are as follows:

	Governmental Activities		
Year Ending December 31,	Principal	Interest	Total
2026	$ 45,122	$ 1,293	$ 46,415
Total	$ 45,122	$ 1,293	$ 46,415

Discretely Presented Component Units

Long-term debt activity for the year ended December 31, 2025 is as follows:

FLURA General Fund

A ten-year $50,000 loan from the City to FLURA. FLURA makes $5,000 payments each year to the City. No interest rates specified in the loan. The balance was paid in full in 2025.

Library General Fund

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due Within One Year
Governmental Activities:					
Accrued Compensated Absences (1)	$ 29,716	$ 10,879	$ -	$ 40,595	$ 40,595

(1)The change in the compensated absence liability is presented as a net change.

NOTE 8 NET POSITION AND FUND BALANCE

Net Position

Net investment in capital assets reported on the government-wide statement of net position as of December 31, 2025, is as follows:

	Governmental Activities	Business-Type Activities
Net Investment in Capital Assets:		
Capital Assets, net	$ 64,702,493	$ 142,557,322
Right-to-Use Assets, net	503,552	1,319,385
Lease Liability	(487,622)	(1,365,560)
SBITA Liability	(45,122)	-
Less Capital Related Debt	-	(74,398,149)
Less Deferred Refunding Amounts and Bond Premiums and Discounts (Net)	-	(3,192,402)
Less Capital Related Payables	(1,739,728)	(4,074,179)
Investment in Capital Assets, Net	$ 62,933,573	$ 60,846,417

NOTE 8 NET POSITION AND FUND BALANCE (CONTINUED)

The fund balance classifications of the governmental funds as of December 31, 2025, were as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable Fund Balance	$ 6,112,727	$ -	$ 6,112,727
Restricted Fund Balance:			
Emergency Reserves:			
A Portion Restricted for Emergencies as Defined Under Article X, Section 20 to the Colorado Constitution also known as the Taxpayer's Bill of Rights (TABOR)	825,890	87,117	913,007
Children's Fund:			
Private Donations made to the Police Department	-	31,049	31,049
Debt Service:			
To maintain reserve for the COPs and revolving loan	730,650	-	730,650
Street Sales Tax:			
To maintain, build, and replace streets, sidewalks, curbs, and gutters	6,896,542	-	6,896,542
Evidence:			
Cash Taken into Evidence as Part of Police Investigations	8,301	-	8,301
Water Sales Tax:			
To Support Maintenance of Water Systems, Assure Quality, and Quantity and Acquire Water	5,512,281	-	5,512,281
Culture Parks and Recreation Sales Tax Fund:			
To Provide Culture and Recreation Programs and Maintain Parks	-	6,140,829	6,140,829
Administer Funds Donated to the Museum	-	562	562
Memorial Trust Fund:			
Administer Funds Donated to the Cemetery	-	589	589
Perpetual Care Cemetery Fund:			
Maintain Cemetery Grounds, Provide Services, and Acquire New Property	-	162,148	162,148
Conservation Trust Fund:			
For the Administration of Lottery Funds	-	256,724	256,724
Total Restricted Fund Balance	13,973,664	6,679,018	20,652,682

NOTE 8 NET POSITION AND FUND BALANCE (CONTINUED)

Net Position (Continued)

	General Fund	Nonmajor Governmental Funds	Total
Committed Fund Balance:			
Police Equipment	8,896	-	8,896
Contingency	2,241,160	-	2,241,160
Victims Compensation	163,623	-	163,623
Court Surcharge	54,946	-	54,946
Total Committed Fund Balance	2,468,625	-	2,468,625
Assigned Fund Balance:			
City Hall Construction Reserve	15,000,000	-	15,000,000
Field of Honor	-	65,600	65,600
Total Assigned Fund Balance	15,000,000	65,600	15,065,600
Unassigned	18,012,258	-	18,012,258
Total Fund Balance	$ 55,567,274	$ 6,744,618	$ 62,311,892

The restricted net position of $19,948,537 in the business-type funds is primarily for the purchase of water.

Net Position Discretely Presented Component Unit

Net investment in capital assets reported on the government-wide statement of net position as of December 31, 2025, are as follows:

	Library
Net Investment in Capital Assets:	
Capital Assets, net	$ 8,790,431
Investment in Capital Assets, Net	$ 8,790,431

NOTE 8 NET POSITION AND FUND BALANCE (CONTINUED)

Net Position Library (Continued)

Discretely presented component units restricted and unassigned fund balances are as follows:

	Library General Fund	FLURA General Fund
Restricted Net Position:		
Emergency Reserves:		
A Portion Restricted for Emergencies as Defined Under Article X, Section 20 to the Colorado Constitution also known as the Taxpayer's Bill of Rights (TABOR)	$ 88,785	$ 19,200
Restricted Donations:		
Private Donations made to the Library	129,441	-
Total Restricted Net Position	218,226	19,200
Net Investment in Capital Assets	8,790,431	-
Unrestricted	12,395,478	1,393,808
Total Net Position	$ 21,404,135	$ 1,413,008

NOTE 9 RETIREMENT PLAN

The City and its employees participate in a defined contribution pension plan with AIG Retirement. Benefit terms, including contribution requirements, for the plan are established and may be amended by the City's Council. Employees are immediately vested in their own contributions and earnings on those contributions and become vested in the City contributions and earnings on City contributions on a 5-year vesting schedule.

A defined contribution plan states that the contributions of the employee and contributions of the City are, although invested jointly, maintained in separate accounts for each employee. The amount of benefit to be received at retirement is determined by the number of monies accumulated in the employee's account at the time of retirement. All sworn police department employees contribute 10.7% of their salaries to the plan with all other employees contributing 4.5% of their salaries to the plan. All sworn police department employees receive matching contributions up to 9.7% of their earnings to the plan with all other employees receiving matching contributions up to 4% of their earnings to the plan. The total amount of the City's current year covered payroll was $9,197,422 and the total current year payroll was $10,600,968. The City matches the respective contributions, with the total pension expense during 2025 amounting to $564,750.

The FPPA of the State of Colorado continues to provide death and disability to all police officers in accordance with state statutes, Section 31-30-1008; C.R.S. Survivors' benefits are available for spouses, dependent parents and children under the age of 18.

NOTE 9 RETIREMENT PLAN (CONTINUED)

Component Units

The Library employees participate in the City's defined contribution pension plan with AIG Retirement. Employees' contribute 4.5% of their salaries to the plan. The total amount of the Library's current year covered payroll was $860,572 and the total current year payroll was $957,812. The Library matches the respective contributions, with the total pension expense during 2025 amounting to $38,018.

NOTE 10 CONTINGENCY

The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The ultimate liability to the City resulting from claims not covered by CIRSA is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the City's financial statements.

NOTE 11 RISK MANAGEMENT

Fort Lupton is exposed to various risks of loss related to torts: theft of, damage to, destruction of assets: errors and omissions: injuries to employees: and natural disasters. The City carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. On January 1, 1984, the City Council authorized participation in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity, which was formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, C.R.S. as amended, 29-1-101 et. seq., C.R.S., as amended, 29-13-102, C.R.S., as amended, and Colorado Constitution, Article XIV, Section 18(2).

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member in CIRSA against stated liability or loss to the limit of the financial resources of CIRSA. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

NOTE 11 RISK MANAGEMENT (CONTINUED)

The scope, terms, conditions and limitations of the coverages are governed by the applicable coverage policies and/or excess coverage policies, the CIRSA bylaws, and other applicable documents. There has been no change in the deductibles or coverage over the last three years. The types and monetary limits of the coverages are generally described below.

Types of Coverages

Subject to the limit of CIRSA's liability as described in Section II below:

1. Property coverage.
2. Liability coverage.
   a. General liability.
   b. Auto liability.
   c. Law enforcement liability.
   d. Public official errors and omissions liability.
   e. Excess liability (for federal and out-of-state public official's claims and federal and out-of-state law enforcement).
3. Crime coverage (including employee dishonesty and money and securities).
4. Supplemental defense cost coverage for Colorado liability claims.

Excess Insurers, Aggregate Limits, and Member Deductible

For the coverages described in Section I, CIRSA is liable only for payment of the applicable self-insured retentions and only to a total annual aggregate amount for CIRSA members as a whole of the amount of the applicable CIRSA loss fund for the coverage period. There is no aggregate excess coverage over any loss fund. Only the applicable excess insurers in applicable excess and reinsurance policies shall be payable, and only by those excess insurers in excess of these CIRSA self-insured retentions. Fort Lupton has no settlements that exceeded insurance coverage in the past three years.

A member-selected deductible applies to each municipality's claims/occurrences. Payment of the deductible shall reduce the amount otherwise payable under the applicable CIRSA retention.

2025 CIRSA Self-Insured Retentions

1. $1,000,000 per claim/occurrence property
2. $1,000,000 per claim/occurrence liability
3. $1,000,000 per claim/occurrence Public Officials Liability.

2025 CIRSA Loss Fund Amounts

Loss fund amounts are as adopted or amended from time to time by the Board of Directors based on the members in the property/casualty pool for the year and interest earnings on those amounts. Information on current loss fund amounts is available from the CIRSA Deputy Executive Director/Chief Financial Officer, at (303) 757-5475.

NOTE 11 RISK MANAGEMENT (CONTINUED)

There is a deductible paid by the City of $1,000 (liability) and $1,000 (property), which applies to each of its claims/occurrences.

Fort Lupton continues to carry CIRSA insurance for Workers' Compensation, and Voluntary Accident Medical Insurance for volunteer and service workers.

NOTE 12 JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an on-going financial interest or an on-going financial responsibility. The City participates in the following joint ventures:

Northern Colorado Water Conservancy District – NISP

Northern Colorado Water Conservancy District (District), a quasi-municipal entity and political subdivision of the State of Colorado was established July 6, 1970, pursuant to the Water Conservancy District Act. Acting by and through its Northern Integrated Supply Project Water Activity Enterprise (NISP) (a government owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. 37-45, 1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513. In January 2003, Fort Lupton entered into an agreement with NISP in developing a water project for the purpose of developing a new reliable water supply.

Overall Project costs will be divided among the entities that participate in the Project.

The First Phase of the Project consisted of preliminary studies to evaluate both the potential of Poudre reservoir sites and the South Platte Water Conservation Project. The First Phase has been accomplished and there appears to be potential project configurations that may serve the needs of the Project.

The Second Phase of the Project, which consists of additional reservoir site evaluations, alternatives analysis, environmental studies, financial analyses, and related work, will require funding to complete the phase.

The Third Phase of the Project consists of further agency consultation, permitting with the U.S. Army Corps of Engineers and other agencies, compliance with the National Environmental Policy Act and other requirements for federal permitting, field work and analysis for permitting, modeling, and other activities related to designing and permitting the Project.

In 2025, the City remitted $879,970 for its pro rata share of the costs necessary to complete the Project. Subsequent to year-end, the City sold 1,500 shares of the project and therefore, has 100 shares remaining.

NOTE 12 JOINT VENTURES (CONTINUED)

Northern Colorado Water Conservancy District – NISP (Continued)

Investments in the joint ventures by governmental funds are recorded as expenditures at the time the investment is made.

Complete financial statements of the District can be obtained from Northern Colorado Water Conservancy District.

Town of Hudson

The Town of Hudson and the City are Colorado municipal corporations empowered to enter into intergovernmental agreements pursuant to the provisions of Article XIV, Section 18 of the Constitution of the State of Colorado, and the provisions of C.R.S. 29-1-201 et seq. in those circumstances where governmental entities may make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with each other to accomplish mutually beneficial ends.

They entered into an Intergovernmental Agreement on July 26, 1995, to jointly provide for the construction, operation and maintenance of the water treatment plant to treat raw water, owned, controlled by the respective parties hereto, which water when treated will be available for use and consumption by the residents and customers of Hudson and Fort Lupton respectively.

Upon completion of the original water treatment plant, each party owned the following rights and interests: Fort Lupton owned an undivided five-sixths (5/6ths) of the treatment capacity of said plant, as well as an undivided five-sixths (5/6ths) of the personal property which constitutes the physical plant. Hudson owned the remaining undivided one-sixth (1/6th) of the treatment capacity and personal property constituting the physical plant. Each party shall own as its sole and separate property the right to deliver to the plant for treatment the raw untreated water that it owns or controls and is entitled to receive by means of the Northern Colorado Water Conservancy District’s Southern Water Supply Project.

A separate flow meter is installed at the discharge point of the plant and at which treated water is delivered to the separate delivery systems of Fort Lupton and Hudson, which separate flow meters shall measure the number of gallons of treated water delivered to each party. On a monthly basis, the total of the treated water delivered from the plant to each party shall be added together to determine the total number of gallons in and delivered from the plant. The number of gallons of treated water separately delivered to Hudson shall then become the numerator in a fraction in which the entire total of treated gallons delivered to both parties is the denominator. The fraction which results shall be multiplied by the total operations and maintenance costs incurred by the operator in operating the plant during the month, and shall constitute the cost to each party of operations and maintenance for the month including fixed monthly operating costs. Hudson’s amount shall be billed to Hudson on or before the 12th day of the following calendar month and must be received by the next to the last business day of the calendar month.

Complete financial statements for the Town of Hudson may be obtained from the Town of Hudson, Colorado.

NOTE 12 JOINT VENTURES (CONTINUED)

Tri-State Generation and Transmission Association, Inc.

Tri-State Generation and Transmission Association, Inc. (Tri-State) and the City entered into an agreement to build a 252-acre foot water storage reservoir on the City's water treatment plant (WTP) facility grounds. Tri-State owns 100-acre feet. The City owns the remaining approximately 152-acre feet.

Design costs of the reservoir were split equally between the City and Tri-State. The construction costs were apportioned based on the benefit of the infrastructure, Tri-State benefit, City benefit, and Common benefit. Each entity paid 100% of the infrastructure construction costs that benefited them. The Common benefit infrastructure costs were apportioned by the pro-rata share of storage capacity.

The City granted Tri-State an easement and access to the WTP grounds. Tri-State has a pipeline and pump station on the WTP grounds and will be responsible for all maintenance.

NOTE 13 TAX, SPENDING, AND DEBT LIMITATIONS

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

As a result of this constitutional requirement, the residents of Fort Lupton, in 1993, passed Referendum A. This referendum requires that if, in any given year, the City has revenues in excess of current spending limits due to property (ad valorem), sales, or use taxes, then that excess must be used for water and wastewater projects, purchase of water rights, and construction of the water system.

In 2010, the residents of Fort Lupton renewed the ½ cent Sales and Use Tax for Street Improvements for 20 years; in 2024, the ½ cent Sales and Use Tax for Culture, Parks and Recreation was renewed for 20 years; in 2002, the residents approved a $6.7 million general obligation tax to construct a Recreation Center, and in 2005 the citizens authorized extension of the ½ cent water sales tax slated to expire in 2006 for an additional 20 years. All four of these issues have been exempted from the revenue restrictions of Article X, Section 20, and from the requirements of Referendum A.

NOTE 14 COMMITMENTS AND CONTRACTS

The City and Jacobs Engineering Group entered into an agreement for compensation for services to manage, operate, and maintain the effluent discharged from the Wastewater Treatment Plant and the finished water discharged for the Water Treatment Facility. Compensation for services is negotiated every three years. Compensation for years two and three will be adjusted based on the base fee adjustment formula shown in Appendix F of the negotiated agreement. Subsequent years' base fees shall be determined as hereinafter specified. The 2025 fees were $1,759,200.

The City and Consolidated Mutual Water Company entered into an agreement to lease 150-acre feet of water storage in the Perry Pit East Reservoir. The lease base rate is $206.21 per acre foot of water capacity. The rate will increase annually based on a formula in paragraphs 6 (b) (c) and (d) of the lease agreement. Subsequently, the City has agreed to lease the remaining 300-acre feet of capacity in the Perry Pit East Reservoir for the same terms as the initial lease and an additional 50-acre feet. The 2025 cost of the lease was $307,300.

NOTE 15 SALES TAX REBATES

In 2013 the City entered into an annexation agreement with L.G. Everest, Inc. The agreement contains a "Development Incentive Payment" requiring the City to refund the City's portion of sales tax collected by the State Department of Revenue for the previous year less $35,000 by April 30. There were no amounts paid in 2025 and therefore, no sales tax rebate refunded in 2025.

NOTE 16 ACCOUNTING CHANGES

Changes to or within Financial Reporting Entity

The Culture, Parks, and Recreation Fund previously met the criteria to be reported as a major governmental fund. During the year ended December 31, 2025, the City elected to present this fund as a nonmajor fund. The effect of that change to or within the financial reporting entity is shown in the table below.

	Funds			
	Culture, Parks, and Recreation Fund	Nonmajor Governmental Funds	StormWater Drainage Fund	Nonmajor Enterprise Funds
December 31, 2024, As Previously Reported	$ 4,974,671	$ 332,020	$ 5,228,569	$ -
Change in Fund Presentation from Major to Nonmajor	(4,974,671)	4,974,671	(5,228,569)	5,228,569
December 31, 2024, As Adjusted or Restated	$ -	$ 5,306,691	$ -	$ 5,228,569

NOTE 17 COMPLIANCE

The Water Sales Tax Fund may be in violation of state statutes as the expenditures exceed the appropriated budget.

Fund Name	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Governmental Funds				
Water Sales Tax Fund	2,376,171	2,376,171	7,039,258	(4,663,087)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FORT LUPTON
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes and Assessments	$ 16,763,666	$ 16,763,666	$ 17,759,635	$ 995,969
Licenses and Permits	334,750	334,750	708,363	373,613
Intergovernmental	713,520	713,520	688,439	(25,081)
Charges for Services	868,321	868,321	1,137,242	268,921
Fines and Forfeits	109,800	109,800	99,432	(10,368)
Interest Income	1,000,000	1,000,000	1,480,920	480,920
Other	192,500	192,500	333,125	140,625
Total Revenues	19,982,557	19,982,557	22,207,156	2,224,599
EXPENDITURES				
General Government	6,425,945	6,425,945	6,136,719	289,226
Public Safety	5,395,685	5,395,685	4,393,187	1,002,498
Public Works	3,473,635	3,473,635	3,169,678	303,957
Other	4,438,590	4,438,590	1,766,226	2,672,364
Capital Outlay	17,550,510	17,550,510	5,699,788	11,850,722
Debt Service:				
Principal	678,000	678,000	705,864	(27,864)
Interest	227,250	227,250	227,250	-
Debt Issuance Cost	-	-	2,500	(2,500)
Total Expenditures	38,189,615	38,189,615	22,101,212	16,088,403
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,207,058)	(18,207,058)	105,944	18,313,002
OTHER FINANCING SOURCES (USES)				
Transfers Out	(440,000)	(440,000)	(90,693)	349,307
Insurance Proceeds	-	-	1,783	1,783
Proceeds from Sale of Capital Assets	-	-	16,750	16,750
Total Other Financing Sources (Uses)	(440,000)	(440,000)	(72,160)	367,840
NET CHANGE IN FUND BALANCE	$ (18,647,058)	$ (18,647,058)	33,784	$ 18,680,842
Fund Balances - Beginning of Year			41,335,313	
FUND BALANCES - END OF YEAR			$ 41,369,097	

See accompanying Notes to Required Supplementary Information

Certain funds used for accounting purposes are combined with the General Fund for reporting purposes. In accordance with GASB Statement No. 41, Budgetary Comparison Schedules – Perspective Differences, the activity of such funds is not included in the General Fund budgetary comparison schedule.

The following is a reconciliation of the General Fund budgetary comparison schedule to the General Fund as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance for the year ended December 31, 2025.

REVENUE	
General Fund Budgetary Comparison Schedule	$ 22,207,156
Adjustments:	
Street Sales Tax	2,173,358
Water Sales Tax	3,767,817
Contingency	94,839
Total General Fund Revenues as Reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance	28,243,170
EXPENDITURES	
General Fund Budgetary Comparison Schedule	22,101,212
Adjustments:	
Street Sales Tax	938,612
Water Sales Tax	7,039,258
Total General Fund Expenditures as Reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance	30,079,082
OTHER FINANCING SOURCES (USES)	
General Fund Budgetary Comparison Schedule	(72,160)
Adjustments:	
Water Sales Tax	(630,042)
Total General Fund Expenditures as Reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance	(702,202)

SUPPLEMENTARY INFORMATION

CITY OF FORT LUPTON
CONTINGENCY FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Interest Income	$ 70,000	$ 70,000	$ 94,839	$ 24,839
Total Revenues	70,000	70,000	94,839	24,839
EXCESS OF REVENUES	70,000	70,000	94,839	24,839
EXCESS OF REVENUES OVER EXPENDITURES	$ 70,000	$ 70,000	94,839	$ 24,839
Fund Balance - Beginning of Year			2,146,321	
FUND BALANCES - END OF YEAR			$ 2,241,160	

CITY OF FORT LUPTON
STREET IMPROVEMENT SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Sales Tax	$ 1,480,472	$ 1,480,472	$ 1,751,739	$ 271,267
Interest Income	100,000	100,000	225,641	125,641
Infrastructure Assessment Fees	100,000	100,000	195,978	95,978
Total Revenues	1,680,472	1,680,472	2,173,358	492,886
EXPENDITURES				
Other	1,120,000	1,120,000	409,339	710,661
Capital Outlay	1,950,000	1,950,000	529,273	1,420,727
Total Expenditures	3,070,000	3,070,000	938,612	2,131,388
EXCESS OF REVENUES OVER EXPENDITURES	$ (1,389,528)	$ (1,389,528)	1,234,746	$ 2,624,274
Fund Balances - Beginning of Year			5,726,997	
FUND BALANCES - END OF YEAR			$ 6,961,743	

CITY OF FORT LUPTON
WATER SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUE				
Sales Tax	$ 3,072,382	$ 3,072,382	$ 3,503,478	$ 431,096
Interest Income	100,000	100,000	264,339	164,339
Total Revenue	3,172,382	3,172,382	3,767,817	595,435
EXPENDITURES				
Other	1,956,000	2,376,171	1,038,295	1,337,876
Capital Outlay	420,171	-	6,000,963	(6,000,963)
Total Expenditures	2,376,171	2,376,171	7,039,258	(4,663,087)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	796,211	796,211	(3,271,441)	(4,067,652)
OTHER FINANCING SOURCES (USES)				
Operating Transfer Out	(630,042)	(630,042)	(630,042)	-
Total Other Financing Sources (Uses)	(630,042)	(630,042)	(630,042)	-
NET CHANGE IN FUND BALANCE	$ 166,169	$ 166,169	(3,901,483)	$ (4,067,652)
Fund Balance - Beginning of Year			8,896,757	
FUND BALANCE - END OF YEAR			$ 4,995,274	

CITY OF FORT LUPTON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2025

	Formerly Major Fund Culture, Parks, and Recreation	Conservation Trust Fund	Perpetual Care Cemetery Fund	Memorial Trust Fund	Nonmajor Governmental Funds
ASSETS					
Cash	$ 6,673,408	$ 295,768	$ 167,943	$ 589	$ 7,137,708
Accounts Receivable	292,065	-	-	-	292,065
Total Assets	$ 6,965,473	$ 295,768	$ 167,943	$ 589	$ 7,429,773
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 10,761	$ 38,874	$ 1,972	$ -	$ 51,607
Accrued Expenses	33,548	-	-	-	33,548
Unearned Revenue	600,000	-	-	-	600,000
Total Liabilities	644,309	38,874	1,972	-	685,155
FUND BALANCES					
Assigned	65,600	-	-	-	65,600
Restricted	6,255,564	256,894	165,971	589	6,679,018
Total Fund Balances	6,321,164	256,894	165,971	589	6,744,618
Total Liabilities and Fund Balances	$ 6,965,473	$ 295,768	$ 167,943	$ 589	$ 7,429,773

CITY OF FORT LUPTON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2025

	Formerly Major Fund Culture, Parks, and Recreation	Conservation Trust Fund	Perpetual Care Cemetery Fund	Memorial Trust Fund	Nonmajor Governmental Funds
REVENUES					
Taxes and Assessments	$ 1,751,739	$ -	$ -	$ -	$ 1,751,739
Federal and State Sources	-	110,621	-	-	110,621
Charges for Services	136,524	-	93,770	-	230,294
Interest Income	226,152	5,665	1,496	1	233,314
Other	656,370	-	32,175	-	688,545
Total Revenues	2,770,785	116,286	127,441	1	3,014,513
EXPENDITURES					
Current:					
Culture, Parks, and Recreation	1,291,354	14,141	136,375	-	1,441,870
Capital Outlay	132,938	92,471	-	-	225,409
Total Expenditures	1,424,292	106,612	136,375	-	1,667,279
REVENUES OVER (UNDER) EXPENDITURES	1,346,493	9,674	(8,934)	1	1,347,234
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	90,693	-	90,693
Total Other Financing Sources (Uses)	-	-	90,693	-	90,693
NET CHANGE IN FUND BALANCES	1,346,493	9,674	81,759	1	1,437,927
Fund Balances - Beginning of Year, as previously presented	-	247,220	84,212	588	332,020
Change within financial reporting entity (major to nonmajor)	4,974,671	-	-	-	4,974,671
FUND BALANCE - END OF YEAR	$ 6,321,164	$ 256,894	$ 165,971	$ 589	$ 6,744,618

CITY OF FORT LUPTON
CULTURE, PARKS, AND RECREATION FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes and Assessments	$ 1,480,472	$ 1,480,472	$ 1,751,739	$ 271,267
Charges for Services	123,500	123,500	136,524	13,024
Interest Income	100,000	100,000	226,152	126,152
Other	342,356	342,356	656,370	314,014
Total Revenues	2,046,328	2,046,328	2,770,785	724,457
EXPENDITURES				
Current:				
Culture, Parks, and Recreation	1,396,295	1,465,111	1,291,354	173,757
Capital Outlay	320,000	320,000	132,938	187,062
Total Expenditures	1,716,295	1,785,111	1,424,292	360,819
EXCESS REVENUES OVER EXPENDITURES	330,033	261,217	1,346,493	1,085,276
NET CHANGE IN FUND BALANCE	$ 330,033	$ 261,217	1,346,493	$ 1,085,276
Fund Balance - Beginning of Year			4,974,671	
FUND BALANCE - END OF YEAR			$ 6,321,164	

CITY OF FORT LUPTON
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Lottery Funds	$ 100,000	$ 100,000	$ 110,621	$ 10,621
Interest Income	4,000	4,000	5,665	1,665
Total Revenues	104,000	104,000	116,286	12,286
EXPENDITURES				
Culture, Parks, and Recreation	-	-	14,141	(14,141)
Capital Outlay	250,000	250,000	92,471	157,529
Total Expenditures	250,000	250,000	106,612	143,388
NET CHANGE IN FUND BALANCE	$ (146,000)	$ (146,000)	9,674	$ 155,674
Fund Balance - Beginning of Year			247,220	
FUND BALANCE - END OF YEAR			$ 256,894	

CITY OF FORT LUPTON
PERPETUAL CARE CEMETERY FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for Services	$ 66,365	$ 66,365	$ 93,770	$ 27,405
Perpetual Care	14,250	14,250	27,075	12,825
Interest Income	35	35	1,496	1,461
Other	5,200	5,200	5,100	(100)
Total Revenues	85,850	85,850	127,441	41,591
EXPENDITURES				
Maintenance	24,000	24,000	45,445	(21,445)
Supplies	1,000	1,000	597	403
Utilities	120,600	120,600	84,880	35,720
Capital Outlay	395,000	395,000	-	395,000
Other	56,992	56,992	5,453	51,539
Total Expenditures	597,592	597,592	136,375	461,217
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(511,742)	(511,742)	(8,934)	502,808
OTHER FINANCING SOURCES (USES)				
Transfers In	440,000	440,000	90,693	(349,307)
Total Other Financing Sources (Uses)	440,000	440,000	90,693	(349,307)
NET CHANGE IN FUND BALANCE	$ (71,742)	$ (71,742)	81,759	$ 153,501
Fund Balance - Beginning of Year			84,212	
FUND BALANCE - END OF YEAR			$ 165,971	

CITY OF FORT LUPTON
MEMORIAL TRUST FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Other	$ -	$ -	$ 1	$ 1
Total Revenues	-	-	1	1
EXCESS OF REVENUE OVER EXPENDITURES	-	-	1	1
NET CHANGE IN FUND BALANCE	$ -	$ -	1	$ 1
Fund Balance - Beginning of Year			588	
FUND BALANCE - END OF YEAR			$ 589	

CITY OF FORT LUPTON
UTILITY ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget - Positive (Negative)
OPERATING REVENUES				
Charges for Services	$ 7,338,935	$ 7,338,935	$ 7,825,276	$ 486,341
Other Income	17,551,961	17,551,961	687,709	(16,864,252)
Total Operating Revenues	24,890,896	24,890,896	8,512,985	(16,377,911)
OPERATING EXPENSES				
Professional Fees	433,500	433,500	283,856	149,644
Contract Management	1,429,653	1,429,653	1,320,201	109,452
Insurance	255,000	255,000	140,470	114,530
Repairs and Maintenance	1,056,250	1,056,250	669,913	386,337
Supplies	287,500	287,500	538,422	(250,922)
Utilities	281,500	281,500	317,776	(36,276)
Water Assessments	1,030,000	1,030,000	573,259	456,741
Other	974,000	974,000	151,499	822,501
Total Operating Expenses	5,747,403	5,747,403	3,995,396	1,752,007
NET OPERATING INCOME (LOSS)	19,143,493	19,143,493	4,517,589	(14,625,904)
NONOPERATING REVENUES (EXPENSES)				
Investment Income (Loss)	920,000	920,000	1,227,143	307,143
Grants	1,400,000	1,400,000	3,853,297	2,453,297
Proceeds from Issuance of Debt	33,163,000	33,163,000	14,886,018	(18,276,982)
Interest Expense	(1,954,157)	(1,954,157)	(2,965,198)	(1,011,041)
Capital Contributions to Other Governments	(552,000)	(552,000)	(1,438,374)	(886,374)
Debt Principal	(1,637,245)	(1,637,245)	(1,277,446)	359,799
Capital Expenditures	(38,156,000)	(38,156,000)	(27,872,381)	10,283,619
Administrative Fee - Trustee	-	-	(800)	(800)
Other	-	-	(281,827)	(281,827)
Gain (Loss) on Disposal of Assets	-	-	4,625	4,625
Total Nonoperating Revenues (Expenses)	(6,816,402)	(6,816,402)	(13,864,943)	(7,048,541)
NET INCOME (LOSS) BEFORE TRANSFERS	12,327,091	12,327,091	(9,347,354)	(21,674,445)
OTHER FINANCING SOURCES (USES)				
Transfers In	630,042	630,042	630,042	-
Capital Contributions from Tap Fees	2,000,000	2,000,000	4,069,075	2,069,075
Capital Contributions	2,060,000	2,060,000	2,542,143	482,143
Total Other Financing Sources (Uses)	4,690,042	4,690,042	7,241,260	2,551,218
NET INCOME (LOSS) - BUDGETARY BASIS	$ 17,017,133	$ 17,017,133	(2,106,094)	$ (19,123,227)
Reconciliation to GAAP Basis:				
Bond Principal Payments			1,277,446	
Proceeds from Issuance of Debt			(14,886,018)	
Capital Outlay			27,872,381	
Depreciation and Amortization			(2,615,221)	
NET INCOME (LOSS) - GAAP BASIS			9,542,494	
Net Position - Beginning of Year			72,013,416	
NET POSITION - END OF YEAR			$ 81,555,910	

CITY OF FORT LUPTON
UTILITY ENTERPRISE FUND - WATER
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
OPERATING REVENUES				
Charges for Services	$ 4,185,425	$ 4,185,425	$ 4,468,556	$ 283,131
Other Income	17,551,961	17,551,961	684,284	(16,867,677)
Total Operating Revenues	21,737,386	21,737,386	5,152,840	(16,584,546)
OPERATING EXPENSES				
Professional Fees	288,500	288,500	233,410	55,090
Contract Management	825,367	825,367	825,367	-
Insurance	175,000	175,000	108,734	66,266
Repairs and Maintenance	589,250	589,250	369,997	219,253
Supplies	271,000	271,000	516,717	(245,717)
Utilities	145,000	145,000	186,418	(41,418)
Water Assessments	1,030,000	1,030,000	573,259	456,741
Other	615,500	615,500	116,717	498,783
Total Operating Expenses	3,939,617	3,939,617	2,930,619	1,008,998
NET OPERATING INCOME (LOSS)	17,797,769	17,797,769	2,222,221	(15,575,548)
NONOPERATING REVENUES (EXPENSES)				
Investment Income (Loss)	800,000	800,000	964,084	164,084
Grants	1,400,000	1,400,000	3,249,822	1,849,822
Proceeds from Issuance of Debt	12,000,000	12,000,000	392,205	(11,607,795)
Interest Expense	(1,405,842)	(1,405,842)	(2,013,127)	(607,285)
Debt Principal	(1,153,637)	(1,153,637)	(743,837)	409,800
Capital Expenditures	(19,156,000)	(19,156,000)	(11,793,840)	7,362,160
Administrative Fee - Trustee	-	-	(800)	(800)
Insurance Recoveries	-	-	4,625	4,625
Total Nonoperating Revenues (Expenses)	(7,515,479)	(7,515,479)	(9,940,868)	(2,425,389)
NET INCOME (LOSS) BEFORE TRANSFERS	10,282,290	10,282,290	(7,718,647)	(18,000,937)
OTHER FINANCING SOURCES (USES)				
Transfers In	630,042	630,042	630,042	-
Capital Contributions from Tap Fees	1,000,000	1,000,000	1,776,895	776,895
Capital Contributions	2,060,000	2,060,000	2,542,143	482,143
Total Other Financing Sources (Uses)	3,690,042	3,690,042	4,949,080	1,259,038
NET INCOME (LOSS) - BUDGETARY BASIS	$ 13,972,332	$ 13,972,332	(2,769,567)	$ (16,741,899)
Reconciliation to GAAP Basis:				
Bond Principal Payments			743,837	
Proceeds from Issuance of Debt			(392,205)	
Capital Outlay			11,793,840	
Depreciation and Amortization			(2,233,978)	
NET INCOME (LOSS) - GAAP BASIS			7,141,927	
Net Position - Beginning of Year			70,575,549	
NET POSITION - END OF YEAR			$ 77,717,476	

CITY OF FORT LUPTON
UTILITY ENTERPRISE FUND - SEWER
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
OPERATING REVENUES				
Charges for Services	$ 3,153,510	$ 3,153,510	$ 3,356,720	$ 203,210
Other Income	-	-	3,425	3,425
Total Operating Revenues	3,153,510	3,153,510	3,360,145	206,635
OPERATING EXPENSES				
Professional Fees	145,000	145,000	50,446	94,554
Contract Management	604,286	604,286	494,834	109,452
Insurance	80,000	80,000	31,736	48,264
Repairs and Maintenance	467,000	467,000	299,916	167,084
Supplies	16,500	16,500	21,705	(5,205)
Utilities	136,500	136,500	131,358	5,142
Other	358,500	358,500	34,782	323,718
Total Operating Expenses	1,807,786	1,807,786	1,064,777	743,009
NET OPERATING INCOME (LOSS)	1,345,724	1,345,724	2,295,368	949,644
NONOPERATING REVENUES (EXPENSES)				
Investment Income (Loss)	120,000	120,000	263,059	143,059
Grants	-	-	603,475	603,475
Proceeds from Issuance of Debt	21,163,000	21,163,000	14,493,813	(6,669,187)
Interest Expense	(548,315)	(548,315)	(952,071)	(403,756)
Capital Contributions to Other Governments	(552,000)	(552,000)	(1,438,374)	(886,374)
Debt Principal	(483,608)	(483,608)	(533,609)	(50,001)
Capital Expenditures	(19,000,000)	(19,000,000)	(16,078,541)	2,921,459
Other	-	-	(281,827)	(281,827)
Total Nonoperating Revenues (Expenses)	699,077	699,077	(3,924,075)	(4,623,152)
NET INCOME (LOSS) BEFORE TRANSFERS	2,044,801	2,044,801	(1,628,707)	(3,673,508)
OTHER FINANCING SOURCES (USES)				
Capital Contributions from Tap Fees	1,000,000	1,000,000	2,292,180	1,292,180
Total Other Financing Sources (Uses)	1,000,000	1,000,000	2,292,180	1,292,180
NET INCOME (LOSS) - BUDGETARY BASIS	$ 3,044,801	$ 3,044,801	663,473	$ (2,381,328)
Reconciliation to GAAP Basis:				
Bond Principal Payments			533,609	
Proceeds from Issuance of Debt			(14,493,813)	
Capital Outlay			16,078,541	
Depreciation and Amortization			(381,243)	
NET INCOME (LOSS) - GAAP BASIS			2,400,567	
Net Position - Beginning of Year			1,437,867	
NET POSITION - END OF YEAR			$ 3,838,434	

CITY OF FORT LUPTON
STORM WATER DRAINAGE ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
OPERATING REVENUES				
Charges for Services	$ 230,000	$ 230,000	$ 354,072	$ 124,072
Total Operating Revenues	230,000	230,000	354,072	124,072
OPERATING EXPENSES				
Professional Fees	50,000	50,000	-	50,000
Repairs and Maintenance	35,000	35,000	-	35,000
Supplies	4,000	4,000	-	4,000
Other	8,000	8,000	-	8,000
Total Operating Expenses	97,000	97,000	-	97,000
NET OPERATING INCOME (LOSS)	133,000	133,000	354,072	221,072
NONOPERATING REVENUES (EXPENSES)				
Investment Income	40,000	40,000	57,352	17,352
Capital Expenditures	(1,150,000)	(1,150,000)	(137,593)	1,012,407
Total Nonoperating Revenues (Expenses)	(1,110,000)	(1,110,000)	(80,241)	1,029,759
NET INCOME (LOSS) BEFORE TRANSFERS	(977,000)	(977,000)	273,831	1,250,831
NET INCOME (LOSS) - BUDGETARY BASIS	$ (977,000)	$ (977,000)	273,831	$ 1,250,831
Reconciliation to GAAP Basis:				
Capital Outlay			137,593	
Depreciation and Amortization			(112,988)	
NET INCOME (LOSS) - GAAP BASIS			298,436	
Net Position - Beginning of Year			5,228,569	
NET POSITION - END OF YEAR			$ 5,527,005	

CITY OF FORT LUPTON
RECREATION CENTER ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
OPERATING REVENUES				
Charges for Services	$ 574,450	$ 574,450	$ 695,024	$ 120,574
Other	24,100	24,100	46,958	22,858
Total Operating Revenues	598,550	598,550	741,982	143,432
OPERATING EXPENSES				
Salaries and Benefits	1,896,147	1,896,147	1,543,413	352,734
Professional Fees	60,000	60,000	78,279	(18,279)
Insurance	-	-	85,991	(85,991)
Repairs and Maintenance	65,000	65,000	69,018	(4,018)
Merchandise for Resale	2,400	2,400	2,620	(220)
Supplies	78,000	78,000	95,975	(17,975)
Utilities	190,500	190,500	166,036	24,464
Recreation Programs	13,750	13,750	16,590	(2,840)
Other	46,900	46,900	77,248	(30,348)
Total Operating Expenses	2,352,697	2,352,697	2,135,170	217,527
NET OPERATING INCOME (LOSS)	(1,754,147)	(1,754,147)	(1,393,188)	360,959
NONOPERATING REVENUES (EXPENSES)				
Property Taxes	1,878,905	1,878,905	1,975,354	96,449
Investment Income	-	-	90,060	90,060
Interest Expense	(431,300)	(431,300)	(466,533)	(35,233)
Bond Principal	(170,000)	(170,000)	(5,000)	165,000
Capital Expenditures	(50,000)	(50,000)	(93,384)	(43,384)
Other	-	-	9,750	9,750
Total Nonoperating Revenues (Expenses)	1,227,605	1,227,605	1,510,247	282,642
NET INCOME (LOSS) - BUDGETARY BASIS	$ (526,542)	$ (526,542)	117,059	$ 643,601
Reconciliation to GAAP Basis:				
Bond Principal Payments			5,000	
Capital Outlay			93,384	
Depreciation and Amortization			(783,061)	
NET INCOME (LOSS) - GAAP BASIS			(567,618)	
Net Position - Beginning of Year			5,667,891	
NET POSITION - END OF YEAR			$ 5,100,273	

CITY OF FORT LUPTON
GOLF COURSE ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
OPERATING REVENUES				
Charges for Services	$ 1,823,401	$ 1,823,401	$ 2,117,239	$ 293,838
Sales of Merchandise	543,553	543,553	713,692	170,139
Other	-	-	5,875	5,875
Total Operating Revenues	2,366,954	2,366,954	2,836,806	469,852
OPERATING EXPENSES				
Salaries and Benefits	1,533,982	1,533,982	1,405,211	128,771
Professional Fees	12,000	12,000	23,858	(11,858)
Insurance	17,000	17,000	56	16,944
Repairs and Maintenance	47,500	47,500	101,737	(54,237)
Merchandise for Resale	159,975	159,975	373,494	(213,519)
Supplies	184,000	184,000	283,859	(99,859)
Utilities	224,250	224,250	123,218	101,032
Other	106,595	106,595	97,314	9,281
Total Operating Expenses	2,285,302	2,285,302	2,408,747	(123,445)
NET OPERATING INCOME (LOSS)	81,652	81,652	428,059	346,407
NONOPERATING REVENUES (EXPENSES)				
Interest Income	2,000	2,000	37,809	35,809
Bond Principal	(104,503)	(104,503)	(87,259)	17,244
Interest Expense	(35,000)	(35,000)	(16,563)	18,437
Capital Expenditures	(250,000)	(250,000)	-	250,000
Total Nonoperating Revenues (Expenses)	(387,503)	(387,503)	(66,013)	321,490
NET INCOME (LOSS) - BUDGETARY BASIS	$ (305,851)	$ (305,851)	362,046	$ 667,897
Reconciliation to GAAP Basis:				
Bond Principal Payments			87,259	
Depreciation and Amortization			(187,168)	
NET INCOME (LOSS) - GAAP BASIS			262,137	
Net Position - Beginning of Year			(1,544,500)	
NET POSITION - END OF YEAR			$ (1,282,363)	

UTILITY FUND WATER AND WASTE WATER
FINANCIAL STATEMENTS SEPARATELY PRESENTED

CITY OF FORT LUPTON
UTILITY FUND DETAIL
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Utility Enterprise Fund	Utility Enterprise Fund-Water	Utility Enterprise Fund-Sewer
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 11,943,509	$ 4,956,231	$ 6,987,278
Restricted Cash	15,844,045	13,614,290	2,229,755
Receivables:			
Accounts Receivable	19,888,990	19,233,291	655,699
Prepaid Items	174,464	174,464	-
Total Current Assets	47,851,008	37,978,276	9,872,732
NONCURRENT ASSETS			
Nondepreciable:			
Land	372,077	140,876	231,201
Water Rights	54,356,881	54,356,881	-
Construction in Progress	34,966,964	10,138,387	24,828,577
Depreciable:			
Wells	1,027,539	1,027,539	-
Buildings and Land Improvements	13,226,660	10,884,535	2,342,125
Utility System	39,390,764	27,771,170	11,619,594
Equipment	8,707,792	6,758,870	1,948,922
Subtotal	152,048,677	111,078,258	40,970,419
Less: Accumulated Depreciation	(31,148,047)	(20,314,150)	(10,833,897)
Capital Assets, Net	120,900,630	90,764,108	30,136,522
Leased Assets	2,201,931	2,201,931	-
Accumulated Amortization	(882,546)	(882,546)	-
Leased Assets, Net	1,319,385	1,319,385	-
Total Noncurrent Assets	122,220,015	92,083,493	30,136,522
OTHER ASSETS			
Inclusion Fee	275,402	275,402	-
Total Other Assets	275,402	275,402	-
Total Assets	170,346,425	130,337,171	40,009,254

CITY OF FORT LUPTON
UTILITY FUND DETAIL
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025

	Utility Enterprise Fund	Utility Enterprise	
		Fund-Water	Fund-Sewer
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	$ 4,484,483	$ 2,532,989	$ 1,951,494
Accrued Expenses	541,801	391,414	150,387
Long-Term Liabilities Due Within One Year:			
Bonds Payable	846,813	349,815	496,998
Loans Payable	1,033,915	1,033,915	-
Leases Payable	207,807	207,807	-
Total Current Liabilities	7,114,819	4,515,940	2,598,879
LONG-TERM LIABILITIES			
Loans Payable	44,467,354	44,467,354	-
Bonds Payable	36,050,589	2,478,648	33,571,941
Lease Payable	1,157,753	1,157,753	-
Total Long-Term Liabilities	81,675,696	48,103,755	33,571,941
Total Liabilities	88,790,515	52,619,695	36,170,820
NET POSITION			
Net Investment in Capital Assets	49,805,920	55,425,498	(5,619,578)
Restricted for Purchase of Water	10,223,112	10,223,112	-
Restricted for Water Resources Project	3,000,000	3,000,000	-
Restricted for Debt Service	3,391,179	2,311,266	1,079,913
Unrestricted	15,135,699	6,757,600	8,378,099
Total Net Position	81,555,910	77,717,476	3,838,434
Total Liabilities and Net Position	$ 170,346,425	$ 130,337,171	$ 40,009,254

CITY OF FORT LUPTON
UTILITY FUND DETAIL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED DECEMBER 31, 2025

	Utility Enterprise Fund	Utility Enterprise	
		Fund-Water	Fund-Sewer
OPERATING REVENUES			
Charges for Services	$ 7,825,276	$ 4,468,556	$ 3,356,720
Other Income	687,709	684,284	3,425
Total Operating Revenues	8,512,985	5,152,840	3,360,145
OPERATING EXPENSES			
Professional Fees	283,856	233,410	50,446
Contract Management	1,320,201	825,367	494,834
Insurance	140,470	108,734	31,736
Repairs and Maintenance	669,913	369,997	299,916
Supplies	538,422	516,717	21,705
Utilities	317,776	186,418	131,358
Water Assessments	573,259	573,259	-
Depreciation and Amortization	2,615,221	2,233,978	381,243
Other	117,173	82,391	34,782
Total Operating Expenses	6,576,291	5,130,271	1,446,020
NET OPERATING INCOME (LOSS)	1,936,694	22,569	1,914,125
NONOPERATING REVENUES (EXPENSES)			
Investment Income	1,227,143	964,084	263,059
Grants	3,853,297	3,249,822	603,475
Interest Expense	(2,965,198)	(2,013,127)	(952,071)
Administrative Fee - Trustee	(800)	(800)	-
Capital Contributions to Other Governments	(1,438,374)	-	(1,438,374)
Other	(311,528)	(29,701)	(281,827)
Total Nonoperating Revenues (Expenses)	364,540	2,170,278	(1,805,738)
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	2,301,234	2,192,847	108,387
TRANSFERS AND CAPITAL CONTRIBUTIONS			
Transfers In	630,042	630,042	-
Capital Contributions Tap Fees	4,069,075	1,776,895	2,292,180
Capital Contributions	2,542,143	2,542,143	-
Total Transfers and Capital Contributions	7,241,260	4,949,080	2,292,180
CHANGE IN NET POSITION	9,542,494	7,141,927	2,400,567
Net Position - Beginning of Year	72,013,416	70,575,549	1,437,867
NET POSITION - END OF YEAR	$ 81,555,910	$ 77,717,476	$ 3,838,434

CITY OF FORT LUPTON
UTILITY FUND DETAIL
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	Utility Enterprise Fund	Utility Enterprise Fund-Water	Utility Enterprise Fund-Sewer
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	$ 8,196,956	$ 4,468,556	$ 3,728,400
Other Receipts	544,426	541,001	3,425
Payments to Suppliers and Service Providers	(1,434,351)	(873,259)	(561,092)
Net Cash Provided (Used) by Operating Activities	7,307,031	4,136,298	3,170,733
CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES			
Grants Received	853,297	249,822	603,475
Transfers from Other Funds	630,042	630,042	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	1,483,339	879,864	603,475
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions	6,557,219	4,265,038	2,292,181
Acquisition and Construction of Capital Assets	(27,872,381)	(11,793,840)	(16,078,541)
Metro Water Recovery Tap Fees	(1,438,374)	-	(1,438,374)
Administration Fees	(800)	(800)	-
Proceeds from Debt Financing	14,886,018	392,205	14,493,813
Principal on Notes, Bonds, and Leases	(1,477,440)	(943,831)	(533,609)
Interest on Notes, Bonds, and Leases	(3,083,200)	(2,131,129)	(952,071)
Other	(311,528)	(29,701)	(281,827)
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,740,486)	(10,242,058)	(2,498,428)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	1,227,143	964,084	263,059
Net Cash Provided (Used) by Investing Activities	1,227,143	964,084	263,059
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,722,973)	(4,261,812)	1,538,839
Cash and Cash Equivalents - Beginning of Year	30,510,527	22,832,333	7,678,194
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 27,787,554	$ 18,570,521	$ 9,217,033

CITY OF FORT LUPTON
STATEMENT OF CASH FLOWS (CONTINUED)
UTILITY FUND DETAIL
YEAR ENDED DECEMBER 31, 2025

	Utility Enterprise Fund	Utility Enterprise Fund-Water	Utility Enterprise Fund-Sewer
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 1,936,694	$ 22,569	$ 1,914,125
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	2,615,221	2,233,978	381,243
Changes in Assets and Liabilities:			
Accounts Receivable	228,397	(143,283)	371,680
Prepaid Expenses	(8,846)	(8,846)	-
Accounts Payable	2,244,168	1,798,696	445,472
Accrued Expenses	291,397	233,184	58,213
Net Cash Provided (Used) by Operating Activities	$ 7,307,031	$ 4,136,298	$ 3,170,733
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and Cash Equivalents	$ 11,943,509	$ 4,956,231	$ 6,987,278
Restricted Cash	15,844,045	13,614,290	2,229,755
Total Cash and Investments	$ 27,787,554	$ 18,570,521	$ 9,217,033
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND FIANNCING ACTIVITIES			
Amortization of Premium	$ 118,595	$ 118,595	$ -

COMPONENT UNITS

CITY OF FORT LUPTON
PUBLIC AND SCHOOL LIBRARY FUND
BALANCE SHEET
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS	
Cash	$ 12,667,376
Restricted Cash	129,441
Accounts Receivable	3,690
Total Current Assets	12,800,507
Total Assets	$ 12,800,507

LIABILITIES AND FUND BALANCES

LIABILITIES	
Accounts Payable	$ 102,195
Accrued Expenses	44,013
Total Liabilities	146,208
FUND BALANCES	
Restricted:	
Emergency Reserve	88,785
Restricted Donations	129,441
Unrestricted	12,436,073
Total Fund Balances	12,654,299
Total Liabilities and Fund Balances	$ 12,800,507

CITY OF FORT LUPTON
PUBLIC AND SCHOOL LIBRARY FUND
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total Fund Balance of Governmental Funds	$ 12,654,299
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, the underlying resources are not recognized currently in the governmental funds.	
Capital Assets, net	8,790,431
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Compensated Absences	(40,595)
Total Net Position of Governmental Activities	$ 21,404,135

CITY OF FORT LUPTON
PUBLIC AND SCHOOL LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental Revenue	$ 2,431,720	$ 2,431,720	$ 2,442,252	$ 10,532
Other	316,017	316,017	517,256	201,239
Total Revenues	2,747,737	2,747,737	2,959,508	211,771
EXPENDITURES				
Salary and Benefits	1,500,599	1,500,599	1,202,517	298,082
Services	80,000	80,000	33,794	46,206
Maintenance	17,000	17,000	1,556	15,444
Supplies	85,700	85,700	40,866	44,834
Utilities	115,000	115,000	23,659	91,341
Programs	48,000	48,000	29,642	18,358
Other	377,039	377,039	96,402	280,637
Capital Outlay	1,500,000	1,500,000	-	1,500,000
Total Expenditures	3,723,338	3,723,338	1,428,436	2,294,902
REVENUES OVER (UNDER) EXPENDITURES	(975,601)	(975,601)	1,531,072	2,506,673
Fund Balances - Beginning of Year			11,123,227	
FUND BALANCES - END OF YEAR			$ 12,654,299	

CITY OF FORT LUPTON
PUBLIC AND SCHOOL LIBRARY FUND
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Changes In Fund Balance of Governmental Funds	$ 1,531,072
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost those assets is allocated over their estimated useful lives as depreciation expense	
Depreciation Expense	(332,012)
Compensated absences 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	
Current Year	(40,595)
Previous Year	29,716
Change in Net Position of Governmental Activities	$ 1,188,181

CITY OF FORT LUPTON
FORT LUPTON URBAN RENEWAL AUTHORITY
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Balance Sheet	Adjustments	Statement of Net Position
ASSETS			
CURRENT ASSETS			
Cash	$ 1,438,841	$ -	$ 1,438,841
Receivables:			
Property Taxes	452,122	-	452,122
Total Current Assets	1,890,963	-	1,890,963
Total Assets	$ 1,890,963	$ -	$ 1,890,963
LIABILITIES, DEFFERED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 15,833	$ -	$ 15,833
Loan from City of Fort Lupton	-	10,000	10,000
Total Liabilities	15,833	10,000	25,833
DEFERRED INFLOWS OF RESOURCES			
Property Tax	452,122	-	452,122
FUND BALANCES			
Restricted:			
Emergency Reserve	19,200	-	19,200
Unrestricted	1,403,808	(10,000)	1,393,808
Total Fund Balances	1,423,008	(10,000)	1,413,008
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,890,963	$ -	$ 1,890,963

CITY OF FORT LUPTON
FORT LUPTON URBAN RENEWAL AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Property Taxes	$ 673,934	$ 673,934	$ 622,360	$ (51,574)
Other	-	-	17,637	17,637
Total Revenue	673,934	673,934	639,997	(33,937)
EXPENDITURES				
Supplies	500	500	-	500
Services	95,000	95,000	25,652	69,348
Other	244,800	244,800	23,608	221,192
Capital Outlay	25,000	25,000	-	25,000
Total Expenditures	365,300	365,300	49,260	316,040
REVENUES OVER (UNDER) EXPENDITURES	308,634	308,634	590,737	282,103
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 308,634	$ 308,634	590,737	$ 282,103
Fund Balances - Beginning of Year			832,271	
FUND BALANCES - END OF YEAR			$ 1,423,008	

CITY OF FORT LUPTON
FORT LUPTON URBAN RENEWAL AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Activities	Adjustments	Statement of Activities
PROGRAM REVENUES			
General Revenues	$ 639,997	$ -	$ 639,997
EXPENDITURES			
Expenditure	49,260	-	49,260
EXCESS REVENUE OVER (UNDER) EXPENDITURES	590,737	-	590,737
CHANGE IN NET POSITION	590,737	-	590,737
Net Position - Beginning of Year	832,271	(10,000)	822,271
NET POSITION - END OF YEAR	$ 1,423,008	$ (10,000)	$ 1,413,008

COMPLIANCE SECTION

CITY OF FORT LUPTON
LOCAL HIGHWAY FINANCE REPORT
YEAR ENDED DECEMBER 31, 2025

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
This Information From The Records (MUNICIPALITY OR COUNTY NAME)	Prepared By: STAFF PERSON'S NAME & EMAIL ADDRESS	REPORT YEAR EDNDING 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 of 1 minus 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	9,990,995	a. Interest on investments	225,641
b. Non-Property Taxes and Assessments Imposts	2,420,259	b. Other Misc. Local Receipts	151,394
c. Total (a + b)	$ 12,411,254	**c. Total (a + b)**	$ 377,035

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	544,832	1. FHWA (from Item I.D.5.)	0
2. State General Funds		2. Other Federal Agencies	0
3. Other State Funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	0		
c. Total (a + b)	$ -		
4. Total (1 + 2 + 3c)	$ 544,832	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital Outlay:	
a. Right-Of-Way Costs	0
b. Engineering Costs	76,403
c. Construction Costs	(171,294)
d. Total Capital Outlay (a + b + c)	$ (94,891)

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CITY OF FORT LUPTON
LOCAL HIGHWAY FINANCE REPORT (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	REPORT YEAR ENDING DATE (mm/yyyy): 12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-User Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 12,411,254
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 377,035
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 12,788,289
B. Private Contributions	
C. Receipts from State Government (from page 1, Item II.C.4)	$ 544,832
D. Receipts from Federal Government (from page 1, Item II.D.3)	$ -
E. Total Receipts (A.7 + B + C + D)	$ 13,333,121

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local Highway Expenditures	
1. Capital Outlay (from page 1, Item III.A1.d)	$ (94,891)
2. Maintenance:	523,354
3. Road and Street Services	
a. Snow and Ice Removal	(513)
b. Other & Traffic Control Operations	(75,583)
c. Total (a + b)	$ (76,096)
4. General Administration & Miscellaneous	(36,267)
5. Highway Law Enforcement and Safety	2,239,174
6. Total (1 through 5)	$ 2,555,274
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a + b)	$ -
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	0
D. Payments to Toll Facilities	0
E. Total Expenditures (A6 + B3 + C + D)	$ 2,555,274

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	0	$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)	0	$ -	$ -	$ -

INDEPENDENT AUDITOR'S 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*

To the City Council
Fort Lupton, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fort Lupton, 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 June 29, 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 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 were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

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, 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 Fort Lupton's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clinger Hagerman, LLC

Greeley, Colorado
June 29, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of Fort Lupton, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Fort Lupton, 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 auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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 Auditor's 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.

Auditor's 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 instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. 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.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2005-002 to be a significant deficiency.

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 internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. 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.

Clinger Hagerman, LLC

Greeley, Colorado
June 29 2026

CITY OF FORT LUPTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
Environmental Protection Agency				
Passed through Colorado Water Resources and Power Development Authority				
Drinking Water State Revolving Fund	66.468	None Provided	$ -	$ 3,356,403
Department of Agriculture				
Direct Program:				
Water and Waste Disposals Systems for Rural Communities	10.760	None Provided	-	15,720,103
Department of Interior				
Passed through State of Colorado Department of Local Affairs	15.437	None Provided	-	603,475
Total Federal Financial Assistance			$ -	$ 19,679,981

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Fort Lupton under programs of the federal government for the year ended December 31, 2025. No federal financial assistance was passed through to other entities. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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 Fort Lupton, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Fort Lupton.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds. 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.

NOTE 3 INDIRECT COST RATE

The City of Fort Lupton has elected not to use the 15% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 SUBRECIPIENTS

The City had no subrecipients during the year ended December 31, 2025.

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:
   - Material weakness(es) identified? __x__ yes _____ no
   - Significant deficiency(ies) identified? _____ yes __x__ none reported

3. Noncompliance material to financial statements noted? _____ yes __x__ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? _____ yes __x__ no
   - Significant deficiency(ies) identified? __x__ yes _____ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __x__ yes _____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	**Name of Federal Program or Cluster**
66.468	Drinking Water State Revolving Fund
10.760	Water and Waste Disposal Systems for Rural Communities

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

Auditee qualified as low-risk auditee? _____ yes __x__ no

2025 – 001

Type of Finding: Internal Control Over Preparation of the Schedule of Expenditures of Federal Awards (Material Weakness)

Criteria: The City is responsible for preparing a complete and accurate Schedule of Expenditures of Federal Awards (SEFA) 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. The SEFA should include all federal awards expended during the fiscal year, properly identified by Assistance Listing Number (ALN), federal agency, pass-through entity, and amount expended, as applicable. Management is also responsible for establishing and maintaining internal controls to ensure federal expenditures are completely and accurately identified, classified, and reported.

Condition: The City did not have a sufficiently designed and implemented control to ensure the SEFA captured all federal awards and reported federal expenditures accurately by ALN. During audit procedures, multiple errors were identified in the SEFA which were corrected, including the following:

- ALN 15.437 was erroneously reported as part of ALN 10.760 in the amount of $603,475. As a result, ALN 15.437 was excluded from the SEFA as a separate federal program.
- A Bulletproof Vest Grant program in the amount of $2,030 was erroneously reported on the SEFA. No supporting documentation existed for this amount, and it was removed from the SEFA after review of usaspending.gov and a search of the grants and loans received by the City.
- During testing of ALN 66.468, it was noted that $164,356 of retainage was recorded in the City's financial statements but was not reported on the SEFA.

Cause: The City did not have a formalized reconciliation and review control over the SEFA preparation process to ensure all federal awards were identified, supported, properly classified by ALN, and reconciled to the underlying accounting records and supporting grant or loan documentation.

Effect or Potential Effect: The SEFA was misstated prior to audit adjustment. Errors in the SEFA may result in improper identification of major programs, incomplete or inaccurate federal award reporting, and noncompliance with the requirements of the Uniform Guidance. Because the SEFA is used as the basis for determining major programs subject to audit, errors in the SEFA could impact the scope and conclusions of the single audit.

Repeat Finding: No.

Recommendation: We recommend the City establish and implement formal internal controls over the preparation and review of the SEFA. These controls should include, at a minimum, procedures to identify all federal awards received and expended; review grant agreements, loan agreements, reimbursement requests, award documents, and federal award databases for completeness; reconcile SEFA amounts to the general ledger and supporting documentation; verify the proper ALN and federal agency for each program; and document supervisory review and approval of the final SEFA prior to issuance.

Views of Responsible Officials: Management agrees with the finding. The City will implement a formal review process for all federal grant revenue and related expenditures to ensure amounts are properly identified and reported in the SEFA.

2025 – 002

Federal Program Name(s): Drinking Water State Revolving Fund and Water and Waste Disposal Systems for Rural Communities

Assistance Listing Number(s): 66.468 and 10.760

Pass-Through Agency: Colorado Water Resource and Power Development Authority (66.468)

Pass-Through Number(s): None

Award Period: 1/1/2025 – 12/31/2025

Compliance Requirement: Suspension and Debarment

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or Specific Requirement: Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed $25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a passthrough entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215. When a nonfederal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the Excluded Parties List System (EPLS) maintained available at SAM.gov, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Condition: We noted that the City does have policies and procedures in place for compliance with suspension and debarment requirements; however, we noted that the vendor selected for testing had not been checked to verify they were not suspended or debarred prior to the services provided.

Questioned Costs: None.

Context: The City does have a policy and procedure to check a vendor's suspension and debarment status either by checking the active record on SAM.gov, collecting a certification from the proposed entity, and/or adding a clause or condition to the covered transaction with that entity. The City was not able to provide verification, prior to procurement, of the suspension and debarment status through review of SAM.gov, providing a certification from the vendor, or through a clause or condition within the signed contract. We did verify this vendor was not currently suspended or debarred through review of SAM.gov.

Cause: The City did not maintain a system to adequately track and document vendors needing to be verified through SAM.gov.

Effect: The City could make a payment to a vendor or subrecipient who is suspended and/or debarred from participating in federal programs.

Repeat Finding: Yes

Recommendation: The City should update all contracts to include a suspension and debarment paragraph to verify status with every renewal, request certification from the proposed entity, or verify vendor through SAM.gov prior to utilizing vendor services.

Views of Responsible Officials and Planned Corrective Actions: The finance director and the public works director have already implemented a process to verify the SAM status of all contractors on all projects regardless of funding. However, this does not capture contractors working on existing projects.

City of Fort Lupton

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The City of Fort Lupton respectfully submits the following corrective action plan for the year ended December 31, 2025. This corrective action plan is intended for the applicable federal awarding agencies, including the Environmental Protection Agency and the U.S. Department of the Treasury.

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2025-001 Internal Control Over Preparation of the Schedule of Expenditures of Federal Awards

Recommendation: We recommend the City establish and implement formal internal controls over the preparation and review of the SEFA. These controls should include, at a minimum, procedures to identify all federal awards received and expended; review grant agreements, loan agreements, reimbursement requests, award documents, and federal award databases for completeness; reconcile SEFA amounts to the general ledger and supporting documentation; verify the proper ALN and federal agency for each program; and document supervisory review and approval of the final SEFA prior to issuance.

Explanation of Disagreement with Audit Finding: There is no disagreement with the audit finding.

Action Taken in Response to Finding: The City will implement a formal review process for all federal grant revenue and related expenditures to ensure amounts are properly identified and reported in the SEFA.

Name of the Contact Person Responsible for Corrective Action: Leann Perino, Finance Director

Planned Completion Date for Corrective Action Plan: December 31, 2026

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

2025-002 Suspension and Debarment – Assistance Listing No. 66.458 and 10.760

Recommendation: The City should update all contracts to include a suspension and debarment paragraph to verify status with every renewal, request certification from the proposed entity, or verify vendors through SAM.gov prior to utilizing vendor services.

Explanation of Disagreement with Audit Finding: There is no disagreement with the audit finding.

Action Taken in Response to Finding: The finance director and the public works director have already implemented a process to verify the SAM status of all contractors on all projects regardless of funding. However, this did not capture contractors working on existing projects.

Name of the Contact Person Responsible for Corrective Action: Leann Perino, Finance Director

Planned Completion Date for Corrective Action Plan: December 31, 2026

If the Environmental Protection Agency or the U.S. Department of Agriculture has questions regarding this plan, please contact Leann Perino, Finance Director, at 720-466-6120.

City of Fort Lupton

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Summary Schedule of Prior Audit Findings

2024-001- Internal Control over the Financial Reporting Process- Coding of Grant Revenues

Condition: Grant revenue of $790,000 was erroneously posted to the Culture, Parks, and Recreation Fund. This resulted in an adjusting journal entry to reverse the revenue posting and properly record it in the General Fund.

Recommendation: The auditor recommended management implement a grant revenue receipting process to ensure grant revenue postings are accurately posted to the general ledger.

Current Status: Complete. Coding for grant revenue is now reviewed and approved by the project manager and the finance director with alternate approval by the city administrator if one of the other two are unavailable. No similar findings were noted in the 2025 audit.

2024-002- Internal Control over Compliance, Other Matters- Suspension and Debarment

COVID-19 Coronavirus State and Local Fiscal Recovery Funds, Assistance Listing 21.027

Condition: A vendor selected for testing had not been checked to verify they were not suspended or debarred prior to the services provided.

Recommendation: The auditor recommended the City update all contracts to include a suspension and debarment paragraph to verify status with every renewal, request certification from the proposed entity, or verify the vendor through SAM.gov prior to utilizing vendor services.

Current Status: Partially complete. The finance director and public works director have implemented a process to verify the SAM status of all contractors on all projects regardless of funding. However, this did not capture contractors working on existing projects. Please see finding 2025-002.