City of Manitou Springs, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2025

HINKLE & COMPANY PC
Strategic Business Advisors

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HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Manitou Springs, Colorado
Manitou Springs, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Manitou Springs, Colorado (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and the local highway finance report listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the local highway finance report listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hinkle & Company, PC

Englewood, Colorado
July 16, 2026

As management of the City of Manitou Springs (the "City"), we offer readers of the City's Basic Financial Statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information furnished in our basic financial statements.

Introduction

The City of Manitou Springs is a Home Rule City that was incorporated in 1876. The government structure is City Council/Mayor with the seven elected officials being responsible for all policy decisions that affect the City's financial condition. The appointed City Administrator is responsible for preparing the annual budget, which is adopted and generally amended by the City Council as needed with a final amendment by December 15th. The City Administrator is responsible for financial reporting to the City Council and the public at large.

Financial Information

The City's government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. The City's financial statements for governmental funds have been prepared using the modified accrual basis of accounting. The City's annual audit is performed by an accounting firm (Hinkle & Company, PC, Certified Public Accountants) with the contents of the audit meeting the requirements set forth by the Colorado State Auditor's Office. The financial system of the City incorporates financial and administrative controls that ensure the safeguarding of assets and the reliability of financial reports. To ensure budgeting controls, the City Council approves all changes at the fund level by passage of an Ordinance amending the budget.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $72,985,342 (net position) for the primary reporting entity. Of this amount $22,548,751 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $3,794,067 during the fiscal year.

- As of the close of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of $16,554,297.

- The *governmental funds* reported total unrestricted/unassigned fund balances of $9,030,850.

- The combined governmental funds remained in a positive financial condition. Based on current year expenditures, excluding the transfers out for debt service payments and capital expenditures made by other funds, the General Fund fund balance would allow the City to cover its governmental operating costs for 281 days or a little over nine months.

- The City's total debt, including accrued compensated absences, increased by $4,950,069 during the current fiscal year. Existing debt was reduced by principal payments (not including compensated absences) totaling $1,160,537.
- General Fund sales/use tax revenue in 2025, $6,528,197, decreased by 29.82% or $3,774,521, from 2024 sales/use tax revenue of $9,302,718.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Manitou Springs' basic financial statements. The City's basic financial statements are comprised of 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 themselves.

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 the City's assets and liabilities, with the difference between the two 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., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the City include the following governmental funds: General Fund, Conservation Trust Fund, Rural Transportation Authority Fund, Law Enforcement Fund, El Paso/Beckers Park Fund, Open Space Fund, Downtown Improvement Fund, Capital Improvements Fund and the MACH Fund. The business-related activities of the City include Water, Sewer, Storm Drainage utilities and the Mobility & Parking Enterprise Fund which is supported by parking revenues. In addition to the governmental and business-related activities, which are the primary government, the financial statements include the discrete presentation of a component unit of the City. The Manitou Springs Urban Renewal Authority, "URA", was created to reduce, eliminate, and prevent the spread of blight and to stimulate growth and investment within the area to the east of Highway 24.

It is fiscally dependent upon the City due to its revenues being provided by tax-increment financing through property and sales taxes. The URA receives a property tax increment, and on a yearly basis, City Council may allocate municipal sales tax increments to the URA when it submits a financing plan to council. Tax-increment financing is also considered evidence of financial burden (commitment of the primary government's taxing power).

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 the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 inflow 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 government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvements Fund, and the nonmajor funds. Individual fund data for nonmajor governmental funds is provided in the form of *combining statements* elsewhere in the report.

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the Government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm drainage and mobility/parking activities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The City used a fiduciary fund to account for the Manitou Springs Metropolitan District however this arrangement ended as of December 31, 2024.

Notes to the financial statements. The notes provide additional information that is essential to a better understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City.

Combining individual fund financial statements and schedules are presented immediately following the required supplementary information for additional financial analysis.

Government-wide Financial Analysis

- As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $72,985,342 at the close of the fiscal year.

- The City's net investment in capital assets is $47,371,037. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- The balance of *unrestricted net position* $22,548,751 may be used to meet the government's ongoing obligations to citizens and creditors.

- At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

City of Manitou Springs Net Position

Governmental activities: Governmental activities increased the City's net position by $2,026,548. In 2025, sales tax/use revenues, $7,105,498 comprised approximately 55.66% of all governmental activities' revenues and transfers. This is a decrease in percentage of 7.34% from 2024, which was 63% of all governmental revenues and transfers. While this decrease is partially due to decreased sales tax, it is also due to increased other revenue from increased property tax revenues from increased property values, amusement & lodging tax, franchise fees, auto taxes, and fines & forfeitures.

Business-Type activities: Business-type activities increased the City's net position by $1,767,519. The Water Fund had an increase in net position of $972,922. The Sewer Fund an increase of $17,223. The Storm Drainage fund a decrease of $99,263, and the Mobility & Parking Enterprise increased by $876,637. The Water and Sewer Funds are increasing charges for services every year due to a Water/Sewer Rate study performed in 2024, approved by Ordinance 2624. This ensures positive net positions. Storm Drainage's decrease is due to operation costs, specifically depreciation, being higher than revenues. A 2023 Rate Study is now being utilized to increase rates on an annual basis and the decrease was less than 2024's of $143,831.

	Governmental Activities		Business-type Activities		Totals	
	2024	**2025**	2024	**2025**	2024	**2025**
Current and other assets	$18,760,577	**$19,133,081**	$13,187,837	**$12,956,418**	$31,948,414	**$32,089,499**
Non-current assets	29,897,736	**33,154,137**	21,870,579	**27,163,688**	51,768,315	**60,317,825**
Total assets	48,658,313	**52,287,218**	35,058,416	**40,120,106**	83,716,729	**92,407,324**
Deferred Outflows of Resources	2,254,018	**1,339,714**	355,163	**146,638**	2,609,181	**1,486,352**
Total current liabilities	1,554,398	**1,086,238**	1,278,415	**1,015,501**	2,832,813	**2,101,736**
Total non-current liabilities	4,785,493	**5,748,229**	7,949,082	**11,296,246**	12,734,575	**17,044,475**
Total Liabilities	6,339,891	**6,834,464**	9,227,497	**12,311,747**	15,567,388	**19,146,211**
Deferred Inflows of Resources	1,551,226	**1,744,706**	16,021	**17,417**	1,567,247	**1,762,123**
Net Position:						
Net Investment in Capital Assets	28,867,078	**30,828,359**	14,780,741	**16,542,678**	43,647,819	**47,371,037**
Restricted	2,103,406	**3,065,554**	-	-	2,103,406	**3,065,554**
Unrestricted	12,050,730	**11,153,849**	11,389,320	**11,394,902**	23,440,050	**22,548,751**
Total net position	$43,021,214	**$45,047,762**	$26,170,061	**$27,937,580**	$69,191,275	**$72,985,342**

Changes in Net Position

Revenues:	Governmental Activities		Business-type Activities		Total	
	2024	**2025**	2024	**2025**	2024	**2025**
Program Revenues:						
Charges for Services	$1,167,253	**$1,361,031**	$7,137,326	**$7,309,896**	$8,304,579	**$8,670,927**
Operating Grants and Contributions	4,050,621	**2,671,658**	2,372,779	**970,828**	6,423,400	**3,642,486**
Capital Grants and Contributions	-	**-**	49,592	**86,850**	49,592	**86,850**
General Revenues						
Taxes	13,701,439	**11,310,754**	-	-	13,701,439	**11,310,754**
Investment Income	766,037	**627,125**	269,206	**307,805**	1,035,243	**934,930**
Other	119,805	**167,868**	122,347	**8,677**	242,152	**176,545**
Total General & Program Revenues	19,805,155	**16,138,436**	9,951,250	**8,684,056**	29,756,405	**24,822,492**
Transfers	1,088,034	**659,419**	(1,088,034)	**(659,419)**		**-**
Total Revenues	20,893,189	**16,797,855**	8,863,216	**8,024,637**	29,756,405	**24,822,492**
Expenses:						
General Government	4,721,791	**5,736,653**	-	**-**	4,721,791	**5,736,653**
Public Safety	4,127,958	**4,573,433**	-	**-**	4,127,958	**4,573,433**
Public Works	1,603,044	**1,441,804**	-	**-**	1,603,044	**1,441,804**
Parks & Recreation	2,906,114	**2,666,053**	-	**-**	2,906,144	**2,666,053**
Capital Outlay	1,091,378	**315,095**	-	-	1,091,378	**315,096**
Interest on Long term Debt	47,905	**38,269**	-	-	47,905	**38,269**
Business-type Activities	-	**-**	6,437,080	**6,257,118**	6,437,080	**6,257,118**
Total Expenses	14,497,590	**14,771,307**	6,437,080	**6,257,118**	20,934,670	**21,028,425**
Increase (Decrease) in Net Position	6,395,599	**2,026,548**	2,426,136	**1,767,519**	8,821,735	**3,794,067**
Beginning Net Position	36,625,615	**43,021,214**	23,743,925	**26,170,061**	60,369,540	**69,191,275**
Ending Net Position	$43,021,214	**$45,047,762**	$26,170,061	**$27,937,580**	$69,191,275	**$72,985,342**

The City's total net position increased by $3,794,067 during the current fiscal year.

Financial Analysis of the City's Funds

Governmental funds

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $16,554,297. Of this total amount, 54.55% or $9,030,850 constitutes *unrestricted/unassigned fund balance.* The remainder of the fund balance is *restricted, committed or assigned* to indicate that it is not available for new spending.

General Fund total revenues exceeded expenditures by $812,089 (not including transfers). Transfers out from the fund totaled $858,000. The net fund balance increased by $818,400. The General Fund finished 2025 with an ending fund balance of $9,878,271. This includes restricted, committed, and assigned as well as unassigned fund balances. Sales tax decreased by $2,765,501 from 2024. This is attributed to a decrease in retail marijuana sales due to the City of Colorado Springs allowing retail marijuana sales as of January 1, 2025. Also, retail marijuana sales have been decreasing in Colorado as an increasing number of states legalize and permit marijuana sales.

The Capital Improvements Fund's largest project in 2025 was the Creekwalk Trail Phase Four. $1,156,052 was paid from the Capital Improvements Fund for this project which was funded through a combination of Federal Transportation (through the Colorado Dept of Transportation) and state grants with local match provided by the Mobility & Parking Enterprise Fund.
Other projects included:

- $690,781 pool improvements (completion of locker rooms remodel & start of roof replacement),
- $524,712 construction of Soda Springs Park Phase Two and start of Soda Springs Park Phase Three design,
- $456,915 completion of the Carnegie Library project,
- $104,524 replacement of downtown street signs,
- $46,267 computer equipment,
- $33,474 fire department – siren upgrades,
- $628,832 energy efficiency improvements to City Hall (windows/lighting/HVAC) funded by a 20-year Energy Efficiency Lease Purchase,
- $240,276 for a SUV and a Polaris for the police department, a pickup for the public services department, and a pickup for the parks & recreation department funded through the 2025 Lease Purchase
- $106,941 for a dump truck and a jackhammer attachment for a bobcat for the public services department also funded through the 2025 Lease Purchase

East End generated sales tax which was provided in previous years by the URA forgoing its sales tax TIF and which was dedicated to capital improvements funded the following:

- $31,117 for pool improvements for the lap pool and rubber floor for the weight room

Enterprise Funds

The Storm Drainage Fund's regular operations was funded through a $21 fee, which is applied to all utility bills. The fund had an overall decrease in net position of $99,263. This is due to depreciation in the amount of $469,128. A Rate Study was performed in 2023 which is providing a series of annual increases to ensure the fund stays solvent.

The Water Fund serves approximately 2,200 users with a distribution system including a reservoir, freshwater treatment plant and two storage tanks. The distribution system delivered an average of 364,520 gallons of fresh water per day in 2025. The Fund had an overall gain in net position of $972,922. This increase is mainly due to a Colorado Department of Local Affairs (DOLA) Energy and Mineral Impact Grant (EIAF) for $832,860 for building the second Mesa water storage tank. Also, the city completed a Rate Study in 2024 which was implemented. Rates continue to increase to cover the increased costs of repairing and replacing aging infrastructure. Due to being landlocked the Water Fund cannot depend on tap fees for these capital costs. An average of two taps is sold on an annual basis.

The Sewer Enterprise Fund serves the same approximate 2,200 utility users as the water distribution system. The City of Manitou Springs does not have sewage treatment capability and relies on the neighboring city of Colorado Springs for wastewater treatment at their facility. Sewer rates for residential users are determined by water usage per customer during the months of January and February of each year. For commercial users the rate is determined by the monthly water usage. The Sewer Fund had an overall increase of $17,233.

The Mobility and Parking Fund was formed in 2022. Its purpose is to utilize parking fees to improve the City's mobility and help improve its parking issues. In 2024, the Dillon Motel property at 132-134 Manitou Ave, was purchased, for $400,735, and the lot (previously a car wash) at 142 Manitou Ave for $641,691, to be renovated into a parking office and a mobility hub. In 2025, a Lease Purchase in the amount of $1,300,000 was taken out to fund the first phase of the renovation. The Mobility and Parking Fund had an overall increase of $876,637 in net position.

General Fund Budgetary Highlights

As a matter of policy, the City amends its budget twice during each year: once at mid-year and again a final amendment at the end of its fiscal year in December. The City believes that this amendment practice gives the City tight control over expenditures related to revenue performance in a timelier manner.

Actual General Fund revenues were greater than the amended budget by $986,115. This is attributed to conservative budgeting and sales tax coming in higher than budgeted. Actual General Fund expenditures were less than the amended budgeted amount by $1,157,114. This is attributed to conservative budgeting, salary savings and department heads maintaining type control of expenditures.

Capital Assets and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of December 31, 2025, were $60,317,825 (net of accumulated depreciation). Capital assets include land, buildings, improvements, infrastructure, machinery, equipment, and vehicles. Major additions to capital assets in 2025 included the completion of the Dillon Mobility Hub Phase One, Creekwalk Trail Phase Four, the pool locker rooms remodel, Soda Springs Park Phase Two, and vehicles and equipment for various departments.

Capital assets at the end of the current fiscal year included the following:

CAPITAL ASSETS

	Governmental Activities	Business-type Activities	Total
Land and Land Improvements	$ 12,783,189	$ 2,062,475	$14,845,664
Construction in Progress	3,188,076	3,703,980	6,892,056
Buildings	9,715,865	2,053,962	11,769,827
Equipment and Vehicles	6,661,654	-	6,661,654
Collection and Distribution Improvements	-	34,924,428	34,924,428
Machinery and Equipment	-	6,554,699	6,554,699
Infrastructure	19,683,601	-	19,683,601
Total	**52,032,385**	**49,299,544**	**101,331,929**
Accumulated Depreciation	(18,878,248)	(22,135,856)	(41,014,104)
Net Capital Assets	**$ 33,154,137**	**$ 27,163,688**	**$ 60,317,825**

Additional information on the City's capital assets can be found in Note 3.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt outstanding of $12,946,788 (net of compensated absences). Of this amount, $698,266 is from ARRA non-interest-bearing loans from 2009. For 2020, the City acquired two Environmental Protection Agency (EPA) 2.5% interest bearing loans currently totaling $1,105,825. $282,660 is a state loan for a small hydropower plant. And in 2024, two additional EPA 3.25% interest bearing loans totaling $3,339,574 were added. All are administered through the Colorado Water Resource & Power Development Authority (CWRPDA), for water/sewer improvements.

In addition to the loans, the City has $7,520,463 in lease purchases for various equipment and vehicles obtained in previous years and the Dillon Mobility Hub project financed in 2025. $1,109,743 total debt (net of compensated absences) will be due in 2026.

Additional information on the City's long-term debt can be found in Note 4.

Economic Factors and Next Year's Budget

As a tourism-based economy, general sales tax collection has been considered a leading barometer of economic activity within the City of Manitou Springs. The City of Manitou Springs is not a self-collecting entity but relies upon the Colorado Department of Revenue for the collection of the City's sales taxes. This reliance results in a two-month lag between a taxable sale and the remittance of the corresponding sales tax to the City. Additionally, the City's prime industry is tourism with seasonal characteristics.

Taxable sales in 2025 decreased in comparison to those in 2024 by 8.8%. This was primarily due to a decline in retail marijuana sales following the City of Colorado Springs' decision to allow retail marijuana sales.

Since 2021 taxable sales have performed as follows.

FY2021	$159,512,039
FY2022	$160,773,616
FY2023	$157,991,621
FY2024	$157,024,062
FY2025	$143,190,886

All the above facts were considered during the preparation of the City's budget for the 2025 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Office
City of Manitou Springs
606 Manitou Avenue
Manitou Springs, CO 80829

Basic Financial Statements

City of Manitou Springs, Colorado
Statement of Net Position
December 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Manitou Springs Urban Renewal Authority
Assets				
Cash and Investments	$ 14,647,045	$ 7,241,037	$ 21,888,082	$ 746,177
Restricted Cash	1,012,551	4,793,192	5,805,743	-
Accounts Receivable	219,313	922,189	1,141,502	-
Property Taxes Receivable	1,492,549	-	1,492,549	309,816
Due from Other Governments	1,761,623	-	1,761,623	-
Capital Assets,				
Not being Depreciated	10,633,725	5,283,848	15,917,573	-
Net of Accumulated Depreciation	22,520,412	21,879,840	44,400,252	-
Total Assets	52,287,218	40,120,106	92,407,324	1,055,993
Deferred Outflows of Resources				
Pension Related Outflows of Resources	1,289,347	133,441	1,422,788	-
OPEB Related Outflows of Resources	50,367	13,197	63,564	-
Total Deferred Outflows of Resources	1,339,714	146,638	1,486,352	-
Liabilities				
Accounts Payable	590,910	928,745	1,519,655	1,422
Accrued Liabilities	495,325	36,512	531,837	-
Accrued Interest	-	50,244	50,244	-
Noncurrent Liabilities				
Due Within One Year	966,323	849,026	1,815,349	-
Due in More Than One Year	1,998,842	9,838,203	11,837,045	-
Net Pension Liability	2,647,444	573,487	3,220,931	-
Net OPEB Liability	135,620	35,530	171,150	-
Total Liabilities	6,834,464	12,311,747	19,146,211	1,422
Deferred Inflows of Resources				
Property Taxes	1,492,549	-	1,492,549	309,816
Pensions, Net of Accumulated Amortization	185,676	-	185,676	-
OPEB, Net of Accumulated Amortization	66,481	17,417	83,898	-
Total Deferred Inflows of Resources	1,744,706	17,417	1,762,123	309,816
Net Position				
Net Investment in Capital Assets	30,828,359	16,542,678	47,371,037	-
Restricted				
Capital Projects	1,012,551	-	1,012,551	-
Parks and Open Space	2,040,257	-	2,040,257	-
Law Enforcement	12,746	-	12,746	-
Unrestricted	11,153,849	11,394,902	22,548,751	744,755
Total Net Position	$ 45,047,762	$ 27,937,580	$ 72,985,342	$ 744,755

City of Manitou Springs, Colorado

Statement of Activities

For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position			
					Primary Government			Manitou Springs Urban Renewal Authority
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General Government	$ 5,736,653	$ 132,746	$ 54,515	$ -	$ (5,549,392)	$ -	$ (5,549,392)	$ -
Public Safety	4,573,433	604,878	11,852	-	(3,956,703)	-	(3,956,703)	-
Public Works	1,441,804	54,000	557,765	-	(830,039)	-	(830,039)	-
Parks and Recreation	2,666,053	569,407	467,917	-	(1,628,729)	-	(1,628,729)	-
Capital Outlay	315,095	-	1,579,609	-	1,264,514	-	1,264,514	-
Interest on Long-Term Debt	38,269	-	-	-	(38,269)	-	(38,269)	-
Total Governmental Activities	14,771,307	1,361,031	2,671,658	-	(10,738,618)	-	(10,738,618)	-
Business-Type Activities								
Storm Drainage	741,678	551,849	-	-	-	(189,829)	(189,829)	-
Water	1,997,500	2,050,756	941,654	69,650	-	1,064,560	1,064,560	-
Sewer	1,545,991	1,448,131	6,674	17,200	-	(73,986)	(73,986)	-
Mobility and Parking	1,971,949	3,259,160	22,500	-	-	1,309,711	1,309,711	-
Total Business-Type Activities	6,257,118	7,309,896	970,828	86,850	-	2,110,456	2,110,456	-
Total Primary Government	$ 21,028,425	$ 8,670,927	$ 3,642,486	$ 86,850	(10,738,618)	2,110,456	(8,628,162)	-
Component Unit								
Manitou Urban Renewal Authority	$ 247,830	$ -	$ -	$ -	-	-	-	(247,830)
General Revenues								
Property Taxes					1,533,497	-	1,533,497	181,948
Sales and Use Taxes					7,105,498	-	7,105,498	-
Amusement and Lodging					1,774,226	-	1,774,226	-
Franchise Fees					478,318	-	478,318	-
Auto Taxes					419,215	-	419,215	-
Fines and Forfeitures					60,181	-	60,181	-
Miscellaneous					3,210	8,677	11,887	-
Investment Income					627,125	307,805	934,930	79
Gain on Sale of Assets					104,477	-	104,477	-
Transfers					659,419	(659,419)	-	-
Total General Revenues and Transfers					12,765,166	(342,937)	12,422,229	182,027
Change in Net Position					2,026,548	1,767,519	3,794,067	(65,803)
NET POSITION, *Beginning of Year*					43,021,214	26,170,061	69,191,275	810,558
NET POSITION, *End of Year*					$ 45,047,762	$ 27,937,580	$ 72,985,342	$ 744,755

City of Manitou Springs, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General	Capital Improvements Fund	Other Governmental Funds	Total
Assets				
Cash and Investments	$ 9,468,611	$ 3,203,435	$ 1,974,999	$ 14,647,045
Restricted Cash and Investments	-	1,012,551	-	1,012,551
Property Taxes Receivable	1,222,054	63,835	206,660	1,492,549
Accounts Receivable	97,162	122,151	-	219,313
Due From Other Governments	980,112	-	781,511	1,761,623
Total Assets	$ 11,767,939	$ 4,401,972	$ 2,963,170	$ 19,133,081
Liabilities				
Accounts Payable	$ 172,289	$ 23,554	$ 395,067	$ 590,910
Accrued Liabilities	495,325	-	-	495,325
Total Liabilities	667,614	23,554	395,067	1,086,235
Deferred Inflows of Resources				
Property Taxes	1,222,054	63,835	206,660	1,492,549
Fund Balance				
Restricted				
Capital Projects	-	1,012,551	-	1,012,551
Parks and Open Space	-	-	2,040,257	2,040,257
Law Enforcement	-	-	12,746	12,746
Committed				
Imaging Technology	13,293	-	-	13,293
Capital Projects	-	465,082	-	465,082
Assigned				
Barr Trail Maintenance	776,793	-	-	776,793
Capital Projects	-	2,836,950	308,440	3,145,390
Parks and Trails	45,236	-	-	45,236
Police and Fire	12,099	-	-	12,099
Unrestricted, Unassigned	9,030,850	-	-	9,030,850
Total Fund Balance	9,878,271	4,314,583	2,361,443	16,554,297
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 11,767,939	$ 4,401,972	$ 2,963,170	$ 19,133,081

City of Manitou Springs, Colorado

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
For the Year Ended December 31, 2025

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance of Governmental Funds	$ 16,554,297
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	
Capital Assets, not being Depreciated	10,633,725
Capital Assets, being Depreciated	41,398,660
Accumulated Depreciation	(18,878,248)
	33,154,137
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds	
Net Pension Liability	(2,647,444)
Pension Related Deferred Outflows of Resources	1,289,347
Pension Related Deferred Inflows of Resources	(185,676)
Net OPEB Liability	(135,620)
OPEB Related Deferred Outflows of Resources	50,367
OPEB Related Deferred Inflows of Resources	(66,481)
	(1,695,507)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Capital Leases Payable	(2,325,778)
Accrued Compensated Absences	(639,387)
	(2,965,165)
Total Net Position of Governmental Activities	$ 45,047,762

City of Manitou Springs, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2025

	General	Capital Improvements Fund	Other Governmental Funds	Total
Revenues				
Taxes	$ 10,481,094	$ 59,555	$ 770,105	$ 11,310,754
Licenses and Permits	159,319	-	-	159,319
Charges for Services	1,201,712	-	-	1,201,712
Intergovernmental	251,204	816,212	983,847	2,051,263
Fines and Forfeitures	45,076	-	15,105	60,181
Contributions and Donations	48,979	571,416	-	620,395
Investment Income	341,471	217,758	67,896	627,125
Miscellaneous	3,210	-	-	3,210
Total Revenues	12,532,065	1,664,941	1,836,953	16,033,959
Expenditures				
Current				
General Government	3,714,980	-	-	3,714,980
Public Safety	4,573,433	-	-	4,573,433
Public Works	1,230,804	-	12,310	1,243,114
Parks and Recreation	2,121,112	-	544,941	2,666,053
Capital Outlay	79,647	4,311,019	770,369	5,161,035
Debt Service				
Principal	-	364,531	-	364,531
Interest and Fiscal Charges	-	36,753	-	36,753
Total Expenditures	11,719,976	4,712,303	1,327,620	17,759,899
Excess Revenues Over (Under) Expenditures	812,089	(3,047,362)	509,333	(1,725,940)
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	104,477	-	-	104,477
Debt Proceeds	-	1,658,135	-	1,658,135
Transfers In	759,834	858,000	-	1,617,834
Transfers Out	(858,000)	(30,411)	(70,004)	(958,415)
Other Financing Sources (Uses)	6,311	2,485,724	(70,004)	2,422,031
Net Change in Fund Balance	818,400	(561,638)	439,329	696,091
Fund Balance, *Beginning of Year*	9,059,871	4,876,221	1,922,114	15,858,206
Fund Balance, *End of Year*	$ 9,878,271	$ 4,314,583	$ 2,361,443	$ 16,554,297

City of Manitou Springs, Colorado

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2025

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of Governmental Funds	$ 696,091
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital Outlays	4,845,940
Depreciation Expense	(1,589,539)
	3,256,401
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in Net Pension Liability	388,516
Change in Deferred Outflows Related to Pensions	(904,269)
Change in Deferred Inflows Related to Pensions	(36,946)
Change in Net OPEB Liability	59,924
Change in Deferred Outflows Related to OPEB	(10,035)
Change in Deferred Inflows Related to OPEB	(11,958)
	(514,768)
Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.	
Financing Lease Proceeds	(1,685,320)
Principal Payments on Long-Term Leases	390,200
Change in Accrued Compensated Absences	(116,056)
Change in Net Position of Governmental Activities	$ 2,026,548

City of Manitou Springs, Colorado
Statement of Net Position
Proprietary Fund
December 31, 2025

Assets	Storm Drainage Fund	Water Fund	Sewer Fund	Mobility and Parking Fund	Totals
Current Assets					
Cash and Investments	$ 1,366,006	$ 1,418,370	$ 3,584,194	$ 872,467	$ 7,241,037
Restricted Cash and investments	-	3,933,334	551,812	308,046	4,793,192
Accounts Receivable	49,967	472,119	165,309	234,794	922,189
Total Current Assets	1,415,973	5,823,823	4,301,315	1,415,307	12,956,418
Noncurrent Assets					
Capital Assets,					
Net of Accumulated Depreciation	7,121,214	12,957,274	2,193,956	4,891,244	27,163,688
Total Noncurrent Assets	7,121,214	12,957,274	2,193,956	4,891,244	27,163,688
Total Assets	$ 8,537,187	$ 18,781,097	$ 6,495,271	$ 6,306,551	$ 40,120,106
Deferred Outflows of Resources					
Pension Related Outflows of Resources	$ 9,706	$ 44,673	$ 18,512	$ 60,550	$ 133,441
OPEB Related Outflows of Resources	960	4,418	1,831	5,988	13,197
Total Deferred Outflows of Resources	$ 10,666	$ 49,091	$ 20,343	$ 66,538	$ 146,638
Liabilities					
Current Liabilities					
Accounts Payable	$ 19,960	$ 416,652	$ 55,040	$ 437,093	$ 928,745
Accrued Liabilities	5,822	13,508	8,090	9,092	36,512
Accrued Compensated Absences	7,090	23,981	16,944	18,204	66,219
Accrued Interest Payable	5,074	12,746	14,667	17,757	50,244
Leases Payable, Current Portion	47,584	53,683	142,201	218,460	461,928
Loans Payable, Current Portion	-	320,879	-	-	320,879
Total Current Liabilities	85,530	841,449	236,942	700,606	1,864,527
Noncurrent Liabilities					
Leases Payable	185,481	2,681,827	535,198	1,376,044	4,778,550
Loans Payable	-	4,219,897	839,756	-	5,059,653
Net Pension Liability	41,713	191,991	79,559	260,224	573,487
Net OPEB Liability	2,584	11,895	4,929	16,122	35,530
Total Noncurrent Liabilities	229,778	7,105,610	1,459,442	1,652,390	10,447,220
Total Liabilities	315,308	7,947,059	1,696,384	2,352,996	12,311,747
Deferred Inflows of Financial Resources					
OPEB, Net of Accumulated Amortization	1,267	5,831	2,416	7,903	17,417
Total Deferred Inflows of Resources	1,267	5,831	2,416	7,903	17,417
Net Position					
Net Investment in Capital Assets	6,888,149	5,680,988	676,801	3,296,740	16,542,678
Unrestricted	1,343,129	5,196,310	4,140,013	715,450	11,394,902
Total Net Position	$ 8,231,278	$ 10,877,298	$ 4,816,814	$ 4,012,190	$ 27,937,580

City of Manitou Springs, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2025

	Storm Drainage Fund	Water Fund	Sewer Fund	Mobility and Parking Fund	Totals
Operating Revenues					
Charges for Services	$ 551,849	$ 2,050,756	$ 1,448,131	$ 3,259,160	$ 7,309,896
Miscellaneous	-	-	4,150	4,527	8,677
Total Operating Revenues	551,849	2,050,756	1,452,281	3,263,687	7,318,573
Operating Expenses					
Operations	263,932	1,344,750	1,218,111	-	2,826,793
Capital Outlay	-	10,000	5,196	-	15,196
Mobility and Parking	-	-	-	1,676,295	1,676,295
Depreciation	469,128	547,531	270,058	229,449	1,516,166
Total Operating Expenses	733,060	1,902,281	1,493,365	1,905,744	6,034,450
Net Operating Income	(181,211)	148,475	(41,084)	1,357,943	1,284,123
Nonoperating Revenues					
Investment Income	61,575	55,156	150,228	40,846	307,805
Operating Grants and Contributions	-	832,860	-	22,500	855,360
Loan Forgiveness	-	108,794	6,674	-	115,468
Interest (Expense)	(8,618)	(95,219)	(52,626)	(66,205)	(222,668)
Net Income (Loss) Before Contributed Capital	(128,254)	1,050,066	63,192	1,355,084	2,340,088
Contributed Capital					
Tap Fees	-	69,650	17,200	-	86,850
Transfers In	30,411	-	-	-	30,411
Transfers Out	(1,420)	(146,794)	(63,169)	(478,447)	(689,830)
Total Capital Contributions and Transfers	28,991	(77,144)	(45,969)	(478,447)	(572,569)
Change in Net Position	(99,263)	972,922	17,223	876,637	1,767,519
Net Position, *Beginning of Year*	8,330,541	9,904,376	4,799,591	3,135,553	26,170,061
Net Position, *End of Year*	$ 8,231,278	$ 10,877,298	$ 4,816,814	$ 4,012,190	$ 27,937,580

City of Manitou Springs, Colorado

Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2025

	Storm Drainage Fund	Water Fund	Sewer Fund	Mobility and Parking Fund	Totals
Cash Flows From Operating Activities					
Cash Received from Customers	$ 547,616	$ 2,080,339	$ 1,484,649	$ 3,079,289	$ 7,191,893
Cash Received from Others	-	-	4,150	4,527	8,677
Cash Paid to Suppliers	(215,232)	(1,235,037)	(1,053,429)	(1,132,031)	(3,635,729)
Cash Paid to Employees	(95,595)	(384,640)	(172,805)	(466,516)	(1,119,556)
Net Cash Provided by Operating Activities	236,789	460,662	262,565	1,485,269	2,445,285
Cash Flows From Capital and Related Financing Activities					
Tap Fees Received	-	69,650	17,200	-	86,850
Acquisition and Construction of Capital Assets	(314,658)	(4,135,761)	(215,612)	(2,245,969)	(6,912,000)
Sale of Capital Assets	-	-	-	102,725	102,725
Issuance of Debt	-	2,743,148	205,000	1,353,361	4,301,509
Debt Principal Payments	(100,018)	(342,545)	(148,672)	(179,102)	(770,337)
Debt Interest Payments	(8,618)	(95,219)	(52,626)	(66,205)	(222,668)
Operating Grants and Contributions	102	832,860	-	22,500	855,462
Forgiveness of Debt	-	108,794	6,674	-	115,468
Transfers from Other Funds	30,411	-	-	-	30,411
Transfers to Other Funds	(1,420)	(146,794)	(63,169)	(478,447)	(689,830)
Net Cash Used by Capital and Related Financing Activities	(394,201)	(965,867)	(251,205)	(1,491,137)	(3,102,410)
Cash Flows From Investing Activities					
Interest Received	61,575	55,156	150,228	40,846	307,805
Net Cash Used by Capital and Related Financing Activities	61,575	55,156	150,228	40,846	307,805
Net Change in Cash and Cash Equivalents	(95,837)	(450,049)	161,588	34,978	(349,320)
Cash and Cash Equivalents, *Beginning of Year*	1,461,843	5,801,753	3,974,418	1,145,535	12,383,549
Cash and Cash Equivalents, *End of Year*	$ 1,366,006	$ 5,351,704	$ 4,136,006	$ 1,180,513	$ 12,034,229
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities					
Net Operating Income	$ (181,211)	$ 148,475	$ (41,084)	$ 1,357,943	$ 1,284,123
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities					
Depreciation Expense	469,128	547,531	270,058	229,449	1,516,166
Changes in Assets and Liabilities Related to Operations					
Utility Receivable	(4,233)	29,583	36,518	(179,871)	(118,003)
Accounts Payable	(51,104)	(265,821)	(7,814)	83,399	(241,340)
Accrued Salaries and Benefits	2,402	(4,836)	(1,913)	965	(3,382)
Accrued Paid Time Off	1,807	5,730	6,800	(6,616)	7,721
Net Cash Provided by Operating Activities	$ 236,789	$ 460,662	$ 262,565	$ 1,485,269	$ 2,445,285
Reconciliation of cash and equivalents to the statement of net position					
Cash and Investments	$ 1,366,006	$ 1,418,370	$ 3,584,194	$ 872,467	$ 7,241,037
Restricted Cash	-	3,933,334	551,812	308,046	4,793,192
Total Cash and Equivalents	$ 1,366,006	$ 5,351,704	$ 4,136,006	$ 1,180,513	$ 12,034,229

City of Manitou Springs, Colorado

Statement of Fiduciary Net Position
Manitou Springs Metropolitan District
For the Year Ended December 31, 2025

	Manitou Springs Metropolitan District
Assets	
Cash and Investments	$ -
Property Taxes Receivable	-
Total Assets	$ -
Liabilities	
Accounts Payable	$ -
Due to Metropolitan District	-
Total Liabilities	-
Deferred Inflows of Resources	
Deferred Property Tax Revenues	-
Total Liabilities and Deferred Inflows of Resources	$ -

City of Manitou Springs, Colorado

Statement of Changes in Fiduciary Net Position
Manitou Springs Metropolitan District
For the Year Ended December 31, 2025

		Manitou Springs Metropolitan District
Additions		
Intergovernmental	$	816,212
Total Additions		816,212
Deductions		
Payments to other governments		816,212
Total Deductions		816,212
Net Increase in Fiduciary Net Position		-
Net Position, *Beginning of Year*		-
Net Position, *End of Year*	$	-

Note 1: Summary of Significant Accounting Policies

The City of Manitou Springs, Colorado (the City) is a home-rule municipality governed by a council-manager form of government through a Mayor and six-member City Council elected by the residents.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the City. The City may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the City includes the following entities in its reporting entity.

Manitou Springs Urban Renewal Authority
The Manitou Springs Urban Renewal Authority (the URA) was created to redevelop or rehabilitate certain blighted areas within City limits. The URA has a separate governing board with members appointed by the City Council. Although the URA is legally separate from the City, the URA's primary revenue source, tax increment financing, can only be established by the City. The URA does not issue separate financial statements and is discreetly presented in the City's financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The *primary government* is reported separately from the legally separate *component unit* for which the City is financially accountable.

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements *(Continued)*

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than program revenues.

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

In the fund financial statements, 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 accounted for in another fund.

The *Capital Improvements Fund* accounts for the .556 property tax mill levy used to fund capital projects and repayment of capital related debt of the City.

The City reports the following major proprietary funds:

The *Storm Drainage Fund* accounts for storm drainage fees used for the construction and maintenance of storm drainage facilities and the provision of ongoing storm water monitoring.

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Sewer Fund* accounts for the financial activities associated with the provision of sewer services.

The *Mobility and Parking Fund* accounts for the financial activities associated with the provision of parking services.

Additionally, the City reports the following fiduciary fund type:

The *Manitou Springs Metropolitan District Fiduciary Fund* - The Manitou Springs Metropolitan District accounts for the collection of taxes and parking fees related to the District's parking facilities. The City is the collection agent and holds all resources in a purely custodial capacity.

Assets, Liabilities and Net Position/Fund Balance

Cash and Investments - Cash equivalents include investments with original maturities of three months or less. Pooled cash and investments are considered cash equivalents. Investments are reported at fair value.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance *(Continued)*

Capital Assets - Capital assets, which include land, buildings, plant, infrastructure, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $10,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Land Improvements	15 - 25 years
Buildings and Improvements	20 - 40 years
Infrastructure	25 - 55 years
Collection and Distribution Systems	5 - 40 years
Equipment and Vehicles	3 - 10 years

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Compensated Absences - Employees of the City are allowed to accumulate unused paid time off (PTO). Upon termination or resignation of employment from the City, an employee will be compensated for all accrued PTO. Accumulated, unpaid PTO is accrued when earned in the government-wide and proprietary fund financial statements. A liability is reported in the governmental fund financial statements only when payment is due.

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

Note 1: Summary of Significant Accounting Policies (Continued)

<u>Assets, Liabilities and Net Position/Fund Balance</u> *(Continued)*

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

Long-Term Obligations - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and refunding losses are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financial uses.

Net Position - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. Net position is classified into the following categories:

- *Net Investment in Capital Assets* - this classification is intended to report the portion of net position, which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.

- *Restricted Net Position* - this classification includes liquid assets which have third party limitations on their use.

- *Unrestricted Net Position* - this classification includes assets that do not have any third-party limitation on their use.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact. The City did not have any nonspendable resources at December 31, 2025.

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance *(Continued)*

- *Restricted* - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the City had restricted amounts for open space, law enforcement and capital improvements because of voter approved taxes for these purposes.

- *Committed* - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority, the City Council. The constraint may be removed or changed only through formal action of the City Council. The City had committed resources at December 31, 2025, for future document imaging and capital improvements.

- *Assigned* - This classification includes amounts that are constrained by the City's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The City had assigned resources at December 31, 2025, for future Barr Trail maintenance, capital improvements, police, fire, parks, and trails.

- *Unassigned* - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In the fund financial statements, governmental funds report committed fund balances when the City Council formally commits resources for a specific purpose through passage of a resolution or approval of contractual agreements with third parties.

The City Council is authorized to informally assign amounts to a specific purpose and has assigned this authority to the City Manager or other designee. Such fund balance assignments are reported in the governmental fund financial statements.

The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the City uses restricted fund balance first, followed by committed, assigned and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis.

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

The City has evaluated subsequent events through July 16, 2026, the date the financial statements were available to be issued.

Note 2: Cash and Investments

At December 31, 2025, cash and investments consisted of the following:

Petty Cash	$	500
Cash Deposits		2,923,147
Investments		19,710,182
Cash Held with Colorado Water & Power Authority		3,543,945
Cash Held with County Treasurer		430
Escrow Cash		2,261,798
Total	$	28,440,002

Cash is reported in the financial statements as follows:

Primary Government Cash and Investments	$	21,888,082
Primary Government Restricted Cash and Investments		5,805,743
Urban Renewal Authority		746,177
Total	$	28,440,002

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. As of December 31, 2025, the City and the URA had bank deposits of $2,381,785 and $495,747, respectively, collateralized with securities held by the financial institutions' agents but not in their name.

Investments

The City is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities.

Note 2: Cash and Investments (Continued)

Investments *(Continued)*

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

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in one issuer, except for corporate securities.

Local Government Investment Pool - At December 31, 2025, the City had $19,710,182 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating ColoTrust. ColoTrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at $1. ColoTrust is rated AAAm by Standard and Poor's. Investments of ColoTrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Fair Value Measurements - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1) inputs are quoted prices in active markets for identical investments; Level 2) inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3) inputs are unobservable inputs. At December 31, 2025, the City's investment in ColoTrust was reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

Note 3: Capital Assets

Capital asset governmental activity for the year ended December 31, 2025, is summarized below.

	Balance 12/31/24	Additions	Transfers	Deletions	Balance 12/31/25
Governmental Activities					
Capital Assets, *Not Being Depreciated*					
Land	$ 7,445,649	$ -	$ -	$ -	$ 7,445,649
Construction in Progress	6,440,431	2,104,829	(5,357,184)	-	3,188,076
Total Capital Assets, *Not Being Depreciated*	13,886,080	2,104,829	(5,357,184)	-	10,633,725
Capital Assets, *Being Depreciated*					
Land Improvements	4,520,805	462,822	353,913	-	5,337,540
Buildings	4,460,026	535,604	4,720,235	-	9,715,865
Infrastructure	18,031,680	1,368,885	283,036	-	19,683,601
Equipment and Vehicles	6,845,772	373,800	-	(557,918)	6,661,654
Total Capital Assets, *Being Depreciated*	33,858,283	2,741,111	5,357,184	(557,918)	41,398,660
Capital Assets, *Not Being Depreciated*					
Less Accumulated Depreciation					
Land Improvements	(2,725,139)	(185,551)	-	-	(2,910,690)
Buildings	(1,628,586)	(251,688)	-	-	(1,880,274)
Infrastructure	(9,095,986)	(502,735)	-	-	(9,598,721)
Equipment and Vehicles	(4,396,916)	(649,565)	-	557,918	(4,488,563)
Total Accumulated Depreciation	(17,846,627)	(1,589,539)	-	557,918	(18,878,248)
Total Capital Assets, *Being Depreciated, net*	16,011,656	1,151,572	5,357,184	-	22,520,412
Governmental Activities Capital Assets, *net*	$ 29,897,736	$ 3,256,401	$ -	$ -	$ 33,154,137

Depreciation expense was charged to programs of the City as follows:

Governmental Activities	
General Government	$ 617,629
Public Safety	495,722
Public Works	198,690
Parks and Recreation	277,498
Total	$ 1,589,539

Note 3: Capital Assets (Continued)

Capital asset business-type activity for the year ended December 31, 2025, is summarized below.

	Balance 12/31/24	Additions	Transfers	Deletions	Balance 12/31/25
Business-Type Activities					
Capital Assets, *Not Being Depreciated*					
Land	$ 1,579,868	$ -	$ -	$ -	$ 1,579,868
Construction in Progress	2,319,751	3,286,782	(1,902,553)	-	3,703,980
Total Capital Assets, *Not Being Depreciated*	3,899,619	3,286,782	(1,902,553)	-	5,283,848
Capital Assets, *Being Depreciated*					
Land Improvements	195,183	287,424	-	-	482,607
Buildings	325,238	1,357,409	371,315	-	2,053,962
Collection and Distribution System	32,150,665	1,242,525	1,531,238	-	34,924,428
Machinery and Equipment	6,094,084	745,120	-	(284,505)	6,554,699
Total Capital Assets, *Being Depreciated*	38,765,170	3,632,478	1,902,553	(284,505)	44,015,696
Less: Accumulated Depreciation	(20,794,210)	(1,516,166)	-	174,520	(22,135,856)
Total Capital Assets, *Being Depreciated, net*	17,970,960	2,116,312	1,902,553	(109,985)	21,879,840
Business-Type Activities Capital Assets, *net*	$ 21,870,579	$ 5,403,094	$ -	$ (109,985)	$ 27,163,688

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2025:

	Balance 12/31/24	Additions	Deletions	Balance 12/31/25	Due Within One Year
Governmental Activities					
Financing Leases	$ 1,030,658	$ 1,685,320	$ 390,200	$ 2,325,778	$ 326,936
Compensated Absences	523,331	604,912	488,856	639,387	639,387
Total	$ 1,553,989	$ 2,290,232	$ 879,056	$ 2,965,165	$ 966,323

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

The City has entered into several long-term financing lease agreements to purchase land, equipment, and vehicles. These leases bear interest at rates ranging from 1.370% to 4.200% per annum and mature between February 2025 and August 2045.

Note 4: Long-Term Debt (Continued)

Governmental Activities *(Continued)*

The future minimum lease payments of principal and interest as of December 31, 2025, were as follows:

Year Ended December 31,		
2026	$	416,495
2027		346,119
2028		272,256
2029		274,733
2030		200,866
2031-2035		598,810
2036-2040		532,562
2041-2045		458,110
Total Future Minimum Lease Payments		3,099,951
Less: Interest		(774,173)
Present Value of Future Minimum Lease Payments	$	2,325,778

Business-Type Activities

Following are the changes to long-term debt of the business-type activities for the year ended December 31, 2025:

	Balance 12/31/24	Additions	Payments	Balance 12/31/25	Due Within One Year
Business-Type Activities					
1985 Water Loan	$ 5,605	$ -	$ (5,605)	$ -	$ -
2009 Water Loan	341,375	-	(62,068)	279,307	62,068
2009 Water Loan	341,375	-	(62,068)	279,307	62,068
2009 Water Loan	147,750	-	(26,864)	120,886	26,864
2009 Sewer Loan	22,936	-	(4,170)	18,766	4,170
2020 Water Loan	298,019	-	(15,359)	282,660	15,745
2020 Water Loan	704,348	-	(36,299)	668,049	37,212
2020 Sewer Loan	461,563	-	(23,787)	437,776	24,385
2024 Water Loan	3,023,781	-	(113,213)	2,910,568	116,922
2024 Sewer Loan	445,693	-	(16,687)	429,006	17,234
Financing Leases	1,297,393	4,301,509	(404,217)	5,194,685	416,139
Compensated Absences	58,498	61,678	(53,957)	66,219	66,219
Total	$ 7,148,336	$ 4,363,187	$ (824,294)	$ 10,687,229	$ 849,026

Water Loans

During 1985, the City entered into a $1,200,000 loan agreement with the Colorado Water Conservation Board for construction of certain water supply improvements. Principal and interest payments are due annually on May 1, through 2025. Interest accrues at 4.02% per annum.

Note 4: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

Water Loans *(Continued)*

During 2009, the City entered into two loan agreements with the Colorado Water Resources and Power Development Authority (CWRPDA), each in the principal amount of $1,241,361, for construction and improvements to the water delivery systems. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2030. The loan is non-interest bearing.

During 2009, the City entered into a third loan agreement with the CWRPDA in the principal amount of $537,278 for construction and improvements to the water delivery systems. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2030. The loan is non-interest bearing.

During 2020, the City entered into a $827,200 loan agreement with the CWRPDA to finance all or a portion of the costs of certain water resource projects. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 2.5% per annum.

During 2020, the City entered into a $350,000 loan agreement with the CWRPDA for maintenance and projects related to hydroelectric facilities. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 2.5% per annum.

During 2024, the City entered into a $4,053,000 loan agreement with CWRPDA to finance all or a portion of the costs of certain water resource projects. Principal and interest payments are due semi-annually on May 1 and November 1, through 2044. Interest accrues at 3.25% per annum.

The 2009, 2020, and 2024 CWRDPA water loans are payable solely from revenues of the City's water utility system after deducting operation and maintenance costs. During the year ended December 31, 2025, net revenues of $630,475 were available to pay annual debt service of $437,969. Remaining debt service at December 31, 2025 was $4,540,777.

Note 4: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

Water Loans *(Continued)*

The CWRDPA water loans include a rate maintenance coverage covenant that requires the City to maintain a coverage ratio of Net Revenues equal to 110% of the maximum annual debt service of the loan when due and any parity debt coming due. The computation of both the Water rate maintenance covenant is as follows:

Revenues	
Operating Revenues	$ 2,105,912
Expenses	
Operating Expenses	1,491,544
Net Revenues	614,368
Debt Services Requirements	
2009 CWRPDA Notes Payable	151,000
2020 CWRPDA Notes Payable	53,682
2020 CWRPDA Hydropower Plant Note Payable	22,714
2024 CWRPDA Notes Payable	210,573
Total CWRPDA Notes Payable	437,969
Required Coverage	110%
Debt Service Coverage Amount	481,766
Net Revenue Excess *(Shortfall)*	$ 132,602

Sewer Loans

During 2009, the City entered into a loan agreement with the CWRPDA in the principal amount of $83,401 to finance repairs to the City's sewer treatment systems. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2030. The loan is non-interest bearing.

During 2020, the City entered into a $554,400 loan agreement with the CWRPDA for maintenance and projects related to water management and wastewater treatment facilities. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 2.5% per annum.

During 2024, the City entered into a $450,000 loan agreement with the CWRPDA for maintenance and projects related to water management and wastewater treatment facilities. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 3.25% per annum.

Note 4: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

Sewer Loans *(Continued)*

The CWRPDA sewer loans are payable solely from revenues of the City's sewer utility system, after deducting operation and maintenance costs. During the year ended December 31, 2025, net revenues of $257,722 were available to pay annual debt service of $70,386. Remaining debt service at December 31, 2025 was $885,548.

The CWRDPA water loans include a rate maintenance coverage covenant that requires the City to maintain a coverage ratio of Net Revenues equal to 110% of the maximum annual debt service of the loan when due and any parity debt coming due. The computation of both the Sewer rate maintenance covenant is as follows:

Revenues	
Operating Revenues	$ 1,602,509
Expenses	
Operating Expenses	1,333,906
Net Revenues	268,603
Debt Services Requirements	
2009 CWRPDA Notes Payable	4,170
2020 CWRPDA Notes Payable	35,178
2024 CWRPDA Notes Payable	31,038
Total CWRPDA Notes Payable	70,386
Required Coverage	110%
Debt Service Coverage Amount	77,425
Net Revenue Excess *(Shortfall)*	$ 191,178

Note 4: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

Sewer Loans *(Continued)*

Following is the remaining principal and interest for business-type loans as of the year ended December 31, 2025:

Year Ended December 31,	Principal	Interest	Total
2026	$ 366,669	$ 141,687	$ 508,356
2027	373,010	135,345	508,355
2028	379,544	128,811	508,355
2029	386,277	122,078	508,355
2030	315,620	115,140	430,760
2031-2035	1,301,928	464,000	1,765,928
2036-2040	1,510,017	255,911	1,765,928
2041-2045	793,260	52,392	845,652
Total	$ 5,426,325	$ 1,415,364	$ 6,841,689

Long-Term Leases

The City has entered into several long-term financing lease agreements to purchase equipment and vehicles. These leases bear interest at rates ranging from 1.370% to 5.260% per annum and mature between February 2025 and August 2045. Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2025.

Year Ended December 31,	
2026	$ 675,042
2027	654,097
2028	656,132
2029	530,816
2030	478,881
2031-2035	2,004,239
2036-2040	1,116,207
2041-2045	983,176
Total Future Minimum Lease Payments	7,098,590
Less: Interest	(1,903,905)
Present Value of Future Minimum Lease Payments	$ 5,194,685

Note 5: Interfund Transactions

Interfund transfers during the year ended December 31, 2025, consisted of the following:

Transfers In	Transfers Out	Amount
Capital Improvement Fund	General Fund	$ 858,000
General Fund	Mobility and Parking Fund	478,447
General Fund	Water Enterprise Fund	146,794
General Fund	Sewer Enterprise Fund	63,169
General Fund	El Paso/Becker Park Fund	56,224
Storm Drainage Fund	Capital Improvement Fund	30,411
General Fund	Open Space Fund	9,000
General Fund	Mach Fund	3,360
General Fund	Law Enforcement Fund	1,420
General Fund	Storm Drainage Fund	1,420
Total		$ 1,648,245

Note 6: Pension Plans

Eligible City employees may participate in one of six following pension plans, depending on occupation and date of hire:

Nonemergency Employees
- Local Government Division Trust Fund Defined Benefit Plan (PERA)

Police Officers
- Police Officers Statewide Defined Benefit Plan (FPPA)

Firefighters
- Firefighters Statewide Defined Benefit Plan (FPPA)
- Old Hire Firefighters Pension Plan (FPPA)
- Volunteer Firefighters Pension Plan (FPPA)

Local Government Division Trust Fund Defined Benefit Plan (PERA)

<u>General Information - PERA</u>

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

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

General Information - PERA *(Continued)*

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

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

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

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

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

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

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

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

General Information - PERA *(Continued)*

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

Contributions provisions as of December 31, 2025 - Eligible employees of the City and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq*. and § 24-51-413. Employee contribution rates for the period of January 01, 2025 through December 31, 2025 were 9.00%. Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees were 14.86% of covered salaries for January 01, 2025 through December 31, 2025. However, a portion of the City's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 7).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. The City's contributions to the LGDTF for the year ended December 31, 2025, were $597,645, equal to the required contributions.

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

The net pension liability for the LGDTF was measured at December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year December 31, 2024 relative to the total contributions of participating employers and State as a nonemployer contributing entity.

At December 31, 2025, the City reported a net pension liability of $2,762,460 for its proportionate share of the net pension liability.

At December 31, 2024, the City's proportion was 0.4502067413%, which was an increase of 0.0043236002% from its proportion measured at December 31, 2023.

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

For the year ended December 31, 2025, the City recognized pension expense of $660,096. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,637	$ -
Changes of assumptions and other inputs	5,333	-
Net difference between projected and actual Earnings on plan investments	25,460	-
Changes in proportion	703	-
Contributions subsequent to the measurement date	597,645	-
Total	$ 642,778	$ -

$597,645 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2026	$ 659,336
2027	(440,009)
2028	(174,194)
Total	$ 45,133

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

Actuarial Assumptions - The TPL in the December 31, **2023**, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

	Assumptions
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than Safety Officers	3.2% - 11.3%
Safety Officers	3.2% - 12.4%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/2007	1.00%
Hired after 12/31/2006	Financed by the Annual Increase Reserve (AIR)

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the LGDTF and HCTF were $486,000 and $20,000 respectively.

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

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

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

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

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

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

Salary scale assumptions were altered to better reflect actual experience.

Salary increases, including wage inflation	
Members other than Safety Officers	3.4% - 13.0%
Safety Officers	3.2% - 16.3%

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

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

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

	Mortality Table	Adjustments, as Applicable
Pre-Retirement		
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 106% of the rates for all ages **Females**: 86% of the rates prior to age 80/115% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled		
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

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

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

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

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

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

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year and the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the LGDTF and HCTF were $486,000 and $20,000, respectively.

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

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the City's proportionate share of the net pension liability if it were calculated using a discount that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's Proportionate share of the Net pension liability (asset)	$ 6,046,470	$ 2,762,460	$ 3,516

Pension Plan Fiduciary Net Position - Detailed information about the LGDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Police Officers Statewide Defined Benefit Pension Plan (SWDB)

General Information - FPPA

Plan Description - The City contributes to the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997, through the Statewide Death and Disability Plan, which is also administered by the FPPA. The Statewide Death and Disability Plan is a noncontributory plan. All full-time, paid police officers of the City are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for police officers hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Benefits Provided - The FPPA Board 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.

Note 6: Pension Plans (Continued)

Police Officers Statewide Defined Benefit Pension Plan (SWDB) *(Continued)*

General Information - FPPA *(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 ten 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.

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, 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.

Contributions - The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statutes. Member contribution rates can be amended by state statute or election of the membership.

Note 6: Pension Plans (Continued)

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

Police Officers

The City and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 10.5% and 12% of base salary, respectively, for the year ended December 31, 2025. Plan members contribute 12% of base salary. Employer contributions increase 0.5% annually through 2030 to a total of 13% of base salary. The City's contributions to the plan for the year ended December 31, 2025, were $115,926, equal to the required contributions.

The City's proportion of the net pension asset was based on the City's contributions to the plan for the calendar year ended December 31, 2025, relative to the projected contributions of all participating employers. At December 31, 2025, the City's proportion was 0.1012146844% which was a decrease of 0.0182137588% from its proportion measured at **December 31, 2024**.

At December 31, 2025, the City reported a net pension liability of $0, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at 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.

For the year ended December 31, 2025, the City recognized pension expense of $162,636. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 187,808	$ 6,090
Changes in assumptions and other inputs	64,463	-
Net difference between projected and actual Earnings on plan investments	6,587	-
Changes in proportion	14,078	105,787
Contributions subsequent to the measurement date	115,926	-
Total	$ 388,862	$ 111,877

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

Police Officers *(Continued)*

City contributions subsequent to the measurement date of $115,926 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,		
2026	$	127,401
2027		(7,095)
2028		(4,546)
2029		18,145
2030		19,980
Thereafter		7,174
Total	$	161,059

Actuarial Assumptions - The actuarial valuations as of January 1, 2025, determined the total pension liability using the following actuarial assumptions and other inputs:

	Assumptions
Actuarial Cost Method	Entry age normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.00%
Projected Salary Increases	4.25% - 11.75%
Cost of Living Adjustments (COLA)	0.00%
*Includes Inflation at	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. 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 Pub-2010 Safety Healthy Annuity 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.

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – FPPA *(Continued)*

Police Officers *(Continued)*

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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income - Rates	7%	5.00%
Fixed Income - Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	4%	4.20%
Total	100.00%	

Discount Rate - 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 in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.00%.

The COLA assumption reflects the trust nature of the FPPA Board's Benefit Policy which includes a variable COLA and supplemental payments. Consistent with the FPPA Board's policy, the 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.

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – FPPA *(Continued)*

Police Officers *(Continued)*

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as the City's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate, as follows:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
City's Proportionate share of the Net pension liability (asset)	$ 493,919	$ -	$ -

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

Firefighters Statewide Defined Benefit Pension Plan (SWDB)

General Information - FPPA

Plan Description - The City contributes to the SWDB, a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997, through the Statewide Death and Disability Plan, which is also administered by the FPPA. The Statewide Death and Disability Plan is a noncontributory plan. All full-time, paid firefighters of the City are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Note 6: Pension Plans (Continued)

Firefighters Statewide Defined Benefit Pension Plan (SWDB) *(Continued)*

General Information - FPPA *(Continued)*

Benefits Provided - The FPPA Board 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.

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 ten 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.

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, 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.

Contributions - The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statutes. Member contribution rates can be amended by state statute or election of the membership.

Note 6: Pension Plans (Continued)

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA</u>

State Fire

The City and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 10.5% and 12% of base salary, respectively, for the year ended December 31, 2025.

Plan members contribute 12% of base salary. Employer contributions increase 0.5% annually 2030 to a total of 13% of base salary. The City's contributions to the plan for the year ended December 31, 2025, were $93,599, equal to the required contributions.

The City's proportion of the net pension asset was based on the City's contributions to the plan for the calendar year ended December 31, 2025, relative to the projected contributions of all participating employers. At December 31, 2025, the City's proportion was 0.0879376055% which was an increase of 0.0030278556% from its proportion measured at **December 31, 2024**.

At December 31, 2025, the City reported a net pension liability of $0, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at 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.

For the year ended December 31, 2025, the City recognized pension expense of $157,354. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 163,180	$ 5,290
Changes in assumptions and other inputs	56,006	-
Net difference between projected and actual Earnings on plan investments	5,726	-
Changes in proportion	35,128	64,972
Contributions subsequent to the measurement date	93,599	-
Total	$ 353,639	$ 70,262

Note 6: Pension Plans (Continued)

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA</u> *(Continued)*

State Fire *(Continued)*

City contributions after the measurement date of $93,599 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,		
2026	$	120,066
2027		4,226
2028		9,910
2029		24,162
2030		20,135
Thereafter		11,279
Total	$	189,778

Actuarial Assumptions - The actuarial valuations as of January 1, 2025, determined the total pension liability using the following actuarial assumptions and other inputs:

	Assumptions
Actuarial Cost Method	Entry age normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.00%
Projected Salary Increases	4.25% - 11.75%
Cost of Living Adjustments (COLA)	0.00%
*Includes Inflation at	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. 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 Pub-2010 Safety Healthy Annuity 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.

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

State Fire *(Continued)*

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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income - Rates	7%	5.00%
Fixed Income - Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	4%	4.20%
Total	100.00%	

Discount Rate - 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 in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.00%.

The COLA assumption reflects the trust nature of the FPPA Board's Benefit Policy which includes a variable COLA and supplemental payments. Consistent with the FPPA Board's policy, the 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.

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

State Fire *(Continued)*

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as the City's proportionate share of the net pension (asset) liability if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's Proportionate share of the Net pension liability (asset)	$ 429,128	$ -	$ -

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

Old Hire Firefighters Pension Plan (FPPA)

General Information - Old Hire Fire

Plan Description - The City's firefighters hired prior to April 8, 1978, are covered by an agent multiple-employer defined benefit pension plan. The Plan is affiliated with and administered by the Fire and Police Pension Association of Colorado (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund. The plan has one retiree and one retiree's beneficiary and is closed to future participation.

The authority under which benefit provisions are established or amended are provided within Colorado Revised Statutes (C.R.S. 31-30.5-210). The Board of Trustees is made up of City Council members and firefighters who along with the Board of Directors of the Colorado FPPA must approve Plan amendments. Any modification must maintain or enhance the actuarial soundness of the plan and cannot adversely affect the benefits of Members.

Benefits Provided - A firefighter's normal retirement date shall be the date on which he has attained fifty years of age and completed twenty years of active service. Any firefighter who elects to retire on or after his normal retirement date is eligible for a monthly pension payment equivalent to one-half of his monthly salary at the date of his retirement. For each year after a firefighter continues working past the normal retirement date, his benefit will increase by 4% of his monthly salary to a maximum benefit of 74%. If a firefighter dies, the surviving spouse receives, until death or remarriage, a monthly pension equal to one-third of the salary of a first-grade firefighter at the time of retirement.

Note 6: Pension Plans (Continued)

Old Hire Firefighters Pension Plan (FPPA) *(Continued)*

General Information - Old Hire Fire *(Continued)*

Contributions - The plan receives contributions from the City based on an actuarially determined amount, as required by State statute. The actuarial study as of January 1, 2025, indicated that the current level of contributions to the Plan are adequate to support on an actuarially sound basis the prospective benefits, including administrative costs, of the present plan. The City contribution amount for the Plan has been historically determined by biennial actuarial studies.

Administrative costs of the plan are paid from the pension fund. There are no investments in loans to or leases with parties related to the plans.

For the year ended December 31, 2025, the City reported a net pension liability of $361,878. 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, 2024.

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

Old Hire Fire

For the year ended December 31, 2025, the City recognized pension expense of $30,343. At December 31, 2025, the City reported deferred outflows and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual Earnings on plan investments	$ 24,333	$ -
Contributions subsequent to the measurement date	24,144	-
Total	$ 48,477	$ -

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

Old Hire Fire *(Continued)*

$24,144 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (increase to asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,		
2026	$	13,561
2027		10,937
2028		(718)
2029		553
Total	$	24,333

Actuarial Assumptions - The January 1, 2024 actuarial valuation was used to determine the actuarially determined contribution for the fiscal year ending December 31, 2025. The valuation used the following actuarial assumptions and other inputs:

	Assumptions
Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment rate of return, net of plan investment expenses, including price inflation	4.50%
Projected Salary Increases	N/A

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

Old Hire Fire *(Continued)*

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	10%	5.50%
Fixed Income - Rates	70%	5.40%
Fixed Income - Credit	10%	5.90%
Diversifiers	0%	7.40%
Long Short	0%	7.00%
Global Public Equity	10%	8.30%
Private Markets	0%	10.20%
Total	100.00%	

Single Discount Rate - The discount rate used to measure the total pension liability was 4.5% 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 plan fiduciary net pension 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.

Sensitivity of the City's Net Pension Asset to Changes in the Single Discount Rate - The following presents the City's net pension liability/(asset) calculated using the single discount rate of 4.5%, as well as what the City's net pension liability/(asset) would be if it were calculated using a single discount rate that is 1 percent lower or 1 percent higher than the current rate:

	1% Decrease (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
City's Proportionate share of the Net pension liability (asset)	$ 416,429	$ 361,878	$ 314,191

Note 6: Pension Plans (Continued)

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA</u> *(Continued)*

Old Hire Fire *(Continued)*

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in FPPA's comprehensive annual financial report at www.fppaco.org/PDF/annual-reports/14.annual.report.pdf.

Volunteer Firefighters Pension Plan (FPPA)

<u>General Information - Volunteer Firefighters</u>

Plan Description - The City, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by FPPA. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statues (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area or 1-800-332-FPPA (3772) from outside the metro area.

Volunteer firefighters who complete the minimum annual training required by the City and are members in good standing of the volunteer organization, are eligible to participate in the plan for that year. Volunteers' rights to a benefit vest after ten years of service. Volunteers who retire at, or after the age of 50, with twenty years of credited service, are entitled to a benefit. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Surviving spouses are entitled to a 50% benefit. In addition, the plan provides death and disability benefits funded by insurance policies.

Volunteers Covered by Benefit Terms - At December 31, 2025, the following employees were covered by the benefit terms:

Retirees or Beneficiaries Currently Receiving Benefits	18
Active Employees	28
Total	46

Contributions - Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2025. Contributions into the pension fund are derived from two sources: contributions directly from the City and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2025, the City's contributions were $27,574.

Note 6: Pension Plans (Continued)

Volunteer Firefighters Pension Plan (FPPA) *(Continued)*

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

The total pension liability is based on an actuarial valuation performed as of January 1, 2025, and a measurement date of December 31, **2024**. This measurement date is within one year of the plan sponsor's fiscal year-end of December 31, 2025, and may be used for December 31, 2025, reporting purposes.

Actuarial Assumptions - The total pension liability was rolled forward from the actuarial valuation as of January 1, 2025 to the measurement date of December 31, **2024**, and was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Assumptions
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Amortization Period	20 Years
Inflation	2.50%
Projected Salary Increases	N/A
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.00%
Cost of Living Adjustments (COLA)	0.00%
*Includes Inflation at	2.50%

Mortality rates were based on the following:

- *Pre-retirement*: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality.
- *Post-retirement*: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale.
- *Disabled:* Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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).

Note 6: Pension Plans (Continued)

Volunteer Firefighters Pension Plan (FPPA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.77% and the resulting Single Discount Rate is 7.00%.

Changes in net pension liability for the City's Volunteer Firefighter agent multiple-employer plan is listed as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, December 31, 2025	$ 540,459	$ 398,575	$ 141,884
Service Cost	6,232	-	6,232
Interest	36,406	-	36,406
Differences Between Expected and Actual Experience	13,431	-	13,431
Changes of Assumptions	-	-	-
Contributions	-	37,951	(37,951)
Net Investment Income	-	39,727	(39,727)
Benefit Payments	(47,693)	(47,693)	-
Administrative Expenses	-	(10,518)	10,518
State of Colorado supplemental discretionary payment	-	34,200	(34,200)
Total	$ 548,835	$ 452,242	$ 96,593

Sensitivity of the net pension liability (asset) to the changes in the discount rate - The following table presents the net pension liability (asset) of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) then the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
City's Proportionate share of the Net pension asset (Liability)	$ 154,874	$ 96,593	$ 47,921

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

Note 6: Pension Plans (Continued)

Volunteer Firefighters Pension Plan (FPPA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

For the year ended December 31, 2025, the City recognized pension benefit of $11,200 for the Volunteer Pension Plan. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,818	$ 3,537
Changes in assumptions and other inputs	2,404	-
Net difference between projected and actual Earnings on plan investments	3,232	-
Contributions subsequent to the measurement date	72,151	-
Total	$ 88,605	$ 3,537

$72,151 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (increase to asset) in the year ended December 31, **2024**. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2026	$ 4,351
2027	9,446
2028	(1,588)
2029	342
2030	366
Total	$ 12,917

Note 7: Other Postemployment Benefits

General Information

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

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq*. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

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

Note 7: Other Postemployment Benefits (Continued)

General Information *(Continued)*

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

Contributions - Pursuant to Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the Local Government Division are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City was $44,038 for the year ended December 31, 2025.

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

At December 31, 2025, the City reported a net OPEB liability of $171,151 representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, **2024**, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total OPEB liability to December 31, **2024**. The City's proportion of the net OPEB liability was based on the City's contributions to the HCTF for the calendar year ended December 31, **2024**, relative to the contributions of all participating employers to the HCTF.

At December 31, 2025, the District's proportion was 0.0357930396%, which was an increase of 0.0003451925% from its proportion measured at **December 31, 2024**.

Note 7: Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(Continued)*

For the year ended December 31, 2025, the City recognized OPEB benefit of $10,639. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 23,560
Changes of assumptions and other inputs	1,057	39,923
Net difference between projected and actual earnings on plan investments	-	1,199
Changes in proportion	18,467	19,216
Contributions subsequent to the measurement date	44,038	-
Total	$ 63,562	$ 83,898

$44,038 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended December 31,	
2026	$ (9,418)
2027	(21,897)
2028	(17,176)
2029	(11,284)
2030	(4,599)
Total	$ (64,374)

Note 7: Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(Continued)*

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

	Assumptions
Actuarial Cost Method	Entry Age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	
Members other than Safety Officers	3.2% - 11.3%
Safety Officers	3.2% - 12.4%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
PERA Benefit Structure	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034	
MAPD PPO #2	
105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums:	
3.50% in 2024, gradually increasing to 4.50% in 2033	

The 2024 Medicare Part A premium is $505 per month.

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

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

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

Note 7: Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(Continued)*

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

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

Note 7: Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(Continued)*

Mortality assumptions used in the December 31, 2023, valuation for the State and Local Government Divisions as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of these Division Trust Funds participate in the HCTF.

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

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

- Per capital health care costs in effect as of December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare A benefits have been updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health plan election rate assumptions were updated effective as of the December 31, 2023 valuation date based on an experience analysis of recent data.

Note 7: Other Postemployment Benefits (Continued)

<u>OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u> *(Continued)*

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

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

Salary increases, including wage inflation	
Members other than Safety Officers	3.4% - 13.0%
Safety Officers	3.2% - 16.3%

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

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

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

Note 7: Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(Continued)*

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

	Mortality Table	Adjustments, as Applicable
Pre-Retirement		
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 106% of the rates for all ages **Females**: 86% of the rates prior to age 80/115% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled		
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

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

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

Note 7: Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(Continued)*

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized, as presented previously (see Note 6).

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

- Updated health care cost trend rates for Medicare Part A premiums as of the **December 31, 2024**, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and LGDTF were $20,000 and $486,000, respectively.

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

Note 7: Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(Continued)*

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 209,748	$ 171,151	$ 137,875

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Healthcare Cost Trend Rates - The following presents the City's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rates, ranging from 2.75% to 9.55%, as well as the City's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability	$ 166,539	$ 171,151	$ 176,369

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

Note 8: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for its workers compensation claims.

Public Entity Risk Pool

For other risks of loss, the City is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

Note 8: Risk Management (Continued)

Public Entity Risk Pool *(Continued)*

The purposes of CIRSA are to provide members defined liability and property coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the City does not approve budgets, nor does it have the ability to significantly affect the operations of CIRSA.

Note 9: Commitments and Contingencies

Claims and Judgments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. Management believes that additional disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On April 5, 1994, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

In November 1997, voters within the City authorized the City to collect, retain and expend all revenues and other funds in excess of the revenue limitations of the Amendment.

Emergency Reserves have been provided for as required by Article X, Section 20 (5), of the Constitution of the State of Colorado. Per the City Financial Policies Section 7, IV, the City satisfies this requirement through a pledge of real property. City Hall, located at 606 Manitou Ave, per the most valuation by the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for insurance purposes, is valued at $3,500,000. 16.03% of this value covers the TABOR reserve.

The URA is not subject to the Amendment. See: Marian L. Olson v. City of Golden, et. al. 53 P.3d 747 (Co. App.), certiorari denied.

Required Supplementary Information

City of Manitou Springs, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Taxes				
Sales and Use Taxes	$ 8,960,000	$ 5,737,000	$ 6,528,197	$ 791,197
Property	1,046,650	1,213,811	1,281,138	67,327
Amusement and Lodging	1,660,000	1,700,000	1,774,226	74,226
Franchise	447,000	494,000	478,318	(15,682)
Auto Use	395,000	395,000	419,215	24,215
Licenses and Permits	157,500	157,000	159,319	2,319
Intergovernmental	167,724	168,403	251,204	82,801
Contributions/Donations	900	43,850	48,979	5,129
Charges for Services	1,106,250	1,258,500	1,201,712	(56,788)
Fines and Forfeitures	76,015	44,715	45,076	361
Investment Income	450,500	340,000	341,471	1,471
Proceeds from Sale of Assets	130,000	95,000	104,477	9,477
Miscellaneous	3,100	3,148	3,210	62
Total Revenues	14,600,639	11,650,427	12,636,542	986,115
Expenditures				
General Government				
Legislative	414,075	463,565	416,104	47,461
Judicial	124,587	118,246	104,283	13,963
Executive	1,114,830	1,098,860	1,031,842	67,018
City Clerk	362,778	365,035	341,372	23,663
Finance	1,121,365	711,995	650,460	61,535
Planning	660,020	615,870	524,985	90,885
Economic Development	647,600	647,600	635,627	11,973
Intergovernmental	45,870	45,581	8,595	36,986
Miscellaneous	4,740	4,100	1,712	2,388
Total General Government	4,495,865	4,070,852	3,714,980	355,872
Public Safety				
Police	2,565,228	2,528,291	2,409,528	118,763
Fire	1,378,899	1,493,033	1,318,746	174,287
EMS Transport	828,119	854,200	845,159	9,041
Total Public Safety	4,772,246	4,875,524	4,573,433	302,091
Public Works				
Parking Department	1,675,605	1,465,720	1,230,804	234,916
Total Public Works	1,675,605	1,465,720	1,230,804	234,916

(Continued)

City of Manitou Springs, Colorado

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2025
(Continued)

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Expenditures *(Continued)*				
Culture and Recreation				
Public Services	$ 2,378,770	$ 2,347,388	$ 2,121,112	$ 226,276
Total Culture and Recreation	2,378,770	2,347,388	2,121,112	226,276
Capital Outlay	84,000	117,606	79,647	37,959
Total Expenditures	13,406,486	12,877,090	11,719,976	1,157,114
Excess Revenues Over (Under) Expenditures	1,194,153	(1,226,663)	916,566	2,143,229
Other Financing Sources (Uses)				
Transfers In	311,807	711,807	759,834	48,027
Transfers Out	(1,500,000)	(858,000)	(858,000)	-
Net Change in Fund Balance	5,960	(1,372,856)	818,400	2,191,256
Fund Balance, *Beginning of Year*	7,072,439	8,964,872	9,059,871	94,999
Fund Balance, *End of Year*	$ 7,078,399	$ 7,592,016	$ 9,878,271	$ 2,286,255

City of Manitou Springs, Colorado

Budgetary Comparison Schedule
Capital Improvements Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Property Taxes	$ 49,132	$ 57,738	$ 59,555	$ 1,817
Intergovernmental	1,137,500	993,382	816,212	(177,170)
Contributions and Donations	177,020	250,000	571,416	321,416
Interest	-	125,458	217,758	92,300
Total Revenues	1,363,652	1,426,578	1,664,941	238,363
Expenditures				
Capital Improvements	3,261,250	5,512,385	4,311,019	1,201,366
Debt Service	406,300	406,300	401,284	5,016
Total Expenditures	3,667,550	5,918,685	4,712,303	1,206,382
Excess Revenues Over (Under) Expenditures	(2,303,898)	(4,492,107)	(3,047,362)	1,444,745
Other Financing Sources (Uses)				
Debt Proceeds	457,000	457,000	1,658,135	1,201,135
Transfers In	1,500,000	857,840	858,000	160
Transfers Out	-	-	(30,411)	(30,411)
Net Change in Fund Balance	(346,898)	(3,177,267)	(561,638)	2,615,629
Fund Balance, *Beginning of Year*	1,013,173	4,859,283	4,876,221	16,938
Fund Balance, *End of Year*	$ 666,275	$ 1,682,016	$ 4,314,583	$ 2,632,567

City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado Local Government Division Trust Fund
For the Year Ended December 31, 2025

Measurement Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.4502067413%	0.4458831411%	0.4821530462%	0.4735648465%	0.4365687521%
City's Proportionate Share of the Net Pension Liability	$ 2,762,460	$ 3,272,965	$ 4,833,888	$ (406,020)	$ 2,275,078
City's Covered-Employee Payroll	$ 4,320,665	$ 3,917,156	$ 3,953,961	$ 3,346,755	$ 3,079,173
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	63.94%	83.55%	122.25%	(12.13%)	73.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.45%	88.03%	82.99%	101.49%	90.88%

Reporting Date	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021
City Contributions					
Statutorily Required Contribution	$ 597,645	$ 594,462	$ 538,220	$ 531,361	$ 435,396
Contributions in Relation to the Statutorily Required Contribution	(597,645)	(594,462)	(538,220)	(531,361)	(435,396)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 4,317,499	$ 4,320,665	$ 3,917,156	$ 3,953,961	$ 3,346,755
Contributions as a Percentage of Covered-Employee Payroll	13.84%	13.76%	13.74%	13.44%	13.01%

This schedule is presented to show information for 10 years.

(Continued)

City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado Local Government Division Trust Fund
For the Year Ended December 31, 2025

(Continued)

Measurement Date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.4232621725%	0.4023930474%	0.3564476255%	0.3279100000%	0.3067500000%
City's Proportionate Share of the Net Pension Liability	$ 3,095,701	$ 5,058,938	$ 3,968,795	$ 4,427,922	$ 3,379,093
City's Covered-Employee Payroll	$ 2,755,869	$ 2,807,196	$ 2,248,623	$ 1,976,677	$ 1,418,864
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	112.33%	180.21%	176.50%	224.01%	238.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.96%	75.96%	79.37%	73.65%	76.87%

Reporting Date	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/13/2016
City Contributions					
Statutorily Required Contribution	$ 398,510	$ 369,595	$ 323,788	$ 286,261	$ 252,803
Contributions in Relation to the Statutorily Required Contribution	(398,510)	(369,595)	(323,788)	(286,261)	(252,803)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 3,079,173	$ 2,755,869	$ 2,807,196	$ 2,248,623	$ 1,976,677
Contributions as a Percentage of Covered-Employee Payroll	12.94%	13.41%	11.53%	12.73%	12.79%

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
Police Officers Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2025

Measurement Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.1012146844%	0.1194284432%	0.1212215796%	0.1258598610%	0.1336000655%
City's Proportionate Share of the Net Pension Liability (Asset)	$ -	$ -	$ 107,597	$ (682,077)	$ (290,046)
City's Covered-Employee Payroll	$ 1,107,704	$ 1,178,140	$ 1,054,651	$ 1,018,816	$ 785,705
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	0.00%	10.20%	(66.95%)	(36.92%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.00%	100.00%	97.60%	116.20%	106.70%

Reporting Date	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021
City Contributions					
Statutorily Required Contribution	$ 115,926	$ 110,362	$ 111,465	$ 94,918	$ 86,122
Contributions in Relation to the Statutorily Required Contribution	(115,926)	(110,362)	(111,465)	(94,918)	(86,122)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 1,105,991	$ 1,107,704	$ 1,178,140	$ 1,054,651	$ 1,018,816
Contributions as a Percentage of Covered-Employee Payroll	10.48%	9.96%	9.46%	9.00%	8.45%

This schedule is presented to show information for 10 years.

(Continued)

City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
Police Officers Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2025
(Continued)

Measurement Date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.1066031300%	0.1207309423%	0.130220800%	0.1439600000%	0.1396100000%
City's Proportionate Share of the Net Pension Liability	$ (60,291)	$ 152,637	$ (187,343)	$ 52,019	$ (2,461)
City's Covered-Employee Payroll	$ 791,116	$ 899,076	$ 760,073	$ 738,608	$ 604,912
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	(7.62%)	16.98%	(24.65%)	7.04%	(0.41%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.96%	75.96%	106.30%	98.21%	100.10%

Reporting Date	12/31/2020	12/31/2019	12/31/2018	12/13/2017	12/13/2016
City Contributions					
Statutorily Required Contribution	$ 85,847	$ 161,834	$ 64,698	$ 60,806	$ 59,089
Contributions in Relation to the Statutorily Required Contribution	(85,847)	(161,834)	(64,698)	(60,806)	(59,089)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 785,705	$ 791,116	$ 899,076	$ 760,073	$ 738,608
Contributions as a Percentage of Covered-Employee Payroll	10.93%	20.46%	7.20%	8.00%	8.00%

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Firefighters Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2025

Measurement Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.0879376055%	0.0849097499%	0.0472827761%	0.0608766444%	0.0571535686%
City's Proportionate Share of the Net Pension Liability (Asset)	$ -	$ -	$ 41,969	$ (329,911)	$ (124,081)
City's Covered-Employee Payroll	$ 962,331	$ 835,986	$ 411,369	$ 491,112	$ 422,678
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	0.00%	10.20%	(67.18%)	(29.36%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.00%	100.00%	97.60%	116.20%	106.70%

Reporting Date	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021
City Contributions					
Statutorily Required Contribution	$ 93,599	$ 95,885	$ 79,248	$ 37,023	$ 41,656
Contributions in Relation to the Statutorily Required Contribution	(93,599)	(95,885)	(79,248)	(37,023)	(41,656)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 893,122	$ 962,331	$ 835,986	$ 411,369	$ 491,112
Contributions as a Percentage of Covered-Employee Payroll	10.48%	9.96%	9.48%	9.00%	8.48%

This schedule is presented to show information for 10 years.

(Continued)

City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
Firefighters Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2025
(Continued)

Measurement Date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.0571718140%	0.0640696184%	0.0595969000%	0.0641400000%	0.0646500000%
City's Proportionate Share of the Net Pension Liability	$ (32,334)	$ 81,002	$ (85,740)	$ 23,176	$ (1,140)
City's Covered-Employee Payroll	$ 422,678	$ 349,428	$ 349,428	$ 328,841	$ 306,525
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	(7.65%)	23.18%	(24.54%)	7.05%	(0.37%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.96%	75.96%	106.30%	98.21%	100.10%

Reporting Date	12/31/2020	12/31/2019	12/31/2018	12/13/2017	12/31/2016
City Contributions					
Statutorily Required Contribution	$ 36,725	$ 83,855	$ 34,334	$ 27,954	$ 26,307
Contributions in Relation to the Statutorily Required Contribution	(36,725)	(83,855)	(34,334)	(27,954)	(26,307)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	422,678	422,678	349,428	$ 349,428	$ 328,841
Contributions as a Percentage of Covered-Employee Payroll	8.69%	19.84%	9.83%	8.00%	8.00%

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado
Schedule of Changes in Net Pension Liabilities and Related Ratios
Old Hire Fire Pension Plan (FPPA)
For the Year Ended December 31, 2025

Measurement Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Total Pension Liability					
Interest on the Total Pension Liability	$ 28,144	$ 28,548	$ 29,320	$ 29,306	$ 29,931
Difference between expected and actual experience of the Total Pension Liability	-	19,044	-	16,129	-
Changes of Assumptions	-	(8,684)	-	-	-
Benefit Payments	(48,590)	(47,175)	(45,801)	(44,466)	(43,171)
Net Change in Total Pension Liability	(20,446)	(8,267)	(16,481)	969	(13,240)
Total Pension Liability - Beginning	649,455	657,722	674,203	673,234	686,474
Total Pension Liability - Ending	$ 629,009	$ 649,455	$ 657,722	$ 674,203	$ 673,234
Plan Fiduciary Net Position					
Employer Contributions	$ 24,144	$ 24,144	$ 47,936	$ 47,936	$ 18,730
Pension Plan Net Investment Income	9,461	18,881	(43,267)	1,782	24,742
Benefit Payments	(48,590)	(47,175)	(45,801)	(44,466)	(43,171)
Pension Plan Administrative Expense	(2,938)	(1,141)	(2,532)	(975)	(2,299)
Net Change in Plan Fiduciary Net Position	(17,923)	(5,291)	(43,664)	4,277	(1,998)
Total Plan Fiduciary Net Position - Beginning	285,054	290,345	334,009	329,732	331,730
Total Plan Fiduciary - Ending	$ 267,131	$ 285,054	$ 290,345	$ 334,009	$ 329,732
Net Pension Liability (Asset)					
Total Pension Liability - Ending	$ 629,009	$ 649,455	$ 657,722	$ 674,203	$ 673,234
Total Plan Fiduciary - Ending	267,131	285,054	290,345	334,009	329,732
Net Pension Liability (Asset)	$ 361,878	$ 364,401	$ 367,377	$ 340,194	$ 343,502
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	42.47%	43.89%	44.14%	49.54%	48.98%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

(Continued)

City of Manitou Springs, Colorado
Schedule of Changes in Net Pension Liabilities and Related Ratios
Old Hire Fire Pension Plan (FPPA)
For the Year Ended December 31, 2025
(Continued)

Measurement Date	12/31/2019	12/13/2018	12/31/2017	12/31/2016	12/31/2015
Total Pension Liability					
Interest on the Total Pension Liability	$ 37,594	$ 37,852	$ 36,193	$ 36,383	$ 40,843
Difference between expected and actual experience of the Total Pension Liability	6,952	-	26,018	-	(87,449)
Changes of Assumptions	162,014	-	-	-	26,286
Benefit Payments	(41,914)	(40,693)	(39,508)	(38,357)	(39,914)
Net Change in Total Pension Liability	164,646	(2,841)	22,703	(1,974)	(60,234)
Total Pension Liability - Beginning	521,828	524,669	501,966	503,940	564,174
Total Pension Liability - Ending	$ 686,474	$ 521,828	$ 524,669	$ 501,966	$ 503,940
Plan Fiduciary Net Position					
Employer Contributions	$ 18,730	$ 16,956	$ 16,959	$ 21,799	$ 21,799
Pension Plan Net Investment Income	37,823	371	45,694	17,007	5,687
Benefit Payments	(41,914)	(40,693)	(39,508)	(38,357)	(39,914)
Pension Plan Administrative Expense	(1,168)	(2,971)	(689)	(2,380)	(837)
Net Change in Plan Fiduciary Net Position	13,471	(26,337)	22,456	(1,931)	(13,265)
Total Plan Fiduciary Net Position - Beginning	318,259	344,596	322,140	324,071	337,336
Total Plan Fiduciary - Ending	$ 331,730	$ 318,259	$ 344,596	$ 322,140	$ 324,071
Net Pension Liability (Asset)					
Total Pension Liability - Ending	$ 686,474	$ 521,828	$ 524,669	$ 501,966	$ 503,940
Total Plan Fiduciary - Ending	331,730	318,259	344,596	322,140	324,071
Net Pension Liability (Asset)	$ 354,744	$ 203,569	$ 180,073	$ 179,826	$ 179,869
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	48.32%	60.99%	65.68%	64.18%	64.31%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado
Schedule of Changes in Net Pension Liabilities and Related Ratios
Volunteer Firefighters Pension Plan (FPPA)
For the Year Ended December 31, 2025

Measurement Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Total Pension Liability					
Service Cost	$ 6,232	$ 6,232	$ 5,522	$ 5,522	$ 5,060
Interest on the Total Pension Liability	36,406	36,677	37,067	37,361	38,828
Difference between expected and actual experience of the Total Pension Liability	13,431	-	(8,178)	-	(14,589)
Changes of Assumptions	-	-	5,560	-	-
Benefit Payments	(47,693)	(45,900)	(45,900)	(48,225)	(52,650)
Net Change in Total Pension Liability	8,376	(2,991)	(5,929)	(5,342)	(23,351)
Total Pension Liability - Beginning	540,459	543,450	549,379	554,721	578,072
Total Pension Liability - Ending	$ 548,835	$ 540,459	$ 543,450	$ 549,379	$ 554,721
Plan Fiduciary Net Position					
Employer Contributions	$ 37,951	$ 38,000	$ 37,951	$ 26,964	$ 21,765
Pension Plan Net Investment Income	39,727	33,974	(30,459)	48,014	37,237
Benefit Payments	(47,693)	(45,900)	(45,900)	(48,225)	(52,650)
Pension Plan Administrative Expense	(10,518)	(12,409)	(10,083)	(8,420)	(8,205)
State of Colorado supplemental discretionary payment	34,200	34,156	24,268	39,178	14,400
Net Change in Plan Fiduciary Net Position	53,667	47,821	(24,223)	57,511	12,547
Total Plan Fiduciary Net Position - Beginning	398,575	350,754	374,977	317,466	304,919
Total Plan Fiduciary - Ending	$ 452,242	$ 398,575	$ 350,754	$ 374,977	$ 317,466
Net Pension Liability (Asset)					
Total Pension Liability - Ending	$ 548,835	$ 540,459	$ 543,450	$ 549,379	$ 554,721
Total Plan Fiduciary - Ending	452,242	398,575	350,754	374,977	317,466
Net Pension Liability (Asset)	$ 96,593	$ 141,884	$ 192,696	$ 174,402	$ 237,255
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.40%	73.75%	64.54%	68.25%	57.23%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

(Continued)

City of Manitou Springs, Colorado

Schedule of Changes in Net Pension Liabilities and Related Ratios
Volunteer Firefighters Pension Plan (FPPA)
For the Year Ended December 31, 2025
(Continued)

Measurement Date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total Pension Liability					
Service Cost	$ 5,060	$ 5,655	$ 5,655	$ 6,563	$ 6,563
Interest on the Total Pension Liability	39,533	41,581	42,322	41,496	42,160
Difference between expected and actual experience of the Total Pension Liability	-	1,311	-	(1,436)	-
Changes of Assumptions	-	19,985	-	21,796	-
Benefit Payments	(56,625)	(59,054)	(56,700)	(57,225)	(57,905)
Net Change in Total Pension Liability	(12,032)	9,478	(8,723)	11,194	(9,182)
Total Pension Liability - Beginning	590,104	580,626	589,349	578,155	587,337
Total Pension Liability - Ending	$ 578,072	$ 590,104	$ 580,626	$ 589,349	$ 578,155
Plan Fiduciary Net Position					
Employer Contributions	$ 21,765	$ 16,000	$ 16,000	$ 16,000	$ 16,000
Pension Plan Net Investment Income	42,064	312	46,005	18,105	6,628
Benefit Payments	(56,625)	(59,054)	(56,700)	(57,225)	(57,905)
Pension Plan Administrative Expense	(11,911)	(11,616)	(10,873)	(813)	(1,838)
State of Colorado supplemental discretionary payment	-	28,800	-	14,400	14,400
Net Change in Plan Fiduciary Net Position	(4,707)	(25,558)	(5,568)	(9,533)	(22,715)
Total Plan Fiduciary Net Position - Beginning	309,626	335,184	340,752	350,285	373,000
Total Plan Fiduciary - Ending	$ 304,919	$ 309,626	$ 335,184	$ 340,752	$ 350,285
Net Pension Liability (Asset)					
Total Pension Liability - Ending	$ 578,072	$ 590,104	$ 580,626	$ 589,349	$ 578,155
Total Plan Fiduciary - Ending	304,919	309,626	335,184	340,752	350,285
Net Pension Liability (Asset)	$ 273,153	$ 280,478	$ 245,442	$ 248,597	$ 227,870
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	52.75%	52.47%	57.73%	57.82%	60.59%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado

Schedule of City Contributions
Old Hire Fire Pension Plan (FPPA)
For the Year Ended December 31, 2025

Fiscal Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
	(a)	(b)	(a) - (b)		
2016	$ 21,799	$ 21,799	$ -	N/A	N/A
2017	$ 21,799	$ 21,799	$ -	N/A	N/A
2018	$ 21,799	$ 21,799	$ -	N/A	N/A
2019	$ 16,956	$ 16,956	$ -	N/A	N/A
2020	$ 18,730	$ 18,730	$ -	N/A	N/A
2021	$ 18,730	$ 18,730	$ -	N/A	N/A
2022	$ 23,968	$ 47,936	$ (23,968)	N/A	N/A
2023	$ 23,968	$ 47,936	$ (23,968)	N/A	N/A
2024	$ 24,144	$ 24,144	$ -	N/A	N/A
2025	$ 24,144	$ 24,144	$ -	N/A	N/A

* - Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

NOTES:

Actuarial Valuation Date:	1/1/2022 Actuarially determined contribution rates are calculated as of January 1 of even numbered years.
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. Disabled (pre-1980): Post-retirement rates set forward three years.

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado
Schedule of City Contributions
Volunteer Firefighters Pension Plan (FPPA)
For the Year Ended December 31, 2025

Fiscal Year Ending December 31,	Actuarially Determined Contribution* (a)	Actual Contribution* (b)	Contribution Deficiency (Excess) (a) - (b)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2016	$ 26,859	$ 30,400	$ (3,541)	N/A	N/A
2017	$ 26,859	$ 30,400	$ (3,541)	N/A	N/A
2018	$ 26,859	$ 30,400	$ (3,541)	N/A	N/A
2019	$ 28,688	$ 44,800	$ (16,112)	N/A	N/A
2020	$ 28,688	$ 21,765	$ 6,923	N/A	N/A
2021	$ 41,352	$ 36,165	$ 5,187	N/A	N/A
2022	$ 41,352	$ 66,142	$ (24,790)	N/A	N/A
2023	$ 37,951	$ 62,219	$ (24,268)	N/A	N/A
2024	$ 37,951	$ 72,156	$ (34,205)	N/A	N/A
2025	$ 27,574	$ 72,151	$ (44,577)	N/A	N/A

* - Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer and State of Colorado Supplemental Discretionary Payment.

NOTES:

Actuarial Valuation Date:	1/1/2023 Actuarially determined contribution rates are calculated as of January 1 of odd numbered years.
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Open
Remaining Amortization Period:	20 years *
Asset Valuation Method:	5-Year Smoothed Fair Value
Inflation:	2.50%
Salary Increases:	N/A
Investment Rate of Return	7.00%
Retirement Age:	50% per year of eligibility until 100% at age 65.
Mortality:	Pre-retirement: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projections scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

This schedule is presented to show information for 10 years.

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the City. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The City follows these procedures to establish the budgetary information reflected in the financial statements:

- In September, Management submits to the City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Budgets amended by the City Council during the year have been presented in the budgetary comparison schedules for each fund amended.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

For the year ended December 31, 2025, the Storm Drainage expenses the budgeted amount. These may be violations of State statutes.

Note 2: Defined Benefit Pension Plans

FPPA Police and Fire Statewide Defined Benefit Plans

Changes in Plan Provisions - The plan provisions have not changed since the prior valuation. The member contribution rate increased in 2025 as a result of member election.

Benefit Adjustments - Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the FPPA Board of Directors discretion and can range from 0% to 3%. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months to October 1.

Changes of Assumptions - There were no changes made to the plan provisions.

Note 2: Defined Benefit Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA)

The Public Employees' Retirement Association of Colorado Local Government Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The City's contributions and related ratios represent cash contributions and any related accruals that coincide with the City's fiscal year ending on the subsequent December 31.

Changes in Assumptions and Other Inputs - For the year ended December 31, 2025, the total pension liability was determined by an actuarial valuation as of December 31, **2023**. The following revised economic and demographic assumptions were effective as of December 31, **2023**.

- Investment rate of return assumption of 7.25% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.3% per year. This assumption did not change from the prior year.
- Real rate of investment return assumption of 4.85% per year, net of investment expenses. The rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 7.25%. This assumption did not change from the prior year.
- Wage inflation assumption of 3.0% per year. This assumption did not change from the prior year.
- Healthy and disabled mortality assumptions are based on the PubG-2010 Employee Tables.

Supplementary Information

Combining and Individual Fund Statements and Schedules

City of Manitou Springs, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue Funds					Capital Project Fund		
	Open Space Fund	Conservation Trust Fund	Law Enforcement Fund	Mach Fund	El Paso/ Beckers Park Fund	Downtown Public Facilities Fund	Rural Transportation Authority Fund	Total
Assets								
Cash and Investments	$ 799,359	$ 437,247	$ 12,791	$ 369,549	$ 362,447	$ 141,211	$ (147,605)	$ 1,974,999
Property Taxes Receivable	91,849	-	-	-	114,811	-	-	206,660
Due From Other Governments	5,863	-	-	64,535	3,999	-	707,114	781,511
Total Assets	$ 897,071	$ 437,247	$ 12,791	$ 434,084	$ 481,257	$ 141,211	$ 559,509	$ 2,963,170
Liabilities								
Accounts Payable	$ 2,544	$ -	$ 45	$ 179	$ 19	$ -	$ 392,280	$ 395,067
Total Liabilities	2,544	-	45	179	19	-	392,280	395,067
Deferred Inflows of Resources								
Deferred Property Tax Revenue	91,849	-	-	-	114,811	-	-	206,660
Fund Balance								
Restricted								
Parks and Open Space	802,678	437,247	-	433,905	366,427	-	-	2,040,257
Law Enforcement	-	-	12,746	-	-	-	-	12,746
Assigned to Capital Projects								
Capital Projects	-	-	-	-	-	141,211	167,229	308,440
Total Fund Balance	802,678	437,247	12,746	433,905	366,427	141,211	167,229	2,361,443
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 897,071	$ 437,247	$ 12,791	$ 434,084	$ 481,257	$ 141,211	$ 559,509	$ 2,963,170

City of Manitou Springs, Colorado

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	Special Revenue Funds					Capital Projects Fund		
	Open Space Fund	Conservation Trust Fund	Law Enforcement Fund	Mach Fund	El Paso/ Becker Park Fund	Downtown Public Facilities Fund	Rural Transportation Authority Fund	Total
Revenues								
Taxes	$ 228,421	$ -	$ -	$ 434,571	$ 107,113	$ -	$ -	$ 770,105
Intergovernmental	-	57,325	-	-	-	-	926,522	983,847
Fines and Forfeitures	-	-	15,105	-	-	-	-	15,105
Investment Income	30,096	16,717	424	5,906	14,753	-	-	67,896
Total Revenues	258,517	74,042	15,529	440,477	121,866	-	926,522	1,836,953
Expenditures								
Public Works	12,310	-	-	-	-	-	-	12,310
Culture and Recreation	46,649	11,472	-	481,520	5,300	-	-	544,941
Capital Outlay	1,902	-	9,174	-	-	-	759,293	770,369
Total Expenditures	60,861	11,472	9,174	481,520	5,300	-	759,293	1,327,620
Excess Revenues Over/ (Under) Expenditures	197,656	62,570	6,355	(41,043)	116,566	-	167,229	509,333
Other Financing Sources (Uses)								
Transfers Out	(9,000)	-	(1,420)	(3,360)	(56,224)	-	-	(70,004)
Net Change in Fund Balance	188,656	62,570	4,935	(44,403)	60,342	-	167,229	439,329
Fund Balance, *Beginning of Year*	614,022	374,677	7,811	478,308	306,085	141,211	-	1,922,114
Fund Balance, *End of Year*	$ 802,678	$ 437,247	$ 12,746	$ 433,905	$ 366,427	$ 141,211	$ 167,229	$ 2,361,443

City of Manitou Springs, Colorado

Budgetary Comparison Schedule
Open Space Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Property Taxes	$ 70,693	$ 83,000	$ 85,691	$ 2,691
Sales Tax	145,100	140,000	142,730	2,730
Investment Income	12,000	28,500	30,096	1,596
Miscellaneous	417	417	-	(417)
Total Revenues	228,210	251,917	258,517	6,600
Expenditures				
Capital Outlay	538,340	538,340	1,902	536,438
Other Funds and Capital	119,000	119,000	58,959	60,041
Total Expenditures	657,340	657,340	60,861	596,479
Excess Revenues Over (Under) Expenditures	(429,130)	(405,423)	197,656	603,079
Other Financing Sources (Uses)				
Transfers Out	(9,000)	(9,000)	(9,000)	-
Net Change in Fund Balance	(438,130)	(414,423)	188,656	603,079
Fund Balance, *Beginning of Year*	494,892	614,022	614,022	-
Fund Balance, *End of Year*	$ 56,762	$ 199,599	$ 802,678	$ 603,079

City of Manitou Springs, Colorado
Budgetary Comparison Schedule
Conservation Trust Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Government Shared Revenues	$ 65,000	$ 65,000	$ 57,325	$ (7,675)
Interest	11,000	17,000	16,717	(283)
Total Revenues	76,000	82,000	74,042	(7,958)
Expenditures				
Parks and Recreation	133,000	133,000	11,472	121,528
Total Expenditures	133,000	133,000	11,472	121,528
Net Change in Fund Balance	(57,000)	(51,000)	62,570	113,570
Fund Balance, *Beginning of Year*	317,506	374,677	374,677	-
Fund Balance, *End of Year*	$ 260,506	$ 323,677	$ 437,247	$ 113,570

City of Manitou Springs, Colorado

Budgetary Comparison Schedule
Law Enforcement Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and Forfeitures	$ 10,000	$ 13,000	$ 15,105	$ 2,105
Grants/Contributions	2,250	-	-	-
Interest	300	400	424	24
Total Revenues	12,550	13,400	15,529	2,129
Expenditures				
Capital Outlay	16,000	16,000	9,174	6,826
Total Expenditures	16,000	16,000	9,174	6,826
Excess Revenues Over (Under) Expenditures	(3,450)	(2,600)	6,355	8,955
Other Financing Sources (Uses)				
Transfers Out	(1,420)	(1,420)	(1,420)	-
Net Change in Fund Balance	(4,870)	(4,020)	4,935	8,955
Fund Balance, *Beginning of Year*	10,752	7,811	7,811	-
Fund Balance, *End of Year*	$ 5,882	$ 3,791	$ 12,746	$ 8,955

City of Manitou Springs, Colorado

Budgetary Comparison Schedule
Mach Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Property Taxes	$ 415,900	$ 415,900	$ 434,571	$ 18,671
Interest	8,000	6,000	5,906	(94)
Total Revenues	423,900	421,900	440,477	18,577
Expenditures				
Culture and Recreation	858,500	483,537	481,520	2,017
Total Expenditures	858,500	483,537	481,520	2,017
Excess Revenues Over (Under) Expenditures	(434,600)	(61,637)	(41,043)	20,594
Other Financing Sources (Uses)				
Transfers Out	(3,360)	(3,360)	(3,360)	-
Net Change in Fund Balance	(437,960)	(64,997)	(44,403)	20,594
Fund Balance, *Beginning of Year*	452,059	520,141	478,308	(41,833)
Fund Balance, *End of Year*	$ 14,099	$ 455,144	$ 433,905	$ (21,239)

City of Manitou Springs, Colorado
Budgetary Comparison Schedule
El Paso/ Beckers Park Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Property Taxes	$ 88,367	$ 103,847	$ 107,113	$ 3,266
Interest	-	8,830	14,753	5,923
Total Revenues	88,367	112,677	121,866	9,189
Expenditures				
Culture and Recreation	35,370	35,370	5,300	30,070
Total Expenditures	35,370	35,370	5,300	30,070
Excess of Revenues Over (Under) Under Expenditures	52,997	77,307	116,566	39,259
Other Financing Sources (Uses)				
Transfers Out	(53,000)	(56,224)	(56,224)	-
Net Change in Fund Balance	(3)	21,083	60,342	39,259
Fund Balance, *Beginning of Year*	269,022	295,154	306,085	10,931
Fund Balance, *End of Year*	$ 269,019	$ 316,237	$ 366,427	$ 50,190

City of Manitou Springs, Colorado
Budgetary Comparison Schedule
Rural Transportation Authority Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Intergovernmental	$ 945,673	$ 1,110,673	$ 926,522	$ (184,151)
Total Revenues	945,673	1,110,673	926,522	(184,151)
Expenditures				
Capital Outlay	945,673	1,110,673	759,293	351,380
Total Expenditures	945,673	1,110,673	759,293	351,380
Net Change in Fund Balance	-	-	167,229	167,229
Fund Balance, *Beginning of Year*	-	-	-	-
Fund Balance, *End of Year*	$ -	$ -	$ 167,229	$ 167,229

City of Manitou Springs, Colorado
Budgetary Comparison Schedule
Enterprise Fund
Storm Drainage Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Special Assessments	$ 544,000	$ 544,000	$ 551,849	$ 7,849
Contributions and Donations	100,000	25,000	-	(25,000)
Interest	20,000	55,000	61,575	6,575
Transfers In	-	-	30,411	30,411
Total Revenues	664,000	624,000	643,835	19,835
Expenses				
Operations and Maintenance	663,775	590,720	263,932	326,788
Capital Outlay	-	-	314,658	(314,658)
Debt Service	68,891	68,862	108,636	(39,774)
Transfers Out	1,420	1,420	1,420	-
Total Expenses	734,086	661,002	688,646	(27,644)
Net Income Budget Basis	$ (70,086)	$ (37,002)	(44,811)	$ (7,809)
Reconciliation to GAAP Basis				
Depreciation			(469,128)	
Capital Outlay			314,658	
Debt Principal			100,018	
Change in Net Position, *GAAP Basis*			$ (99,263)	

City of Manitou Springs, Colorado
Budgetary Comparison Schedule
Enterprise Fund
Water Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges For Services	$ 2,151,460	$ 2,151,460	$ 2,050,756	$ (100,704)
Intergovernmental	570,000	1,644,826	832,860	(811,966)
Loan Forgiveness	-	-	108,794	108,794
Interest	40,800	25,000	55,156	30,156
Tap Fees	39,600	39,600	69,650	30,050
Total Revenues	2,801,860	3,860,886	3,117,216	(743,670)
Expenses				
Operations	1,905,615	3,318,470	1,344,750	1,973,720
Capital Outlay	4,300,000	6,451,937	4,145,761	2,306,176
Debt Service	465,495	465,495	437,764	27,731
Transfers Out	146,794	146,794	146,794	-
Total Expenses	6,817,904	10,382,696	6,075,069	4,307,627
Net Income Budget Basis	$ (4,016,044)	$ (6,521,810)	(2,957,853)	$ 3,563,957
Reconciliation to GAAP Basis				
Depreciation			(547,531)	
Capital Outlay			4,135,761	
Debt Principal			342,545	
Change in Net Position, *GAAP Basis*			$ 972,922	

City of Manitou Springs, Colorado

Budgetary Comparison Schedule
Enterprise Fund
Sewer Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges for Services	$ 1,522,500	$ 1,434,600	$ 1,448,131	$ 13,531
Loan Forgiveness	-	-	6,674	6,674
Interest Income	60,000	140,000	150,228	10,228
Miscellaneous	1,142	1,142	4,150	3,008
Capital Contributions	8,085	8,085	17,200	9,115
Total Revenues	1,591,727	1,583,827	1,626,383	42,556
Expenses				
Operations	1,176,470	1,462,666	1,218,111	244,555
Capital Outlay	380,000	530,000	220,808	309,192
Debt Service	201,583	201,295	201,298	(3)
Transfers Out	63,169	63,169	63,169	-
Total Expenses	1,821,222	2,257,130	1,703,386	553,744
Net Income Budget Basis	$ (229,495)	$ (673,303)	(77,003)	$ 596,300
Reconciliation to GAAP Basis				
Depreciation			(270,058)	
Capital Outlay			215,612	
Debt Principal			148,672	
Change in Net Position, *GAAP Basis*			$ 17,223	

City of Manitou Springs, Colorado

Budgetary Comparison Schedule
Enterprise Fund
Mobility and Parking Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges for Services	$ 3,212,500	$ 3,575,500	$ 3,259,160	$ (316,340)
Grants and Contributions	-	-	22,500	22,500
Interest Income	15,000	8,000	40,846	32,846
Miscellaneous	-	4,527	4,527	-
Total Revenues	3,227,500	3,588,027	3,327,033	(260,994)
Expenses				
Mobility/Parking	4,136,320	2,257,750	1,676,295	581,455
Capital Outlay	2,710,000	1,485,000	2,245,969	(760,969)
Debt Service	395,102	311,557	245,307	66,250
Transfers Out	30,420	430,420	478,447	(48,027)
Total Expenses	7,271,842	4,484,727	4,646,018	(161,291)
Net Income Budget Basis	$ (4,044,342)	$ (896,700)	(1,318,985)	$ (422,285)
Reconciliation to GAAP Basis				
Depreciation			(229,449)	
Capital Outlay			2,245,969	
Debt Principal			179,102	
Change in Net Position, *GAAP Basis*			$ 876,637	

State Compliance

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO
THIS INFORMATION FROM THE RECORDS OF: City of Manitou Springs	PREPARED BY: Rebecca Davis rdavis@manitouspringsco.gov	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	131,967.80	b. Other Misc. Local Receipts	719,795.33
c. Total (a + b)	$ 131,967.80	**c. Total (a + b)**	$ 719,795.33
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	176,301.44	1. FHWA (from Item I.D.5.)	3,200.87
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	43,789.38		
c. Total (a + b)	$ 43,789.38		
4. Total (1 + 2 + 3c)	$ 220,090.82	**3. Total (1 + 2)**	$ 3,200.87

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	7,225.00
c. Construction Costs	455,022.40
d. Total Capital Outlay (a+ b + c)	$ 462,247.40

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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	2,543,014.84
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 131,967.80
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 719,795.33
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)	$ 3,394,777.97
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 220,090.82
D. Receipts from Federal government (from page 1, Item II.D.3)	$ 3,200.87
E. Total receipts (A.7 + B + C + D)	$ 3,618,069.66

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 462,247.40
2. Maintenance:	139,152.98
3. Road and Street Services:	
a. Snow and Ice Removal	22,862.96
b. Other & Traffic Control Operations	1,140,311.20
c. Total (a + b)	$ 1,163,174.16
4. General Administration & Miscellaneous	68,262.12
5. Highway Law Enforcement and Safety	1,785,233.00
6. Total (1 through 5)	$ 3,618,069.66
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)	$ 3,618,069.66

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)		$ -	$ -	$ -