**City of Leadville, Colorado**
**Financial Statements**
**December 31, 2025**



**City of Leadville, Colorado**
**Financial Statements**
**December 31, 2025**

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McMahan and Associates, L.L.C.
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**INDEPENDENT AUDITOR'S REPORT**

**To the Mayor and City Council**
**City of Leadville, Colorado**

***Opinion***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Leadville, Colorado (the "City"), as of and for the year ended December 31, 2025, which collectively comprise the City's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Leadville, as of December 31, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

We did not audit the financial statements of the Leadville Urban Renewal Authority ("LURA"), which represent 9.04% of the assets, 0.12% of the fund balance, and 3.47% of the revenues of the governmental funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for LURA, is based solely on the report of the other auditors.

***Basis for Opinion***

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

***Responsibilities of Management for the Financial Statements***

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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*

U.S. GAAP require that the Management's Discussion and Analysis in Section B, the Schedule of City's Proportionate Share of the Net Pension Liability (Asset), the Schedule of City Contributions, and the Notes to the Required Supplementary Information in Section E 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 U.S. GAAS, 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.

***Required Supplementary Information (continued)***

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The combining fund financial statements, individual fund budgetary information, and *Local Highway Finance Report* listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The combining fund financial statements, individual fund budgetary information, and *Local Highway Finance Report* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.**
**Avon, Colorado**
**September 28, 2026**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# City of Leadville, Colorado
## Management's Discussion and Analysis
## December 31, 2025

As management of the City of Leadville, Colorado, (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements; 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide Financial 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 City assets and deferred outflows of resource and liabilities (both short-term and long-term) and deferred inflows of resources, with the difference between reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The Statement of Activities focuses on long-term economic resources and is reported on a full accrual basis.

The Statement of Activities identifies functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, judicial (court), public works (streets and maintenance), and parks and recreation.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate Leadville Urban Renewal Authority (the "LURA"). The LURA is reported as a blended component unit of the City (as a special revenue fund).

The government-wide financial statements can be found on pages C1 and C2 of this report.

**Fund Financial Statements:** 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 are governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's 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. Reconciliations are provided on pages C4 and C6 to facilitate this comparison between governmental funds and governmental activities.

## Overview of the Financial Statements (continued)

**Fund Financial Statements (continued):** The City maintains two major governmental funds and aggregate nonmajor governmental funds. Information is presented separately for each fund in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. Basic governmental fund financial statements can be found on pages C3 and C5 of this report.

The City adopts annual appropriated budgets for all governmental funds. A budgetary comparison schedule has been provided for the major and nonmajor funds to demonstrate compliance with State budget statutes. These budgetary comparison schedules are found in section E and F of this report.

**Notes to the Financial Statements:** 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 in Section D of this report.

## Government-wide Financial Analysis:

The following chart shows the City's assets, liabilities, and net position at December 31, 2025 and 2024:

| | Governmental Activities | |
|---|---|---|
| | | (Restated) |
| | 2025 | 2024 |
| **Assets:** | | |
| Current and other assets | $ 8,474,006 | $ 7,301,579 |
| Capital assets, net | 6,173,323 | 6,623,466 |
| **Total Assets** | 14,647,329 | 13,925,045 |
| **Deferred Outflows of Resources:** | | |
| Pension related deferred outflows | 734,206 | 803,823 |
| **Total Deferred Outflows of Resources** | 734,206 | 803,823 |
| **Liabilities:** | | |
| Other liabilities | 855,363 | 1,054,272 |
| Long-term liabilities | 602,870 | 708,379 |
| **Total Liabilities** | 1,458,233 | 1,762,651 |
| **Deferred Inflows of Resources:** | | |
| Pension related deferred inflows | 90,345 | 83,380 |
| Unavailable revenue | 1,861,975 | 1,755,087 |
| **Total Deferred Inflows of Resources** | 1,952,320 | 1,838,467 |
| **Net Position:** | | |
| Net investment in capital assets | 5,482,123 | 5,809,044 |
| Restricted | 206,901 | 191,059 |
| Unrestricted | 6,281,958 | 5,127,647 |
| **Total Net Position** | $ 11,970,982 | $ 11,127,750 |

Total assets of the City increased $722,284 during the past year. Cash and investments increased $1,531,464 during the past year and corresponds to the change in fund balance offset by the increase in receivables and the decrease in non-pension liabilities. Capital assets decreased by $450,143 during the past year. This net decrease in capital assets approximates capital additions of $367,945 less disposals and transfers of $0 and depreciation of $818,088.

## Government-wide Financial Analysis: (continued)

Capital asset additions during the past year were related primarily to the purchase of equipment and vehicles for the fire and street departments. Total liabilities of the City decreased $304,418 from the previous year. This decrease is primarily attributed to paydown of lease payables in 2025.

Long-term liabilities are comprised of accrued compensated absences and leases. Accrued compensated absences increased $31,551 between 2024 and 2025. Another change to liabilities is the net pension liability which increased $8,220.

Approximately 46% of the City's net position reflects its investment in capital assets (i.e. land, infrastructure, buildings, vehicles, and equipment less accumulated depreciation and related debt), representing a 6% decrease from 2024. The City uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position of $6,488,859, $193,000, and $13,900 has been restricted for emergencies, and recreation, respectively. The remaining balance of $6,281,958 may be used to meet the City's ongoing obligations relating to its operations.

Consistent with the prior year, the City is able to report positive balances in all three categories of net position.

The following chart summarizes financial information relating to the City's Statement of Activities:

| | Governmental Activities | |
|---|---|---|
| | | (Restated) |
| | 2025 | 2024 |
| **Revenues:** | | |
| Program revenues: | | |
| Charges for services | $ 885,355 | $ 880,979 |
| Operating grants and contributions | 2,300,853 | 2,613,434 |
| Capital grants and contributions | 205,885 | 59,992 |
| General revenues: | | |
| Property taxes | 1,627,885 | 1,478,540 |
| Sales taxes | 5,089,378 | 3,792,776 |
| Other taxes | 713,385 | 891,139 |
| Gain on disposal of capital assets | 4,000 | 174 |
| Interest and other revenue | 204,119 | 392,484 |
| **Total Revenues** | 11,030,860 | 10,109,518 |
| **Expenses:** | | |
| General government | 3,174,665 | 3,510,113 |
| Cultural enhancement | 184,973 | 263,603 |
| Judicial | 47,297 | 55,442 |
| Parks and recreation | 31,176 | 32,765 |
| Public safety | 5,325,581 | 4,274,422 |
| Public works | 1,423,936 | 1,059,956 |
| **Total Expenses** | 10,187,628 | 9,196,301 |
| **Change in Net Position** | 843,232 | 913,217 |
| **Net Position - Beginning (restated)** | 11,127,750 | 10,214,533 |
| **Net Position - Ending** | $ 11,970,982 | $ 11,127,750 |

The City's beginning net position was restated for changes to payables from the LURA to the General Fund. See Nove V. F. in the Notes to the Financials Statements.

## Government-wide Financial Analysis: (continued)

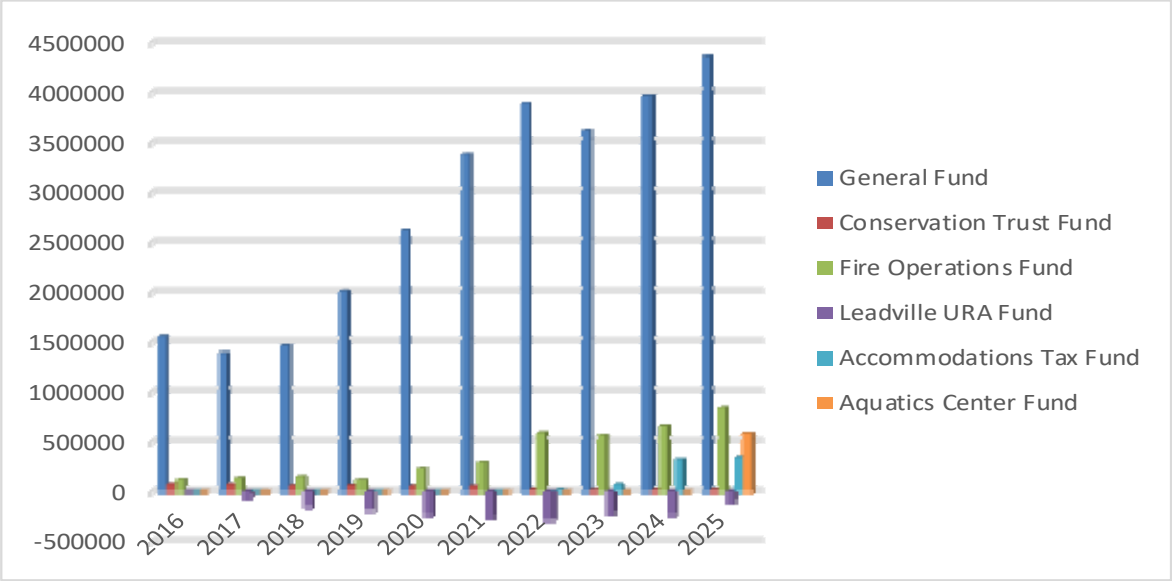
The City's net position increased $843,232 during 2025. Key elements of the change in net position are as follows:

- Sales taxes increased $1,296,602 due to the addition of an aquatics center fund which is funded by a new 0.5% sales tax, and a $723,991 increase in general collected sales tax.
- Other income decreased $376,296 due to lower reimbursement income.
- Overall expense increased $991,327, which is mainly attributable to an increase in general public safety expenses for the police department and public works departments as expected in the budget.

## Financial Analysis of the City's Funds

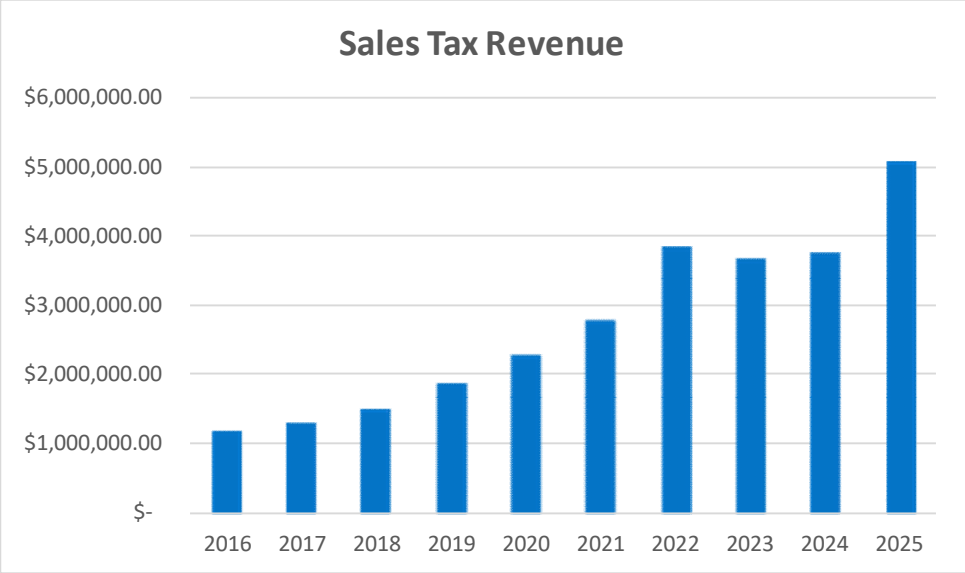
**Governmental Funds:** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $6,141,910, a increase of $1,286,506 from the prior year ending fund balances. Unassigned balances at December 31, 2025 were equal to 39% of aggregate 2025 expenditures, which represents a 2% increase from the percentage reported for 2024. Aggregate City fund balances for the past ten years are presented in graph below:



## Financial Analysis of the City's Funds (continued

**Sales Tax:** The City's main funding source is sales tax. An increase in sales tax from 2024 of $1,296,602 was primarily due to an increase in economic activity for the City. The following chart indicates changes in the sales taxes.




**Budget Variances in the General Fund:** As mentioned on page B2 of this analysis, the City uses fund accounting to ensure and demonstrate compliance with State budget statutes. Significant variances between final budget and actual amounts for the General Fund were as follows:

| Account | Variance Positive (Negative) | Reason |
|---|---|---|
| **Revenues:** | | |
| Sales tax | 766,767 | Increase in economic activity |
| Other taxes | (212,668) | Severance tax distribution decreased. |
| **Expenditures:** | | |
| General Operating | (172,359) | Higher use of operating contingency for various purposes including grants to local nonprofits. |
| Police Department | 183,882 | Position vacancies. |
| Capital Outlay | (216,584) | Projects deferred |

## Capital Assets and Debt Administration

**Capital Assets:** The City's capital assets decreased by approximately $450,143 during the past fiscal year. Additional information as well as a detailed classification of the City's capital assets can be found in the Notes to the Financial Statements in section D of this report.

**Long-term Debts:** The City's long-term debt obligations decreased $105,509 from December 31, 2024, excluding the changes in balances due within one year. This change is detailed by an increase of net pension liabilities of $8,220, an increase in accrued compensated absences of approximately $31,551, and a net decrease in leases payable of $123,222 due to principal payments of $395,200 and additional leases of $271,978. Additional information can be found in the Notes to the Financial Statements on section D of this report.

## Economic Factors and Next Year's Budget:

The City's General Fund balance at the end of the current fiscal year was $4,357,453. The City's 2026 General Fund budget does not anticipate use of beginning fund balance.

## Request 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. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Leadville, City Treasurer, 800 Harrison Avenue, Leadville, Colorado 80461.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**City of Leadville, Colorado**
**Statement of Net Position**
**Governmental Activities**
**December 31, 2025**

| | |
|---|---|
| **Assets:** | |
| Cash and Cash Equivalents: | |
| Unrestricted | 487,975 |
| Restricted | 202,379 |
| Investments: | |
| Unrestricted | 4,722,330 |
| Receivables, net: | |
| Property taxes | 1,861,975 |
| Other | 659,379 |
| Intergovernmental | 526,517 |
| Prepaid expenses | 13,451 |
| Capital Assets, not being depreciated | 216,779 |
| Depreciable capital assets, net | 5,956,544 |
| **Total Assets** | 14,647,329 |
| **Deferred Outflows of Resources:** | |
| Pension related deferred outflows: | |
| Cost share plan - Fire | 524,255 |
| Cost share plan - Police | 186,070 |
| Agent plan - Fire "Old Hire" | 23,881 |
| **Total Deferred Outflows of Resources** | 734,206 |
| **Liabilities:** | |
| Accounts payable | 148,530 |
| Accrued payroll | 162,605 |
| Unearned grant revenue: | 141,011 |
| Deposits | 17,975 |
| Accrued compensated absences: | |
| Due in more than one year | 204,163 |
| Lease payable: | |
| Due within one year | 385,242 |
| Due in more than one year | 305,958 |
| Net Pension Liability: | |
| Due in more than one year | |
| Agent plan - Fire "Old Hire" | 92,749 |
| **Total Liabilities** | 1,458,233 |
| **Deferred Inflows of Resources:** | |
| Pension related deferred inflows: | |
| Cost share plan - Fire | 81,496 |
| Cost share plan - Police | 8,849 |
| Unavailable property tax revenue | 1,861,975 |
| **Total Deferred Inflows of Resources** | 1,952,320 |
| **Net Position:** | |
| Net investment in capital assets | 5,482,123 |
| Restricted for emergencies | 193,000 |
| Restricted for recreation | 13,901 |
| Unrestricted | 6,281,958 |
| **Total Net Position** | 11,970,982 |

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

**City of Leadville, Colorado**
**Statement of Activities**
**For the Year Ended December 31, 2025**

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Change in Net Position |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| General government | 3,174,665 | 183,616 | 30,522 | 10,000 | (2,950,527) |
| Cultural enhancement | 184,973 | - | 97,125 | 195,885 | 108,037 |
| Judicial | 47,297 | 7,994 | - | - | (39,303) |
| Parks and recreation | 31,176 | - | 32,016 | - | 840 |
| Public safety | 5,325,581 | 680,745 | 1,982,926 | - | (2,661,910) |
| Public works | 1,423,936 | 13,000 | 158,264 | - | (1,252,672) |
| **Total Governmental Activities** | 10,187,628 | 885,355 | 2,300,853 | 205,885 | (6,795,535) |
| | | **General Revenues:** | | | |
| | | Sales taxes | | | 5,089,378 |
| | | Property taxes | | | 1,627,885 |
| | | Specific ownership taxes | | | 56,517 |
| | | Franchise taxes | | | 168,343 |
| | | Accommodations tax | | | 378,493 |
| | | Other taxes | | | 110,032 |
| | | Interest earnings | | | 165,427 |
| | | Gain on sale of capital assets | | | 4,000 |
| | | Miscellaneous revenues | | | 38,692 |
| | | **Total General Revenues** | | | 7,638,767 |
| | | **Change in Net Position** | | | 843,232 |
| | | **Net Position - Beginning, as previously reported** | | | 10,996,948 |
| | | Error corrections | | | 130,802 |
| | | **Net Position - Beginning, as restated** | | | 11,127,750 |
| | | **Net Position - Ending** | | | 11,970,982 |

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

**FUND FINANCIAL STATEMENTS**



**City of Leadville, Colorado**
**Balance Sheet**
**Governmental Funds**
**December 31, 2025**

| | General | Fire Operations | Non-major Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **Assets:** | | | | |
| Cash and Cash Equivalents: | | | | |
| Unrestricted | 119,818 | - | 368,157 | 487,975 |
| Restricted | - | - | 202,379 | 202,379 |
| Investments | 3,573,575 | 662,814 | 485,941 | 4,722,330 |
| Property taxes assessed but not collectible until subsequent year | 1,281,582 | - | 580,393 | 1,861,975 |
| Other receivables | 53,823 | 511,673 | 93,883 | 659,379 |
| Due from other Governments | 350,949 | 126,361 | 49,207 | 526,517 |
| Due from other funds | 575,159 | - | - | 575,159 |
| Prepaid expenses | 6,327 | 7,124 | - | 13,451 |
| **Total Assets** | 5,961,233 | 1,307,972 | 1,779,960 | 9,049,165 |
| **Liabilities and Fund Balances:** | | | | |
| **Liabilities:** | | | | |
| Accounts payable | 61,807 | 34,701 | 24,416 | 120,924 |
| Accrued payroll | 101,405 | 61,200 | - | 162,605 |
| Accrued expenses | - | - | 27,606 | 27,606 |
| Due to other funds | - | 363,619 | 211,540 | 575,159 |
| Unearned grant revenue | 141,011 | - | - | 141,011 |
| Deposits | 17,975 | - | - | 17,975 |
| **Total Liabilities** | 322,198 | 459,520 | 263,562 | 1,045,280 |
| **Deferred Inflows of Resources:** | | | | |
| Unavailable property tax revenue | 1,281,582 | - | 580,393 | 1,861,975 |
| **Total Deferred Inflow of Resources** | 1,281,582 | - | 580,393 | 1,861,975 |
| **Fund Balances:** | | | | |
| Nonspendable | | | | |
| Prepaid expenses | 6,327 | 7,124 | - | 13,451 |
| Restricted for: | | | | |
| Emergencies | 193,000 | - | - | 193,000 |
| Recreation | - | - | 13,901 | 13,901 |
| Committed for: | | | | |
| Capital equipment repair and replacement | - | 530,007 | - | 530,007 |
| Program and training costs | - | 318,445 | - | 318,445 |
| Aquatic Center | - | - | 579,557 | 579,557 |
| Assigned for: | | | | |
| Paving | 185,682 | - | - | 185,682 |
| Animal shelter capital improvements | 30,007 | - | - | 30,007 |
| Affordable housing | - | - | 349,686 | 349,686 |
| Unassigned: | 3,942,437 | (7,124) | (7,139) | 3,928,174 |
| **Total Fund Balances** | 4,357,453 | 848,452 | 936,005 | 6,141,910 |
| **Total Liabilities, Deferred Inflows of Resources and Fund Balances** | 5,961,233 | 1,307,972 | 1,779,960 | 9,049,165 |

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

**City of Leadville, Colorado**
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**
**December 31, 2025**

| | | |
|---|---|---|
| **Governmental Funds Total Fund Balance** | | 6,141,910 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| Capital assets - cost | 13,506,642 | |
| Less accumulated depreciation | (7,333,319) | 6,173,323 |
| Other long-term assets and deferred outflows of resources are not available for current period expenditures and, therefore, are not reported in the funds. | | |
| Deferred Outflows of Resources: | | |
| Cost Share Plan - Fire | 524,255 | |
| Cost Share Plan - Police | 186,070 | |
| Agent - Fire "Old Hire" | 25,578 | 735,903 |
| Long-term liabilities and deferred outflows are not due and payable in the current period, and therefore are not reported in the funds. | | |
| Net Pension Liabilities: | | |
| Agent - Fire "Old Hire" | (92,749) | (92,749) |
| Deferred inflows of resources: | | |
| Cost Share Plan - Fire | (81,496) | |
| Cost Share Plan - Police | (8,849) | |
| Agent - Fire "Old Hire" | (1,697) | (92,042) |
| Accrued compensated absences | (204,163) | |
| Financing obligations payable | (691,200) | (895,363) |
| **Net Position of Governmental Activities** | | 11,970,982 |

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

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

| | General | Conservation Trust | Fire Operations | Accommodations Tax | Aquatic Center | Leadville Urban Renewal Authority | Non-Major Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | | | |
| Taxes | 6,152,074 | - | - | - | - | - | 1,326,998 | 7,479,072 |
| Licenses and permits | 49,602 | - | - | - | - | - | - | 49,602 |
| Intergovernmental revenue | 428,890 | - | 1,801,356 | - | - | - | 39,426 | 2,269,672 |
| Charges for services | 90,251 | - | 645,457 | - | - | - | - | 735,708 |
| Fines and forfeitures | 20,038 | - | - | - | - | - | - | 20,038 |
| Investment income | 150,156 | - | 8,175 | - | - | - | 7,096 | 165,427 |
| Donations and contributions | 217,636 | - | 39,840 | - | - | - | - | 257,476 |
| Other income | 57,212 | - | - | - | - | - | 63 | 57,275 |
| **Total Revenues** | 7,165,859 | - | 2,494,828 | - | - | - | 1,373,583 | 11,034,270 |
| **Expenditures:** | | | | | | | | |
| General government | 2,442,703 | - | - | - | - | - | 652,269 | 3,094,972 |
| Cultural enhancement | 106,897 | - | - | - | - | - | - | 106,897 |
| Judicial | 47,297 | - | - | - | - | - | - | 47,297 |
| Parks and recreation | - | - | - | - | - | - | 31,176 | 31,176 |
| Public safety | 1,888,430 | - | 2,955,634 | - | - | - | - | 4,844,064 |
| Public works | 908,264 | - | - | - | - | - | - | 908,264 |
| Capital outlay | 419,476 | - | 138,182 | - | - | - | - | 557,658 |
| Debt Service: | | | | | | | - | |
| Principal | 318,062 | - | 77,138 | - | - | - | - | 395,200 |
| Interest | 31,363 | - | 6,851 | - | - | - | - | 38,214 |
| **Total Expenditures** | 6,162,492 | - | 3,177,805 | - | - | - | 683,445 | 10,023,742 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 1,003,367 | - | (682,977) | - | - | - | 690,138 | 1,010,528 |
| **Other Financing Sources (Uses):** | | | | | | | | |
| Transfers in | - | - | 775,704 | - | - | - | - | 775,704 |
| Transfers (out) | (775,704) | - | - | - | - | - | - | (775,704) |
| Sale of capital assets | 4,000 | - | - | - | - | - | - | 4,000 |
| Debt issuance | 170,912 | - | 101,066 | - | - | - | - | 271,978 |
| **Total Other Financing Sources (Uses)** | (600,792) | - | 876,770 | - | - | - | - | 275,978 |
| **Net Change in Fund Balances** | 402,575 | - | 193,793 | - | - | - | 690,138 | 1,286,506 |
| **Fund Balances, Beginning as previously presented** | 3,954,878 | 13,059 | 654,659 | 326,092 | - | (224,086) | - | 4,724,602 |
| Restatement | - | - | - | - | - | - | 130,802 | 130,802 |
| Change within the financial reporting entity (Major to nonmajor fund) | | (13,059) | - | (326,092) | - | 224,086 | 115,065 | - |
| **Fund Balances - Beginning, as adjusted** | 3,954,878 | - | 654,659 | - | - | - | | 4,855,404 |
| **Fund Balances - Ending** | 4,357,453 | 13,059 | 848,452 | 326,092 | - | - | 936,005 | 6,141,910 |

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

**City of Leadville, Colorado**
**Reconciliation of Revenues, Expenditures and Changes in Fund Balances**
**of Governmental Funds to the Statement of Activities**
**For the Year Ended December 31, 2025**

| | | |
|---|---|---|
| **Net Change in Fund Balances - Total Governmental Funds** | | 1,286,506 |
| 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. This is the amount by which depreciation expense exceeded capital outlay. | | |
| Capitalized expenditures | 367,945 | |
| Depreciation expense | (818,088) | (450,143) |
| The issuance of long-term debt (i.e. capital leases) provides current financial resources to the governmental funds, however this transaction has no effect on net assets. This is the amount of capital lease proceeds. | | (271,978) |
| The repayment of principal on long-term debt consumes the current financial resources of governmental funds. This is the amount of principal repayments reported in the governmental funds. | | 395,200 |
| Changes in the City's net pension liability/asset 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. This is the change in the City's net pension liability/asset during the year, including difference between the City's contributions to the pension plan and amortization of pension-related deferrals | | |
| Cost share plan - Fire | (49,990) | |
| Cost share plan - Police | (23,702) | |
| Agent plan - Fire "Old Hire" | (11,110) | (84,802) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources. This is the change compensated absences. | | (31,551) |
| **Change in Net Position of Governmental Activities** | | 843,232 |

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

**City of Leadville, Colorado**
**Statement of Fiduciary Net Position**
**High Country Developers**
**December 31, 2025**

| | Custodial Funds |
|---|---|
| **Assets:** | |
| Cash and cash equivalents | (4,109) |
| Receivable | 101,628 |
| **Total Assets** | 97,519 |
| **Liabilities:** | |
| Funds held for others | 97,519 |
| **Total Liabilities** | 97,519 |
| **Net Position:** | |
| Net position | - |

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

**City of Leadville, Colorado**
**Statement of Changes in**
**Fiduciary Net Position**
**High Country Developers**
**For the Year Ended December 31, 2025**

| | Custodial Funds |
|---|---|
| **Additions:** | |
| Funds held for others | - |
| **Total Additions** | - |
| **Deductions:** | |
| Funds held for others | - |
| **Total Deductions** | - |
| **Net increase (decrease) in fiduciary net position** | - |
| **Net Position - Beginning** | - |
| **Net Position - Ending** | - |

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

**NOTES TO THE FINANCIAL STATEMENTS**



# I. Summary of Significant Accounting Policies

The financial statements of the City of Leadville (the "City") have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

## A. Reporting Entity

The City is incorporated under the laws of the State of Colorado and operates under an elected Mayor-Council form of government. The financial statements of the reporting entity include those of the City (the primary government) and any component units for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of that organization's governing body, if it is able to impose its will on that organization, or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. Consideration is also given to other organizations that are fiscally dependent upon the City; that is, organizations that are unable to adopt a budget, levy taxes, or issue debt without approval by the City. Finally, organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The City’s blended component unit is the Leadville Urban Renewal Authority (the “LURA”), a separate entity created under Colorado Urban Renewal Law to provide for acquisition, clearance, rehabilitation, conservation, development, or redevelopment of property in the interest of public health, safety, morals, or welfare of the residents of the City. The boundaries of the LURA shall be coterminous with those of the City. The LURA will consist of eleven members as follows: the City’s Mayor and council members, an at large member appointed by the Mayor, plus one appointed member each from the Lake County Board of County Commissioners and the Lake County School District, with the final seat filled by a member appointed to represent the special districts levying a mill levy with the City. For financial reporting purposes, the LURA is blended into the City’s financial statements and is reported in a single special revenue fund as a blended component unit.

## B. Government-wide and Fund Financial Statements

The City’s basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City’s individual funds).

### 1. Government-wide Financial Statements

The government-wide financial statements report information on all non-fiduciary activities of the City and categorize primary activities as either governmental or business-type. The City’s governmental activities include general government, public safety, judicial (court), public works (streets and maintenance), cultural enhancement and parks and recreation. The City does not have any business-type activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

## I. Summary of Significant Accounting Policies (continued)

### B. Government-wide and Fund Financial Statements (continued)

#### 1. Government-wide Financial Statements (continued)

In the government-wide Statement of Net Position, the governmental activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts: net investment in capital assets, net of related debt; restricted net position, and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (public safety, public works, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.).

Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function) are mostly supported by general revenues (property and sales taxes, interest income, etc.).

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

#### 2. Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that is comprised of its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The City reports the following major governmental funds:

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

The *Fire Operations Fund* accounts for the City's revenue and expenditures relating to the Fire Department operations.

## I. Summary of Significant Accounting Policies (continued)

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

#### 1. Long-term Economic Focus and Accrual Basis

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

The government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

#### 2. Current Financial Focus and Modified Accrual Basis

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

#### 3. Financial Statement Presentation

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

### D. Financial Statement Accounts

#### 1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the City.

## I. Summary of Significant Accounting Policies (continued)

### D. Financial Statement Accounts (continued)

#### 1. Cash, Cash Equivalents, and Investments (continued)

The City follows Colorado Revised Statutes which permit investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 60 months)
- Corporate Bonds (maximum maturity of 60 months)
- Prime Commercial Paper (maximum maturity of 60 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

Investments are stated at fair market value or net asset value. The City does not currently hold any investments which require fair market valuation.

#### 2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. The City uses the allowance method for recognizing the potential uncollectibility of delinquent accounts receivable. At December 31, 2025, no allowance has been established, as all amounts are considered collectible.

#### 3. Property Taxes

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

#### 4. Capital Assets

Capital assets, which include land, infrastructure, buildings, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of two years with an initial cost of $5,000 or more. Purchased assets are recorded at historical cost. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase is expensed as incurred.

## I. Summary of Significant Accounting Policies (continued)

### D. Financial Statement Accounts (continued)

#### 4. Capital Assets (continued)

Buildings, equipment and vehicles and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

| Capital Assets | Years |
|---|---|
| Buildings | 30 |
| Equipment and vehicles | 3 - 30 |
| Infrastructure | 15 - 20 |

#### 5. Leases Payable

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

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

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

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

#### 6. Compensated Absences

For governmental funds, vested and accumulated paid time off that is expected to be liquidated with expendable available financial resources, is reported as expenditures and a fund liability of the governmental fund that will pay it. Vested and accumulated paid time off not expected to be liquidated with expendable available financial resources are not reported in the governmental fund financial statements. However, these amounts are reported in the government-wide financial statements.

## I. Summary of Significant Accounting Policies (continued)

### D. Financial Statement Accounts (continued)

#### 7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category at December 31, 2025 deferred outflows of resources related to its pension obligations which are further described at Notes IV.F.1. and IV.F.2.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Revenue from property taxes, and pension related items are deferred and recognized as an inflow from resources in the period that the amounts become available. For further details, on the collective deferred inflows related to the City's pension obligations, see Notes IV.F.1. and IV.F.2.

#### 8. Pensions

The City participates in the Statewide Defined Benefit Plan (the "SWDB Plan") administered by the Fire and Police Pension Association of Colorado (the "FPPA"). The SWDB Plan is a cost-sharing multiple-employer defined benefit plan. The City also sponsors the firefighter "old hire" single employer defined benefit agent plan. The net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### 9. Fund Balance

The City classifies governmental fund balances as follows:

*Non-spendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

## I. Summary of Significant Accounting Policies (continued)

### D. Financial Statement Accounts (continued)

#### 9. Fund Balance (continued)

*Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the City Council.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the City Council or its management designee.

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

The City uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

#### 10. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

#### 11. Restricted Assets

Certain resources of the City are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable agreements.

## I. Summary of Significant Accounting Policies (continued)

### E. Significant Accounting Policies

#### 1. Use of Estimates

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

#### 2. Restricted and Unrestricted Resources

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

## II. Reconciliation of Government-wide and Fund Financial Statements

### A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

These financial statements include a reconciliation between the total fund balances of all governmental funds as presented on the Governmental Funds Balance Sheet and the net position of governmental activities as reported in the government-wide Statement of Net Position. Additionally, these financial statements include a reconciliation between the total net change in fund balances of all governmental funds as presented on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the change in net position of governmental activities as reported in the government-wide Statement of Activities.

## III. Stewardship, Compliance, and Accountability

### A. Budgetary Information

Budgets are adopted on a basis consistent with GAAP. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado Statutes, the City followed the required timetable noted below in preparing, approving, and enacting its budget for 2025:

1. For the 2025 budget year, prior to August 25, 2024, the County Assessor sent to the City an assessed valuation of all taxable property within the City's boundaries. The County Assessor may change the assessed valuation on or before December 15, 2024, only once by a single notification to the City.

2. The Mayor, or other qualified person appointed by the Council, submitted to the Council, on or before October 15, 2024, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.

3. Prior to December 15, 2024, a public hearing was held for the budget, the Council certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Council adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

4. After a required publication of "Notice of Proposed Budget", the City adopted the proposed budget and a resolution that legally appropriated expenditures for the upcoming year.

5. After adoption of the budget resolution, the City may make the following changes: a) it may transfer appropriated money between funds; b) it may approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) it may approve emergency appropriations, and d) it may reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

For the year ended December 31, 2025, the City reported expenditures in excess of appropriations for the following funds:

| Fund | Budget | Actual | Over Budget |
|---|---|---|---|
| General Fund | $ 6,843,090 | $ 6,938,196 | $ 95,106 |
| Fire Operations Fund | 2,782,219 | 3,177,805 | 395,586 |
| Accommodations Tax | 351,500 | 355,046 | 3,546 |

## III. Stewardship, Compliance, and Accountability (continued)

### B. TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved $193,000 for TABOR, which is the approximate required reserve at December 31, 2025.

On November 7, 2017, the City's voters approved the following ballot question:

*"Without creating any new tax or increasing any current taxes, shall the city of Leadville be permitted to retain and spend city revenues derived from any and all sources in excess of the spending or other limitations set forth in Article X, Section 20 of the Colorado Constitution or in Section 29-1-301 of the Colorado Revised Statutes, beginning with revenues received in 2017, such excess revenues to be used for any and all municipal purposes?"*

The City believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits and qualification as an enterprise, will require judicial interpretation.

## IV. Detailed Notes on all Funds

### A. Deposits and Investments

The City's deposits are entirely covered by the Federal Deposit Insurance Corporation ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the City's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA. The carrying amount of the City's cash was $690,354 at year end. The City had the following cash and investments with the following maturities at December 31, 2025:

| | Standard & Poors Rating | Carrying Amounts | Maturities: Less than one year | Maturities: Less than five years |
|---|---|---|---|---|
| *Deposits:* | | | | |
| Petty Cash | Not rated | $ 380 | $ 380 | $ - |
| Checking | Not rated | 3,222,521 | 3,222,521 | - |
| Non-negotiable Certificate of deposit | Not rated | 68,714 | - | 68,714 |
| | | $ 3,291,615 | $ 3,222,901 | $ 68,714 |

The City has invested in the Colorado Government Liquid Asset Trust ("COLOTRUST"). The pools are an investment vehicle established for local government entities in Colorado to pool surplus funds. The fair value of the pool is determined by the pool's share price. They operate similarly to a money market fund and each share is equal in value to $1. Investments of the pools consist of U.S. Treasury bills, notes, and note strips, and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST and is rated AAAm by Standard and Poor's. The City has no regulatory oversight for the pool.

| **Investments Measured at Net Asset Value:** | |
|---|---|
| COLOTRUST PLUS+ | $ 3,153,651 |
| COLOTRUST PRIME | 1,568,679 |
| **Total** | $ 4,722,330 |

*Interest Rate Risk* - As a means of limiting its exposure to interest rate risk, the City coordinates its investment maturities closely to match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

*Credit Risk* - Colorado statutes specify instruments in which local governments may invest. The City's general investment policy is to apply the prudent-person rule; Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

### B. Restricted Cash

The City did not have any restricted cash at December 31, 2025.

## IV. Detailed Notes on all Funds (continued)

### C. Capital Assets

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

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 216,779 | $ - | $ - | $ 216,779 |
| **Total Capital Assets, Not Being Depreciated** | 216,779 | - | - | 216,779 |
| Capital assets, being depreciated: | | | | |
| Infrastructure | 783,695 | - | - | 783,695 |
| Buildings | 4,935,132 | - | - | 4,935,132 |
| Equipment and vehicles | 7,203,091 | - | - | 7,203,091 |
| Lease assets - Vehicles | - | 367,945 | - | 367,945 |
| **Total Capital Assets Being Depreciated** | 12,921,918 | 367,945 | - | 13,289,863 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (512,082) | (29,977) | - | (542,059) |
| Buildings | (1,198,767) | (149,826) | - | (1,348,593) |
| Equipment and vehicles | (4,804,382) | (564,696) | - | (5,369,078) |
| Lease assets - Vehicles | - | (73,589) | - | (73,589) |
| **Total Accumulated Depreciation** | (6,515,231) | (818,088) | - | (7,333,319) |
| **Total Capital Assets, Being Being Depreciated, Net** | 6,406,687 | (450,143) | - | 5,956,544 |
| **Governmental activities capital assets, net** | $ 6,623,466 | $ (450,143) | $ - | $ 6,173,323 |

The City had capital outlay expenditures and depreciation expense for 2025 as follows:

| | Depreciation Expense | Capital Outlay |
|---|---|---|
| Governmental activities: | | |
| General government | $ 73,029 | $ - |
| Cultural enhancement | 78,076 | - |
| Public safety | 409,048 | 367,945 |
| Public works | 257,935 | - |
| **Total** | $ 818,088 | $ 367,945 |

## IV. Detailed Notes on all Funds (continued)

### D. Interfund Activity

#### 1. Internal Balances

Balances due between funds at December 31, 2025 were as follows:

| | Due To | Due From |
|---|---|---|
| General | $ 575,159 | $ - |
| Fire Operations | - | 363,619 |
| Leadville URA | - | 211,540 |
| | $ 575,159 | $ 575,159 |

The internal balance between the General Fund and Fire Fund is due to temporary cash flow.

The amount payable to the general fund from the LURA is related to costs incurred in the formation of the LURA. This balance is not scheduled to be collected in the subsequent year.

#### 2. Transfers

Transfers made during 2025 were as follows:

| | Transfers In | Transfers Out |
|---|---|---|
| General | $ - | $ 775,704 |
| Fire Operations | 775,704 | - |
| | $ 775,704 | $ 775,704 |

The transfer made from the General Fund to the Fire Fund was the General Fund's subsidy of the fire protection operations.

#### 3. Interfund Loans

During December 2018, the City entered into a promissory note agreement in the amount of $110,000 to reimburse the expenses of the LURA, bearing interest on the unpaid principal at the rate of 3% per annum. Thereafter, additional expenses were added to the reimbursement note. As of December 31, 2025, the balance of the note was $211,540.

### E. Long-term Liabilities

#### 1. Financing obligations payable

The City has entered into the following equipment notes:

*Police Vehicles:*

a. On March 1, 2021, the City entered into a lease purchase agreement for three police vehicles in the amount of $129,531, bearing interest at 5.99%. Lease payments of $2,501 are due monthly on the 1st through February 1, 2026.

## IV. Detailed Notes on all Funds (continued)

### E. Long-term Liabilities (continued)

#### 1. Financing obligations payable (continued)

*Police Vehicles (continued):*

b. On March 3, 2025, the City entered into a lease agreements for three police vehicles in the amount of $124,681, bearing interest at 6.45%. Lease payments of $2,463 are due monthly through March 2030.

*Fire Vehicles:* During 2025, the City entered into two lease agreements for vehicles in support of the fire department totaling $101,666, bearing interest of 7.45%. Lease Payments are due monthly for 60 months through 2030.

*Animal Shelter Vehicles:* During 2025, the City entered into a lease agreements for a vehicle in support of the animal shelter totaling $46,231, bearing interest of 6.572%. Lease Payments are due monthly for 60 months through 2029.

*Wagner Truck*: On April 23, 2021, the City entered into a five-year lease purchase agreement for a Wagner Truck in the amount of $246,931, bearing interest at 2.70%. Lease payments of $3,719 are due monthly on the 23rd of May, 2021 through April 23, 2027.

*Street Motor Grader*: On December 15, 2021, the City entered into a five-year lease purchase agreement for a Motor Grader in the amount of $370,897, bearing interest at 2.63%. Lease payments of $6,604 are due monthly on the 15th of January, 2022 through December 15, 2026.

*2022 Fire Engine Type 3 and 1:* On September 20 and August 2, the City entered into a five-year lease purchase agreement for a Type 3 and Type 1 Fire Engine in the amount of $338,527.20 and $146,700 bearing interest at 2.54% and 3.93% respectively. Lease payments are due monthly on the 1st of June, 2022 and August 1, 2022 through June 1, 2026 and August 1, 2026.

*Vacuum Excavator:* In May 2024, the City entered into a three-year lease purchase agreement for a vacuum excavator in the amount of $138,521 bearing interest of 5.83%. Lease payments are due annually on the 1st of June 2025 through June 2027.

Future lease payments for the City are as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 385,242 | $ 28,344 | $ 413,586 |
| 2027 | 168,717 | 15,317 | 184,034 |
| 2028 | 56,654 | 7,350 | 64,004 |
| 2029 | 60,506 | 3,498 | 64,004 |
| 2030 | 20,081 | 351 | 20,432 |
| **Total** | $ 691,200 | $ 54,860 | $ 746,060 |

## IV. Detailed Notes on all Funds (continued)

### E. Long-term Liabilities (continued)

#### 1. Financing Obligations Payable (continued)

Interest expense, as functionally allocated, for the year ended December 31, 2025 is:

| | Interest Expense |
|---|---|
| Governmental activities: | |
| Public safety | $ 16,760 |
| Public works | 21,454 |
| **Total** | $ 38,214 |

#### 2. Accrued Compensated Absences

City employees accumulate paid time off ("PTO") based upon their length of employment. All employees are encouraged to use their PTO within the year it is earned. Unused accumulated PTO is payable to employees upon termination, subject to certain maximum limits. Therefore, a liability for unused paid time off is shown on the City's government-wide financial statements.

#### 3. Changes in Long-term Liabilities

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

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Financing obligations | $ 814,422 | $ 271,978 | $ (395,200) | $ 691,200 | $ 385,242 |
| Compensated absences | 172,612 | 31,551 | - | 204,163 | - |
| Net pension (asset) liability | 84,529 | 8,220 | - | 92,749 | - |
| **Total** | $ 1,071,563 | $ 311,749 | $ (395,200) | $ 988,112 | $ 385,242 |

These liabilities are generally liquidated by the General Fund and the Fire Operations Fund.

## IV. Detailed Notes on all Funds (continued)

### F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

#### 1. FPPA Statewide Defined Benefit Plan

*Plan Description.* The Statewide Retirement Plan (the "Plan") is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 230 participating employer fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

The plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

The Plan is administered by the Fire & Police Pension Association of Colorado ("FPPA"). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.FPPAco.org.

*Description of Benefits.* The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

## IV. Detailed Notes on all Funds (continued)

### F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

#### 1. FPPA Statewide Defined Benefit Plan (continued)

*Description of Benefits (continued).*

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

## IV. Detailed Notes on all Funds (continued)

### F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

#### 1. FPPA Statewide Defined Benefit Plan (continued)

*Contributions.* Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 11.00 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17.0 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2024 through June 30, 2025 is 14.56 percent. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 was 14.24 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the SRP may elect to make voluntary after-tax contributions to the Money Purchase Component of the SRP. Additional voluntary contributions from the employer are made on a pre-tax basis.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer’s contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the SRP may elect to make voluntary after-tax contributions to the Money Purchase Component of the SRP. Additional voluntary contributions from the employer are made on a pre-tax basis.

## IV. Detailed Notes on all Funds (continued)

### F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

#### 1. FPPA Statewide Defined Benefit Plan (continued)

*Contributions (continued).*

*Net Pension Liability (Asset):* At December 31, 2025, the Plan's fiduciary net position is exceeded by the total pension liability; consequently the City reported liabilities of $- and $- for its proportionate share of the net pension liability for fire and police respectively. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The City's proportion of the net pension liability was based on City contributions to the Plan for the calendar year 2024 relative to the total contributions of participating employers to the Plan.

At the December 31, 2024 and 2023 measurements, the City's proportions for fire and police were as follows:

| | Proportionate Share | |
|---|---|---|
| | 2024 | 2023 |
| Fire | 0.102006% | 0.096057% |
| Police | 0.023821% | 0.028824% |

For the year ended December 31, 2025, the City recognized net pension (revenue) or expense of $49,990 and $23,702 for fire and police respectively.

*Net Pension Liability (Asset) (continued):* At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Fire | | Police | |
|---|---|---|---|---|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference between expected and actual experience | $ 245,120 | $ 7,667 | $ 57,242 | $ 1,790 |
| Change of assumptions or other inputs | 87,726 | - | 20,485 | - |
| Net difference between projected and actual earnings on pension plan investments | 34,821 | - | 8,131 | - |
| Changes in proportionate share of contributions | 25,021 | 73,829 | 68,274 | 7,059 |
| Contributions subsequent to measurement date | 131,567 | - | 31,938 | - |
| | $ 524,255 | $ 81,496 | $ 186,070 | $ 8,849 |

## IV. Detailed Notes on all Funds (continued)

### F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

#### 1. FPPA Statewide Defined Benefit Plan (continued)

Contributions subsequent to the measurement date of December 31, 2024 – which are reported as deferred outflows of resources related to pensions – will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended December 31, | Amortization Fire | Amortization Police |
|---|---|---|
| 2026 | $ 93,284 | $ 34,187 |
| 2027 | 141,492 | 45,045 |
| 2028 | 3,725 | 11,913 |
| 2029 | 6,834 | 13,844 |
| 2030 | 24,997 | 18,143 |
| thereafter | 40,860 | 22,151 |
| | $ 311,192 | $ 145,283 |

*Actuarial assumptions:* The collective total pension liability and actuarially determined contributions in the December 31, 2024 actuarial valuation were determined using the following actuarial assumptions and other inputs:

| Actuarial Assumptions Actuarial Valuation Date January 1, | Total Pension Liability 2025 | Actuarially Determined Contributions 2024 |
|---|---|---|
| Actuarial method | Entry Age Normal | Entry Age Normal |
| Amortization Method | N/A | Level % of Payroll, open |
| Amortization Period | N/A | 30 years |
| Long-term investment Rate of Return | 7.0% | 7.0% |
| Projected Salary Increases | 4.25% - 11.25% | 4.25% - 11.25% |
| Cost of Living Adjustments (COLA) | 0% | 0% |
| Includes inflation at | 2.50% | 2.50% |

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 60% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

## IV. Detailed Notes on all Funds (continued)

### F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

#### 1. FPPA Statewide Defined Benefit Plan (continued)

*Actuarial assumptions (continued):* For determining the actuarially determined contribution, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

| Asset Class | Target Allocation | Long Term Expected Rate of Return |
|---|---|---|
| Global Equity | 33.00% | 7.00% |
| Equity Long / Short | 6.00% | 6.20% |
| Private Markets | 34.00% | 8.80% |
| Fixed Income - Rates | 7.00% | 5.00% |
| Fixed Income - Credit | 7.00% | 6.50% |
| Absolute Return | 9.00% | 5.70% |
| Cash | 4.00% | 4.20% |
| Total | 100.00% | |

## IV. Detailed Notes on all Funds (continued)

### F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

#### 1. FPPA Statewide Defined Benefit Plan (continued)

*Actuarial assumptions (continued):*
The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Statewide Retirement plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.77 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

## IV. Detailed Notes on all Funds (continued)

### F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

#### 1. FPPA Statewide Defined Benefit Plan (continued)

Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan's net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

| | 1% Decrease (6.0%) | Current Discount Rate (7.0%) | 1% Increase (8.0%) |
|---|---|---|---|
| Proportionate share of net pension liability (asset): | | | |
| Fire | $ 497,781 | $ - | $ - |
| Police | $ 116,245 | $ - | $ - |

*Pension plan fiduciary net position:* Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at: *http://www.fppaco.org/annual-reports.html*.

#### 2. Agent Fire "Old Hire" Pension Plan

*Plan Description:* The City is trustee of a single employer defined benefit pension plan available to provide retirement income for all fire fighters hired before April 8, 1978 ("old hires") in recognition of their service to the City. FPPA administers an agent multiple-employer Public Employee Retirement System ("PERS"). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at *http://www.fppaco.org/annual-reports.html*.

The plan provides normal retirement benefits, severance, and death and disability benefits. Normal retirement benefits begin at 50 years of age and upon completion of 18 years of service and include monthly pension equal to one-half of his monthly salary at the date of his retirement. For severances, firefighters have the option to refund their contribution with 5% annual interest, or to receive deferred retirement pensions equal to one-half their monthly salary if they meet the age and service requirements of the normal retirement benefit. If a firefighter eligible to receive or is receiving benefits dies in retirement, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one-half the monthly pension the firefighter was entitled to receive. There are no vested retirement benefits. As of January 1, 2020, the latest actuarial valuation date, there were 0 active members, 0 service retirees and 2 retirees and beneficiaries.

## IV. Detailed Notes on all Funds (continued)

### F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

#### 2. Agent Fire "Old Hire" Pension Plan (continued)

*Funding Policy:* The funding of the plan by the City and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the "State") toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of City contributions, whichever is less. Since the City currently offers maximum retirement benefits in excess of $300 per month, the State will match at the level determined above but no greater than the maximum of: (1) the amount necessary to fund a pension of $300 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year.

*Net Pension Liability:* At December 31, 2025, the old hire pension fund reported a net pension liability of $92,749. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025.

*Actuarial Assumptions:* The significant actuarial assumptions used in the valuation as of January 1, 2025 were:

| | |
|---|---|
| Actuarial cost method | Entry Age Normal |
| Amortization method | N/A |
| Remaining amortization period | N/A |
| Asset valuation method | 5-Year smoothed fair value |
| Inflation | 2.50% |
| Salary increases | N/A |
| Investment rate of return | 4.50% |
| Retirement age | Any remaining actives are assumed to retire immediately. |
| Mortality | Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.<br>Disabled (pre-1980): Post-retirement rates set forward three years. |

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

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) the long-term expected rate of return on pension plan investments (4.50%), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (3.77%) to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits. The resulting Single Discount Rate is 4.50%.

## IV. Detailed Notes on all Funds (continued)

### F. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

#### 2. Agent Fire "Old Hire" Pension Plan (continued)

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following represent the plan's net pension liability/(asset), calculated using a Single Discount Rate of 4.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

| | 1% Decrease (3.50%) | Current Discount Rate (4.50%) | 1% Increase (5.50%) |
|---|---|---|---|
| Net pension liability (asset) | $ 104,601 | $ 92,749 | $ 82,150 |

In connection with the City's Old Hire Pension Plan, the following deferred outflow of resources and deferred inflows of resources were reported at December 31, 2025:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Net difference between projected and actual earnings on pension plan investments | $ 8,299 | $ - |
| Contributions subsequent to measurement date | 15,582 | - |
| | $ 23,881 | $ - |

Contributions subsequent to the measurement date of December 31, 2024, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in subsequent years. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as a component of pension expense in future years as follows:

| Year Ended December 31, | Amortization |
|---|---|
| 2026 | $ 4,734 |
| 2027 | 3,695 |
| 2028 | (348) |
| 2029 | 218 |
| | $ 8,299 |

## V. Other Information

### A. Pension Plans

#### 1. Deferred Compensation Plan

The City offers its full time, year-round employees a deferred compensation plan created in accordance with section 457 of the Internal Revenue Code (the "457 Plan"). The 457 Plan permits eligible employees to defer a portion of their salary until future years.

All compensation deferred under the 457 Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries. Compensation deferred under the 457 Plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

The City matches employee contributions at a minimum rate of 1% for all City employees with up to 5% match for fire and police personnel and up to 6% match for other City employees.

The City contributed $27,213 for the year ended December 31, 2025

Investment decisions within the 457 Plan are determined by the individual participants and, therefore, the 457 Plan's investment concentration varies between participants.

The City is the Trustee of the 457 Plan and, accordingly, has no liability for losses under the plan. However, the City does have the duty of due care that would be required of an ordinary prudent investor. Consequently, the 457 Plan is not part of the City's financial statements.

#### 2. Statewide Death and Disability Plan

*Plan Description.* Police officers of the Town contribute to the Statewide Death and Disability Plan ("SWDD"). The SWDD is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the Plan may include part-time police and fire employees. Contributions to the SWDD are used for payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the SWDD, which the Town has elected. The SWDD was established in 1980 pursuant to Colorado Revised Statutes and currently has 270 participating employer departments. Included in that number are 7 contributing employers as of December 31, 2023, who are covered by Social Security and have elected supplementary coverage by the SWDD. The SWDD assets are included in the Fire & Police Members' Benefit Investment Fund Long-Term Pool. The Long-Term Pool is designed primarily for open plans with a longer time horizon, higher risk tolerance, and lower liquidity needs. The investment return assumption is 7.0%.

SWDD benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan.

## V. Other Information (continued)

### A. Pension Plans (continued)

#### 2. Statewide Death and Disability Plan (continued)

*Plan Description (continued):* In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease.

*Funding Policy:* Prior to 1997, the SWDD was primarily funded by the State of Colorado (the "State"), whose contributions were established by Colorado statute. In 1997, the State made a one-time contribution of $39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. During 2022, C.R.S. 31-31-811 was amended to provide additional payments from the State to the Plan on July 1, 2022 and July 1, 2023 of $6,650,000 each. Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to the SWDD as of January 1, 1997. Effective January 1, 2023, the contribution rate increased to 3.4 percent of base salary and may be increased 0.2 percent annually by the FPPA Board. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the employer or member, or may be split between the employer and the member as determined at the local level.

The 3.0 percent contribution may be paid entirely by the City or member, or it may be split between the City and the member as determined at the local level. The City's members paid $57,142 to the SWDD at December 31, 2025.

FPPA issues a publicly available comprehensive annual financial report which includes additional information on the SWDD. That report can be obtained *at* *https://www.fppaco.org/annual-reports.html*.

### B. Risk Management

#### 1. Colorado Intergovernmental Risk Sharing Agency

The City is exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; general property liability and errors and omissions. To address such risks, the City is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of $500,000 per claim or occurrence for property, $100,000 per claim/annual aggregate public relations and security breach, $1,000,000 per claim or occurrence for liability, $1,000,000 for public officials' liability, $500,000 each claim/annual aggregate security and privacy liability, and $150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the City may be liable for any losses in excess of this coverage, the City does not anticipate such losses at December 31, 2025. The deductible amount paid by the City for each incident in 2025 was $1,000. All settlements for the year-ended December 31, 2025 were under the maximum coverage allowed.

## V. Other Information (continued)

### B. Risk Management (continued)

#### 1. Colorado Intergovernmental Risk Sharing Agency (continued)

Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

CIRSA's combined financial information for the year ended December 31, 2025, is summarized as follows:

| | |
|---|---|
| **Assets:** | |
| Cash and investments | $ 90,532,926 |
| Other assets | 7,633,822 |
| **Total assets** | 98,166,748 |
| **Total liabilities** | 42,047,618 |
| **Net position** | $ 56,119,130 |
| Total revenues | $ 32,058,222 |
| Total expenses | (33,223,759) |
| **Change in net position** | $ (1,165,537) |

A copy of CIRSA's audit report can be obtained by writing to CIRSA, 3665 Cherry Creek North Drive, Denver, CO 80209, or by calling (800)-228-7136.

#### 2. Workers' Compensation

The City is exposed to various risks of loss related to workers' compensation. The City has acquired commercial coverage for this risk and any settled claims are not expected to exceed the commercial insurance coverage. There is no change in coverage from past years, and settlements have not exceeded coverage for each of the past three fiscal years.

## V. Other Information (continued)

### C. Commitments and Contingencies

#### 1. Legal Claims

During the normal course of business, the City may incur claims and other assertions against it from various agencies and individuals. Management of the City and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2025.

#### 2. Federal and State Grants and Financial Sources

The City receives financial assistance from federal and state governmental agencies in the form of grants and operating agreements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and may be subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the City, any such disallowed claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2025.

### D. Agreements

#### 1. Lake County – Shared Fire Protection Services

In accordance with an intergovernmental agreement with Lake County, Colorado ("County"), the County reimburses the City for 70% of the City's fire protection expenditures. The County's share of fire protection expenditures totaled $1,763,926 for the year ended December 31, 2025.

#### 2. Lake County – Shared Animal Shelter Services

The County and City equally share all costs associated with the construction and maintenance of an animal shelter as per the intergovernmental agreement. The City is responsible for providing staffing of 12 hours per week for the animal shelter via the City's Police Department. The County's share of animal shelter costs totaled $130,252 during 2025.

#### 3. County Health Pool

In 2004, the City entered into an agreement with the County Health Pool for administration of a health insurance program for all full-time non-elected City employees. Under this agreement, the City must purchase and pay for 50% of the employees' health insurance premiums (the City is currently paying 75%), and 100% of employees' group life insurance premiums must be purchased by the City. Employees are eligible for coverage after 30 days of continuous full-time employment.

## V. Other Information (continued)

### E. Leadville Urban Renewal Authority

The LURA has implemented an Incentive Policy to encourage redevelopment, development, and physical improvement of vacant, underutilized, and deteriorating properties within targeted locations of the city. The LURA and the City may participate in meritorious projects based on need and public benefit. Resources of the LURA and City are to be used to offset extraordinary costs associated with prevailing conditions that may be unfavorable for investment by providing resources to supplement financing of a project. Resources may be allocated via tax increment financing ("TIF"), infrastructure cost participation, relocation assistance, special district partnership, sales tax rebate, when feasible, fee and lien waivers and other miscellaneous incentives as detailed in the Incentive Policy.

The LURA and the City have entered into a certain agreement to meet development goals within certain areas of the City. The following areas have continuing development requirements or abatement agreements requiring disclosure.

| Development Area | Revenues Impacted | Governing Document | Amount | Requirements |
|---|---|---|---|---|
| Railyard Leadville | Property Tax Increment | Cooperation and Development Agreement | $ 4,000,000 | Earlier of $4,000,000 percentage shares of incremental property taxes or September 19, 2044. |

### F. Restatement of Fund Balance and Net Position

The City has restated certain balances as a result of an error correction in the calculation of interfund balances owed from the LURA to the General Fund. Restated balances are as follows:

| | |
|---|---|
| **LURA Fund Beginning Balance** | $ (224,086) |
| Correction for LURA liabilities | 130,802 |
| **LURA Fund Beginning Balance, Restated** | $ (93,284) |
| | |
| **Government-Wide Beginning Net Position** | $ 10,996,948 |
| Adjustments to LURA | 130,802 |
| **Government-Wide Beginning Net Position, Restated** | $ 11,127,750 |

**REQUIRED SUPPLEMENTARY INFORMATION**



**City of Leadville, Colorado**
**Schedule of Revenues, Expenditures and**
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**
**General Fund**
**For the Year Ended December 31, 2025**
**(With Comparative Actual Amounts For the Year Ended 2024)**

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| **Taxes:** | | | | | |
| Property tax | 1,209,329 | 1,209,329 | 1,251,990 | 42,661 | 1,256,027 |
| Specific ownership tax | 60,000 | 60,000 | 56,517 | (3,483) | 59,464 |
| Sales tax | 3,750,000 | 3,750,000 | 4,516,767 | 766,767 | 3,792,776 |
| Franchise tax | 185,000 | 185,000 | 168,343 | (16,657) | 168,643 |
| Other taxes | 371,125 | 371,125 | 158,457 | (212,668) | 351,757 |
| **Total Taxes** | 5,575,454 | 5,575,454 | 6,152,074 | 576,620 | 5,628,667 |
| **Licenses and Permits:** | | | | | |
| Liquor license fee | 6,000 | 6,000 | 2,526 | (3,474) | 2,423 |
| Business licenses | 31,000 | 31,000 | 21,876 | (9,124) | 29,106 |
| Excavation and zoning | 20,000 | 20,000 | 25,200 | 5,200 | 22,100 |
| **Total Licenses and Permits** | 57,000 | 57,000 | 49,602 | (7,398) | 53,629 |
| **Intergovernmental Revenue:** | | | | | |
| Grant revenue | 156,500 | 156,500 | 131,342 | (25,158) | 336,317 |
| State Highway Users Fund | 114,744 | 114,744 | 143,263 | 28,519 | 140,858 |
| Animal control reimbursement (County) | 160,000 | 160,000 | 130,252 | (29,748) | 184,511 |
| Motor vehicle fees | 15,000 | 15,000 | 11,034 | (3,966) | 13,307 |
| State highway maintenance | 60,373 | 60,373 | 13,000 | (47,373) | 8,250 |
| **Total Intergovernmental Revenue** | 506,617 | 506,617 | 428,891 | (77,726) | 683,243 |
| **Charges for Services:** | | | | | |
| Building inspection fees | - | - | - | - | 500 |
| Fire department administrative fee | 28,000 | 28,000 | 28,000 | - | 28,000 |
| Other charges for services | 45,500 | 45,500 | 36,605 | (8,895) | 33,466 |
| Animal control fees | 25,000 | 25,000 | 23,245 | (1,755) | 21,241 |
| Police department | 12,000 | 12,000 | 2,400 | (9,600) | - |
| **Total Charges for Services** | 110,500 | 110,500 | 90,250 | (20,250) | 83,207 |
| **Fines and Forfeitures:** | | | | | |
| Traffic fines | 2,500 | 2,500 | 1,168 | (1,332) | 1,142 |
| Other | 3,200 | 3,200 | 2,286 | (914) | 3,621 |
| Court fines | 3,000 | 3,000 | 7,994 | 4,994 | 4,875 |
| Parking fines | 7,000 | 7,000 | 8,590 | 1,590 | 7,975 |
| **Total Fines and Forfeitures** | 15,700 | 15,700 | 20,038 | 4,338 | 17,613 |
| **Other:** | | | | | |
| Investment income | 127,500 | 127,500 | 150,156 | 22,656 | 114,457 |
| Donations and contributions | 49,550 | 49,550 | 217,636 | 168,086 | 135,648 |
| Other income | 292,769 | 292,769 | 57,212 | (235,557) | 302,574 |
| **Total Other** | 469,819 | 469,819 | 425,004 | (44,815) | 552,679 |
| **Total Revenues** | 6,735,090 | 6,735,090 | 7,165,859 | 430,769 | 7,019,038 |

**City of Leadville, Colorado**
**Schedule of Revenues, Expenditures and**
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**
**General Fund**
**For the Year Ended December 31, 2025**
**(With Comparative Actual Amounts For the Year Ended 2024)**
**(Continued)**

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Expenditures:** | | | | | |
| General Government: | | | | | |
| Executive | 103,578 | 103,578 | 80,761 | 22,817 | 99,518 |
| Administrative | 218,663 | 218,663 | 226,044 | (7,381) | 283,657 |
| City Clerk | 83,465 | 83,465 | 81,658 | 1,807 | 63,777 |
| City Treasurer | 243,596 | 243,596 | 237,941 | 5,655 | 145,400 |
| General operating | 1,124,132 | 1,124,132 | 1,296,491 | (172,359) | 2,262,473 |
| City planning | 111,076 | 111,076 | 100,823 | 10,253 | - |
| Human resources | 425,825 | 425,825 | 418,986 | 6,839 | 300,992 |
| Animal shelter | 384,836 | 384,836 | 391,967 | (7,131) | 352,556 |
| Cultural enhancement | 162,000 | 162,000 | 106,897 | 55,103 | 185,526 |
| Judicial | 67,459 | 67,459 | 47,297 | 20,162 | 55,442 |
| Police department | 1,680,344 | 1,680,344 | 1,496,462 | 183,882 | 1,032,276 |
| Public works | 900,747 | 900,747 | 908,264 | (7,517) | 670,645 |
| Capital outlay | 202,892 | 202,892 | 419,476 | (216,584) | 271,923 |
| Debt Service: | | | | | |
| Principal | 328,263 | 328,263 | 318,062 | 10,201 | 257,833 |
| Interest | - | - | 31,363 | (31,363) | 20,823 |
| **Total Expenditures** | 6,036,876 | 6,036,876 | 6,162,492 | (125,616) | 6,002,841 |
| **Excess of Revenues Over Expenditures** | 698,214 | 698,214 | 1,003,367 | 305,153 | 1,016,197 |
| **Other Financing (Uses)** | | | | | |
| Transfer (out) | (806,214) | (806,214) | (775,704) | 30,510 | (685,733) |
| Sale of capital assets | 108,000 | 108,000 | 4,000 | (104,000) | 174 |
| Lease proceeds | - | - | 170,912 | 170,912 | 138,152 |
| **Total Other Financing (Uses)** | (698,214) | (698,214) | (600,792) | 97,422 | (547,407) |
| **Net Change in Fund Balances** | - | - | 402,575 | 402,575 | 468,790 |
| **Fund Balances - Beginning** | | | 3,954,878 | | 3,486,088 |
| **Fund Balances - Ending** | | | 4,357,453 | | 3,954,878 |

**City of Leadville, Colorado**
**Schedule of Revenues, Expenditures and**
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**
**Fire Operations Fund**
**For the Year Ended December 31, 2025**
**(With Comparative Actual Amounts For the Year Ended 2024)**

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| Intergovernmental revenue - Lake County | 1,836,975 | 1,809,975 | 1,763,926 | (46,049) | 1,600,044 |
| Grants | 27,000 | 27,000 | 37,430 | 10,430 | 227,580 |
| Forest service payments | - | - | 645,457 | 645,457 | 597,355 |
| Standby payments | - | - | - | - | 4,688 |
| Donations and contributions | - | - | 39,840 | 39,840 | - |
| Investment income | - | - | 8,175 | 8,175 | 78 |
| Other income | 169,540 | 169,540 | - | (169,540) | - |
| **Total Revenues** | 2,033,515 | 2,006,515 | 2,494,828 | 488,313 | 2,429,745 |
| **Expenditures:** | | | | | |
| Salaries, wages and taxes | 2,020,154 | 2,020,154 | 1,850,854 | 169,300 | 1,577,109 |
| Wildfire assignment and standby expense | 2,500 | 2,500 | 497,200 | (494,700) | 355,134 |
| Other fire expense | 610,672 | 610,672 | 607,580 | 3,092 | 632,496 |
| Capital outlay | 130,326 | 130,326 | 138,182 | (7,856) | 423,187 |
| Debt Service: | | | | | |
| Principal | 18,567 | 18,567 | 77,138 | (58,571) | 122,829 |
| Interest | - | - | 6,851 | (6,851) | 11,444 |
| **Total Expenditures** | 2,782,219 | 2,782,219 | 3,177,805 | (395,586) | 3,122,199 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (748,704) | (775,704) | (682,977) | 92,727 | (692,454) |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers in | 775,704 | 775,704 | 775,704 | - | 685,733 |
| Lease proceeds | - | - | 101,066 | 101,066 | - |
| **Total Other Financing Sources** | 775,704 | 775,704 | 876,770 | 101,066 | 685,733 |
| **Net Change in Fund Balances** | 27,000 | - | 193,793 | 193,793 | (6,721) |
| **Fund Balances - Beginning** | | | 654,659 | | 661,380 |
| **Fund Balances - Ending** | | | 848,452 | | 654,659 |

**City of Leadville, Colorado**
**Schedule of the City's Proportionate Share of Net Pension (Asset) Liability**
**Statewide Defined Benefit Plans**
**Fire and Police Pension Association of Colorado**
**Last 10 Fiscal Years**

| Cost Share Plan | Measurement period ending December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| **Fire:** | | | | | | | | | | |
| City's portion of the net pension (asset) liability - Fire | 0.102006% | 0.096057% | 0.098932% | 0.083333% | 0.081215% | 0.085939% | 0.081754% | 0.098995% | 0.100487% | 0.087152% |
| City's proportionate share of the net pension (asset) liability - Fire | - | - | 87,814 | (451,607) | (176,317) | (48,603) | 103,361 | (142,419) | 36,310 | (1,536) |
| City's covered payroll - Fire | 1,112,253 | 943,705 | 865,324 | 670,835 | 652,325 | 633,400 | 547,638 | 579,050 | 514,275 | 422,838 |
| City's proportionate share of the net pension (asset) liability as a percentage of its covered payroll - Fire | 100.00% | 100.00% | 10.15% | -67.32% | -27.03% | -7.67% | 18.87% | -24.60% | 7.06% | -0.36% |
| **Police:** | | | | | | | | | | |
| City's portion of the net pension (asset) liability - Police | 0.023821% | 0.028824% | 0.029987% | 0.039625% | 0.029987% | 0.045541% | 0.045541% | 0.045480% | 0.058365% | 0.053234% |
| City's proportionate share of the net pension (asset) liability - Police | - | - | 26,616 | (214,744) | (103,282) | (29,598) | 57,578 | (65,429) | 21,090 | (938) |
| City's covered payroll - Police | 259,133 | 283,179 | 260,886 | 299,553 | 382,088 | 385,713 | 305,063 | 266,025 | 298,700 | 261,038 |
| City's proportionate share of the net pension (asset) liability as a percentage of its covered payroll - Police | 0.00% | 0.00% | 10.20% | -71.69% | -27.03% | -7.67% | 18.87% | -24.60% | 7.06% | -0.36% |
| Plan fiduciary net position as a percentage of the total pension (asset) liability | 100.00% | 100.00% | 50.85% | 116.20% | 95.20% | 95.20% | 95.20% | 106.30% | 98.21% | 100.10% |

See Notes to Required Supplementary Information.

**City of Leadville, Colorado**
**Schedule of City's Contributions**
**Statewide Defined Benefit Plans**
**Fire and Police Pension Association of Colorado**
**Last 10 Fiscal Years**

| Cost Share Plan | Fiscal years ending December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| **Fire:** | | | | | | | | | | |
| Contractually required contribution | 131,567 | 111,225 | 89,652 | 77,465 | 57,022 | 52,186 | 50,672 | 43,811 | 46,324 | 41,142 |
| Contributions in relation to the contractually required contribution | (131,567) | (111,225) | (89,652) | (77,465) | (57,022) | (52,186) | (50,672) | (43,811) | (46,324) | (41,142) |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - | - | - |
| City's covered payroll | 1,253,019 | 1,112,253 | 943,705 | 865,324 | 670,835 | 652,325 | 633,400 | 547,638 | 579,050 | 514,275 |
| Contributions as a percentage of covered payroll | 10.50% | 10.00% | 9.50% | 9.00% | 8.50% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |
| **Police:** | | | | | | | | | | |
| Contractually required contribution | 31,938 | 25,974 | 26,902 | 23,480 | 25,462 | 30,567 | 30,857 | 24,405 | 21,282 | 23,896 |
| Contributions in relation to the contractually required contribution | (31,938) | (25,974) | (26,902) | (23,480) | (25,462) | (30,567) | (30,857) | (24,405) | (21,282) | (23,896) |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - | - | - |
| City's covered payroll | 319,089 | 259,133 | 283,179 | 260,886 | 299,553 | 382,088 | 385,713 | 305,063 | 266,025 | 298,700 |
| Contributions as a percentage of covered payroll | 10.00% | 10.00% | 9.50% | 9.00% | 8.50% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |

See Notes to Required Supplementary Information.

**City of Leadville, Colorado**
**Schedule of Changes in Net Pension (Asset) Liability**
**Fire "Old Hire" Plan**
**Fire and Police Pension Association of Colorado**
**Last 10 Fiscal Years**

| Agent Plan | Measurement period ending December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| **Total Pension Liability** | | | | | | | | | | |
| Service Cost | - | - | - | - | - | - | - | - | - | - |
| Interest on the Total Pension Liability | 8,028 | 8,559 | 9,036 | 8,633 | 9,462 | 18,959 | 18,774 | 18,608 | 19,263 | 18,558 |
| Benefit Changes | - | - | - | - | - | - | - | - | - | - |
| Difference between Expected and Actual Experience | - | 762 | - | 23,127 | - | (81,121) | - | 7,489 | - | 7,112 |
| Assumption Changes | - | (1,614) | - | - | - | 41,007 | - | - | - | 11,711 |
| Benefit Payments | (19,490) | (19,490) | (19,802) | (25,722) | (29,988) | (12,860) | (19,631) | (27,990) | (27,990) | (27,990) |
| **Net Change in Total Pension Liability** | (11,462) | (11,783) | (10,766) | 6,038 | (20,526) | (34,015) | (857) | (1,893) | (8,727) | 9,391 |
| **Total Pension Liability - Beginning** | 188,048 | 199,831 | 210,597 | 204,559 | 225,085 | 259,100 | 259,957 | 261,850 | 270,577 | 261,186 |
| **Total Pension Liability - Ending (a)** | 176,586 | 188,048 | 199,831 | 210,597 | 204,559 | 225,085 | 259,100 | 259,957 | 261,850 | 270,577 |
| **Plan Fiduciary Net Position** | | | | | | | | | | |
| City Contributions | - | 15,582 | 15,582 | 15,582 | 15,582 | 15,624 | 15,624 | 15,624 | 9,793 | 9,793 |
| Pension Plan Net Investment Income | 3,058 | 7,280 | (14,804) | 613 | 9,765 | 14,786 | 119 | 17,046 | 7,024 | 2,716 |
| Benefit Payments | (19,490) | (19,490) | (19,802) | (25,722) | (29,988) | (12,860) | (19,631) | (27,990) | (27,990) | (27,990) |
| Pension Plan Administrative Expense | (3,250) | (1,468) | (3,074) | (1,445) | (2,723) | (1,377) | (3,401) | (1,065) | (2,088) | (581) |
| **Net Change in Plan Fiduciary Net Position** | (19,682) | 1,904 | (22,098) | (10,972) | (7,364) | 16,173 | (7,289) | 3,615 | (13,261) | (16,062) |
| **Plan Fiduciary Net Position - Beginning** | 103,519 | 101,615 | 123,713 | 134,685 | 142,049 | 125,876 | 133,165 | 129,550 | 142,811 | 158,873 |
| **Plan Fiduciary Net Position - Ending (b)** | 83,837 | 103,519 | 101,615 | 123,713 | 134,685 | 142,049 | 125,876 | 133,165 | 129,550 | 142,811 |
| **Net Pension (Asset) Liability - Ending (a) - (b)** | 92,749 | 84,529 | 98,216 | 86,884 | 69,874 | 83,036 | 133,224 | 126,792 | 132,300 | 127,766 |
| Plan Fiduciary Net Position as a Percentage of Total Pension (Asset) Liability | 47.48% | 55.05% | 50.85% | 58.74% | 65.84% | 63.11% | 48.58% | 51.23% | 49.47% | 52.78% |
| Covered Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Net Pension (Asset) Liability as a Percentage of Covered Payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

See Notes to Required Supplementary Information.

**City of Leadville, Colorado**
**Schedule of City Contributions**
**Fire "Old Hire" Plan**
**Fire and Police Pension Association of Colorado**
**Last 10 Fiscal Years**

| | Fiscal years ending December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Agent Plan** | **2025** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** |
| Actuarially determined contribution | 15,582 | 15,582 | 15,582 | 15,582 | 15,582 | 15,624 | 15,624 | 15,624 | 15,624 | 9,793 |
| Actual contribution | (31,164) | - | (15,582) | (15,582) | (15,582) | (15,624) | (15,624) | (15,624) | (15,624) | (9,793) |
| Contribution deficiency (excess) | (15,582) | 15,582 | - | - | - | - | - | - | - | - |
| City's covered payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Contributions as a percentage of covered payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

See Notes to Required Supplementary Information.

## I. Schedule of City's Proportionate Share of the Net Pension Liability (Asset)

### A. Changes to Assumptions or Other Inputs

#### 1. Changes since the January 1, 2022 Actuarial Valuation (effective January 1, 2023):

- Increasing the step-rate increase portion of the salary scale by 0.50% per year for the first 4 years of a member's career and 0.25% for years 5 through 14;
- Reducing the overall payroll growth assumption from 3.50% to 3.0%;
- Updating the base assumptions for mortality to the Pub-2010 tables for Public Safety and updating the table used to build in generational improvements in mortality for the future to the ultimate rates of the MP table 2020 for all years; and,
- For the Statewide Death & Disability Plan increase the total disability rates by 50% for members covered by a money purchase pension plan.

#### 2. Changes since the January 1, 2021 Actuarial Valuation (effective January 1, 2022):

- For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.
- For determining the actuarially determined contributions, the post- retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

#### 3. Changes since the January 1, 2020 Actuarial Valuation (effective January 1, 2021):

- No changes.

#### 4. Changes since the January 1, 2019 Actuarial Valuation (effective January 1, 2020):

- No changes

#### 5. Changes since the January 1, 2018 Actuarial Valuation (effective January 1, 2019):

- No changes.

## II. Schedule of City's Proportionate Share of the Net Pension Liability (Asset) (continued)

### A. Changes to Assumptions or Other Inputs (continued)

#### 6. Changes since the January 1, 2017 Actuarial Valuation (effective January 1, 2018):

- For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 annuitant mortality tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.
- For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

#### 7. Changes since the January 1, 2016 Actuarial Valuation (effective January 1, 2017):

- No changes

#### 8. Changes since the January 1, 2015 Actuarial Valuation (effective January 1, 2016):

- No changes

#### 9. Changes since the January 1, 2014 Actuarial Valuation (effective January 1, 2015):

- Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

**III. Schedule of City's Proportionate Share of the Net Pension Liability (Asset) (continued)**

**A. Changes to Assumptions or Other Inputs (continued)**

**10. Changes since the January 1, 2013 Actuarial Valuation (effective January 1, 2014):**

- For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

**B. Changes of benefit terms**

No changes during the years presented above.

**C. Changes of size or composition of population covered by benefit terms**

No changes during the years presented above.

**II. Schedule of City Contributions**

**A. Changes to assumptions or other inputs**

No changes during the years presented above.

**B. Changes of benefit terms.**

No changes during the years presented above.

**C. Changes of size or composition of population covered by benefit terms.**

No changes during the years presented above.

**SUPPLEMENTARY INFORMATION**



**City of Leadville, Colorado**
**Combining Balance Sheet**
**Non-major Governmental Funds**
**December 31, 2025**

| | Conservation Trust | Accommodations Tax | Aquatic Center | Leadville Urban Renewal Authority | Total Non-Major Governmental Funds |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Cash and Cash Equivalents: | | | | | |
| Unrestricted | 15,687 | 257,325 | 63,772 | 31,373 | 368,157 |
| Restricted | - | - | - | 202,379 | 202,379 |
| Investments | - | 63,911 | 422,030 | - | 485,941 |
| Property taxes assessed but not collectible until subsequent year | - | - | - | 580,393 | 580,393 |
| Other receivables | - | - | 93,755 | 128 | 93,883 |
| Due from other Governments | - | 45,822 | - | 3,385 | 49,207 |
| **Total Assets** | 15,687 | 367,058 | 579,557 | 817,658 | 1,779,960 |
| **Liabilities and Fund Balances:** | | | | | |
| **Liabilities:** | | | | | |
| Accounts payable | 1,786 | 17,372 | - | 5,258 | 24,416 |
| Accrued expenses | - | - | - | 27,606 | 27,606 |
| Due to other funds | - | - | - | 211,540 | 211,540 |
| **Total Liabilities** | 1,786 | 17,372 | - | 244,404 | 263,562 |
| **Total Deferred Inflow of Resources** | - | - | - | 580,393 | 580,393 |
| **Fund Balances:** | | | | | |
| Restricted for: | | | | | |
| Recreation | 13,901 | - | - | - | 13,901 |
| Committed for: | | | | | |
| Aquatic Center | - | - | 579,557 | - | 579,557 |
| Assigned for: | | | | | |
| Affordable housing | - | 349,686 | - | - | 349,686 |
| Unassigned: | - | - | - | (7,139) | (7,139) |
| **Total Fund Balances** | 13,901 | 349,686 | 579,557 | (7,139) | 936,005 |
| **Total Liabilities, Deferred Inflows of Resources and Fund Balances** | 15,687 | 367,058 | 579,557 | 817,658 | 1,779,960 |

**City of Leadville, Colorado**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**
**Non-major Governmental Funds**
**For the Year Ended December 31, 2025**

| | Conservation Trust | Accommodations Tax | Aquatic Center | Leadville Urban Renewal Authority | Total Non-Major Governmental Funds |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Taxes | - | 378,493 | 572,610 | 375,895 | 1,326,998 |
| Intergovernmental revenue | 32,016 | - | - | 7,410 | 39,426 |
| Investment income | 2 | 147 | 6,947 | - | 7,096 |
| Other income | - | - | - | 63 | 63 |
| **Total Revenues** | 32,018 | 378,640 | 579,557 | 383,368 | 1,373,583 |
| **Expenditures:** | | | | | |
| General government | - | 355,046 | - | 297,223 | 652,269 |
| Parks and recreation | 31,176 | - | - | - | 31,176 |
| **Total Expenditures** | 31,176 | 355,046 | - | 297,223 | 683,445 |
| **Net Change in Fund Balances** | 842 | 23,594 | 579,557 | 86,145 | 690,138 |
| **Fund Balances, Beginning as previously presented** | - | - | - | - | - |
| Restatement | - | - | - | 130,802 | 130,802 |
| Change within the financial reporting entity (Major to nonmajor fund) | 13,059 | 326,092 | - | (224,086) | 115,065 |
| **Fund Balances - Beginning, as adjusted** | 13,059 | 326,092 | - | (93,284) | 245,867 |
| **Fund Balances - Ending** | 13,901 | 349,686 | 579,557 | (7,139) | 936,005 |

**City of Leadville, Colorado**
**Schedule of Revenues, Expenditures and**
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**
**Conservation Trust Fund**
**For the Year Ended December 31, 2025**
**(With Comparative Actual Amounts For the Year Ended 2024)**

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| State lottery funds | 37,000 | 37,000 | 32,016 | (4,984) | 35,162 |
| Investment income | - | - | 2 | 2 | 62 |
| **Total Revenues** | 37,000 | 37,000 | 32,018 | (4,982) | 35,224 |
| **Expenditures:** | | | | | |
| Parks | 55,000 | 55,000 | 29,546 | 25,454 | 13,259 |
| Other | 12,510 | 12,510 | 1,630 | 10,880 | 19,506 |
| **Total Expenditures** | 67,510 | 67,510 | 31,176 | 36,334 | 32,765 |
| **Net Change in Fund Balances** | (30,510) | (30,510) | 842 | 31,352 | 2,459 |
| **Fund Balances - Beginning** | | | 13,059 | | 10,600 |
| **Fund Balances - Ending** | | | 13,901 | | 13,059 |

**City of Leadville, Colorado**
**Schedule of Revenues, Expenditures and**
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**
**Accommodations Tax Fund**
**For the Year Ended December 31, 2025**
**(With Comparative Actual Amounts For the Year Ended 2024)**

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| Accommodations tax | 350,000 | 350,000 | 378,493 | 28,493 | 367,824 |
| Investment income | - | - | 147 | 147 | - |
| Reimbursements | 1,500 | 1,500 | - | (1,500) | 35,000 |
| **Total Revenues** | 351,500 | 351,500 | 378,640 | 27,140 | 402,824 |
| **Expenditures:** | | | | | |
| General Government: | | | | | |
| Housing | 351,500 | 351,500 | 355,046 | (3,546) | 146,098 |
| **Total Expenditures** | 351,500 | 351,500 | 355,046 | (3,546) | 146,098 |
| **Net Change in Fund Balances** | - | - | 23,594 | 23,594 | 256,726 |
| **Fund Balances - Beginning** | | | 326,092 | | 69,366 |
| **Fund Balances - Ending** | | | 349,686 | | 326,092 |

**City of Leadville, Colorado**
**Schedule of Revenues, Expenditures and**
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**
**Aquatics Center Fund**
**For the Year Ended December 31, 2025**

| | 2025 | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) |
| **Revenues:** | | | | |
| Sales tax | - | - | 572,610 | 572,610 |
| Investment income | - | - | 6,947 | 6,947 |
| **Total Revenues** | - | - | 579,557 | 579,557 |
| **Excess (Deficiency) of Revenues Over Expenditures** | - | - | 579,557 | 579,557 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | - | - | - | - |
| **Total Other Financing Sources** | - | - | - | - |
| **Net Change in Fund Balances** | - | - | 579,557 | 579,557 |
| **Fund Balances - Beginning** | | | - | |
| **Fund Balances - Ending** | | | 579,557 | |

**City of Leadville, Colorado**
**Schedule of Revenues, Expenditures and**
**Changes in Fund Balances - Budget (GAAP Basis) and Actual**
**Leadville Urban Renewal Authority**
**For the Year Ended December 31, 2025**
**(With Comparative Actual Amounts For the Year Ended 2024)**

| | 2025 | | | 2024 |
|---|---|---|---|---|
| | Final Budget | Actual | Final Budget Variance Positive (Negative) | (Restated) Actual |
| **Revenues:** | | | | |
| Property tax | 547,295 | 375,895 | (171,400) | 351,913 |
| Contributions | - | 7,410 | 7,410 | 13,809 |
| Other income | - | 63 | 63 | 2 |
| **Total Revenues** | 547,295 | 383,368 | (163,927) | 365,724 |
| **Expenditures:** | | | | |
| General Government: | | | | |
| General operating | 546,922 | 297,223 | 249,699 | 278,159 |
| **Total Expenditures** | 546,922 | 297,223 | 249,699 | 278,159 |
| **Net Change in Fund Balances** | 373 | 86,145 | 85,772 | 87,565 |
| **Fund Balances - Beginning** | | (93,284) | | (180,849) |
| **Fund Balances - Ending** | | (7,139) | | (93,284) |

## 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 | 945,521.65 |
| 3. Other Local Imposts (from page 1, Item II.A3.c) | $ 621,212.87 |
| 4. Miscellaneous Local Receipts (from page 1, Item II.A4.c) | $ 1,167.50 |
| 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)** | $ 1,567,902.02 |
| B. Private Contributions | |
| C. Receipts from State government (from page 1, Item II.C.4) | $ 167,296.78 |
| D. Receipts from Federal government (from page 1, Item II.D.3) | $ - |
| **E. Total receipts (A.7 + B + C + D)** | $ 1,735,198.80 |

### *III. EXPENDITURES FOR ROAD AND STREET PURPOSES*

| ITEM | AMOUNT |
|---|---|
| **A. Local highway expenditures:** | |
| 1. Capital Outlay (from page 1, Item III.A1.d) | $ - |
| 2. Maintenance: | 629,994.26 |
| 3. Road and Street Services: | |
| a. Snow and Ice Removal | 419,996.18 |
| b. Other & Traffic Control Operations | |
| **c. Total (a + b)** | $ 419,996.18 |
| 4. General Administration & Miscellaneous | 33,906.55 |
| 5. Highway Law Enforcement and Safety | 651,301.81 |
| **6. Total (1 through 5)** | $ 1,735,198.80 |
| **B. Debt Service on Local Obligations:** | |
| 1. Bonds: | |
| a. Interest | |
| b. Redemption | |
| **c. Total (a + b)** | $ - |
| 2. Notes: | |
| a. Interest | |
| b. Redemption | |
| **c. Total (a + b)** | $ - |
| **3. Total (1c + 2c)** | $ - |
| C. Payments to State for Highways | |
| D. Payments to Toll Facilities | |
| **E. Total Expenditures (A6 + B3 + C + D)** | $ 1,735,198.80 |

### *IV. LOCAL HIGHWAY DEBT STATUS*

*(Show all entries at par)*

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

# LOCAL HIGHWAY FINANCE REPORT

| STATE: | |
|---|---|
| COLORADO | |

| THIS INFORMATION FROM THE RECORDS OF: | PREPARED BY: | | REPORT YEAR ENDING DATE(mm/yyyy): |
|---|---|---|---|
| CITY OF LEADVILLE | KRISTOL HEWLETT | KHEWLETT@LEADVILLE-CO.GOV | 12/2025 |

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

| ITEM | A. Local Motor-Fuel Taxes | B. Local Motor-Vehicle Taxes | C. Receipts from State Highway-User Taxes | D. Receipts from Federal Highway Administration |
|---|---|---|---|---|
| 1. Total receipts available | | | | |
| 2. Minus amount used for collection expenses | | | | |
| 3. Minus amount used for nonhighway purposes | | | | |
| 4. Minus amount used for mass transit | | | | |
| 5. Total (1 - (2 through 4)) | | | | |

## *II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL*

| ITEM | AMOUNT | ITEM | AMOUNT |
|---|---|---|---|
| **A.3. Other Local Imposts:** | | **A.4. Miscellaneous Local Receipts:** | |
| a. Property Taxes and Assesments | | a. Interest on investments | |
| b. Non-property Taxes and Assessments Imposts | 621,212.87 | b. Other Misc. Local Receipts | 1,167.50 |
| **c. Total (a + b)** | $ 621,212.87 | **c. Total (a + b)** | $ 1,167.50 |

| ITEM | AMOUNT | ITEM | AMOUNT |
|---|---|---|---|
| **C. Receipts from State Government** | | **D. Receipts from Federal Government** | |
| 1. Highway-user Taxes (from Item I.C.5.) | 143,262.66 | 1. FHWA (from Item I.D.5.) | |
| 2. State General Funds | | 2. Other Federal Agencies: | |
| 3. Other State funds: | | | |
| a. State Bond Proceeds | | | |
| b. Non-State Bond Proceeds | 24,034.12 | | |
| **c. Total (a + b)** | $ 24,034.12 | | |
| **4. Total (1 + 2 + 3c)** | $ 167,296.78 | **3. Total (1 + 2)** | $ - |

## *III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL*

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

*Form FHWA-536 (Rev. 02-2025) Page2*