CITY OF MONTE VISTA, COLORADO

FINANCIAL STATEMENTS

December 31, 2025

Wall,
Smith,
Bateman Inc.
Certified Public Accountants

CITY OF MONTE VISTA, COLORADO
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Monte Vista, Colorado

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monte Vista, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position, and 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

Supplementary Information

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

August 17, 2026

CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

Management of the City of Monte Vista offers readers this narrative overview and analysis of the financial activities for the City of Monte Vista as of December 31, 2025.

In compliance with Governmental Accounting Standards Board Number 34, also known as GASB 34, we present this report titled Management's Discussion and Analysis (MD&A). This discussion and analysis of the City's financial performance provides an overview of activities during the prior two years ending December 31, 2024, and December 31, 2025.

We encourage readers to consider this information in addition to the City's Audit.

FINANCIAL HIGHLIGHTS

As of December 31, 2025, the City of Monte Vista's government-wide net position totaled $35,514,104. Of this amount, the net position related to governmental activities totaled $26,137,120 and the net position for business-type activities totaled $9,376,984.

- Total net position for the City increased by $3,146,678 compared to 2024. Of this amount, net position for governmental activities increased by $2,331,321 and net position for business type activities increased by $815,357. Governmental activities saw an increase of $2,589,646 in assets, as well as an increase in liabilities of $116,906 as result of increased accounts payable. Business-type activities saw an increase in assets of $640,718 as well as a decrease in liabilities of $174,639 compared to 2024.
- The net position for governmental activities includes $18,725,271 of the net investment in capital assets, $2,805,515 is restricted and $4,606,334 is unrestricted. In business-type activities, $5,297,167 is invested in capital assets, $42,633 is restricted and $4,037,184 is unrestricted.
- The City of Monte Vista's general sources of governmental revenue are made up of taxes, licenses and permits, fines and forfeits totaling $5,528,962. Program revenues, in the form of charges for services, grants and contributions accounted for $2,601,915 of total revenue.
- Total governmental revenues of $8,130,877 decreased by $704,391 compared to 2024. This is mostly related to a decrease in Program Revenues from grants.
- The Statement of Activities indicates that the City had $6,008,556 in expenses related to governmental activities during 2025. This is an increase in expenditures of $129,231 compared to the prior year. The increase in expenditures is attributed mainly to increased costs for General Government and Culture and Recreation.
- Expenses for business-type activities totaled $2,273,363, which is an increase in expenditures of $279,265 compared to 2024.
- Total government-wide revenue of $11,428,597 was adequate to provide for the above expenses resulting in a Net Change in Position of a positive $3,146,678.
- At the end of 2025, the City of Monte Vista's governmental funds reported a combined ending fund balance of $7,172,347. This resulted in an increase in overall fund balance of $528,547 compared to 2024. This equates to an 8% increase in fund balance year-over-year. Of this total amount, $18,656 is nonspendable, $2,735,161 is restricted, $282,011 is committed, $140,767 is assigned, and $3,995,752 is unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. We present two years of information, as recommended by GASB, so that the reader can review trends in the City's financial position and activities. The City of Monte Vista's basic financial statements are comprised of three components: (1) Government wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. This report also contains other required supplementary information, supplementary information, and other information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The ***government-wide financial statements*** are designed to provide readers a broad overview of the City of Monte Vista's financial activities in a manner similar to a private sectors business.

The ***statement of net position*** presents information on all of the City of Monte Vista's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference is 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 City of Monte Vista's net position changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future calendar periods (e.g., uncollected property taxes, sales tax, and earned but unused employees' vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Monte Vista that are principally supported by taxes and intergovernmental revenues (***governmental activities***) and 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 of Monte Vista include general government, public safety, public works, culture and recreation, urban/economic development, Kids Connection, and interest on long-term debt. The business-type activities of the City of Monte Vista include the Water and Sewer Funds.

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 of Monte Vista, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. 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 statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating the City's near-term financing requirements.

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

The City of Monte Vista maintains three separate major governmental funds. Individual fund information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the One Cent Sales Tax Fund, and the Capital Improvements Fund. Individual fund information for the non-major funds is presented as supplemental information after the note sections of the report. Non-major funds include the Conservation Trust Fund, Urban Renewal Authority Fund, Kids Connection Fund, and the Grants Fund.

The City of Monte Vista adopts an annual budget for each of the individual governmental funds. A budgetary comparison schedule for each major fund is included in the required supplementary information to demonstrate compliance with the adopted budget.

Proprietary Funds. When the City charges customers for services it provides, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City of Monte Vista maintains one type of proprietary fund called enterprise funds. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The City of Monte Vista uses enterprise funds to account for their water and sewer operations and are known as the Water Fund and the Sewer Fund.

Notes to the Financial Statements

The notes to the financial statements provide additional information essential to a full understanding of the data in the government-wide and fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents other supplementary information concerning the City's non-major funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

The focus of this financial analysis is on comparisons of the activities for the current year, 2025, with those of the prior year, 2024, and comparison of balances at year-end, December 31st, for the same two years.

As noted earlier, the net position may serve over time as a useful indicator of the government's financial position. In the case of the City of Monte Vista, assets exceeded liabilities by $35,514,104 as of December 31, 2025.

The City's net position can be separated into three primary categories: 1) Net investment in capital assets 2) Restricted net position and 3) Unrestricted net position.

The largest portion of the City's net position reflects its investment of $24,022,438 in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure); less any related outstanding debt used to acquire those assets. The City of Monte Vista uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 provides a summary of the City's net position at December 31 for the years 2024 and 2025. Additional information is presented in the Statement of Net Position.

	Governmental Activities		Business-Type Activities		Total	
	2024	**2025**	2024	**2025**	2024	**2025**
Current and Other Assets	7,615,309	**8,885,873**	3,334,946	**3,919,151**	10,950,255	**12,805,024**
Noncurrent and Capital Assets	18,343,873	**19,662,955**	7,866,142	**7,922,655**	26,210,015	**27,585,610**
Total Assets	25,959,182	**28,548,828**	11,201,088	**11,841,806**	37,160,270	**40,390,634**
Deferred Outflows						
Related to Defined Benefit Pension Plan	408,753	**343,561**			408,753	**343,561**
Current Liabilities	939,199	**1,379,323**	321,877	**294,577**	1,261,076	**1,673,900**
Noncurrent Liabilities	969,346	**646,128**	2,317,584	**2,170,245**	3,286,930	**2,816,373**
Total Liabilities	1,908,545	**2,025,451**	2,639,461	**2,464,822**	4,548,006	**4,490,273**
Deferred Inflows of Resource	653,591	**729,818**			653,591	**729,818**
Net Position:						
Net Investment in Capital Assets	17,042,209	**18,725,271**	5,060,323	**5,297,167**	22,102,532	**24,022,438**
Restricted for:					-	-
Emergencies	185,000	**220,000**			185,000	**220,000**
Capital Projects	1,633,358	**1,482,434**			1,633,358	**1,482,434**
Debt Service	77,775	**77,775**			77,775	**77,775**
Parks	60,867	**56,312**			60,867	**56,312**
Public Safety	69,165	**88,325**			69,165	**88,325**
Public Works	269,473	**519,232**			269,473	**519,232**
Ski Hi Park	302,518	**361,437**			302,518	**361,437**
Water Acquisition			42,620	**42,633**	42,620	**42,633**
Unrestricted	4,165,434	**4,606,334**	3,458,684	**4,037,184**	7,624,118	**8,643,518**
Total Net Position	23,805,799	**26,137,120**	8,561,627	**9,376,984**	32,367,426	**35,514,104**

A portion of the City's net position in the amount of $2,848,148 represents resources that are subject to external restrictions. The remaining $8,643,518 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. During the fiscal year ending December 31, 2025, the City of Monte Vista's net position increased by $3,146,678 as a main result of the increased Net Investment in Capital Assets due to the near completion of the Alleyway project.

At the end of the current fiscal year, the City of Monte Vista 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. The same situation held true for the prior year.

Analysis of Changes in Net Position

The City's combined net position for the governmental and business-type activities increased $3,146,678 from 2024 to 2025. Of this total amount, governmental net position increased by $2,331,321 and the business-type net position increased $815,357. The City saw an increase in water and sewer charges for services due to an increase in usage, grant funding for the wastewater treatment system design and planning decreased due to timing and securing additional funds. The City also saw an increase in Sales Tax Revenue in the General Fund, Capital Fund, and Special Revenue Sales Tax Fund as a result of increased spending within City limits and internet sales. General Property Tax decreased due to the refund of property tax in 2024 from SB-22. An increase to revenue was incurred due to the sale of property at the corner of Sherman Avenue and Ski Hi Trail.

In 2019, the voters of Monte Vista approved a one-cent sales tax increase on all goods sold within City limits. With the approval of this tax, the City began collecting the tax on January 1, 2020. The sales tax is accounted for in a Special Revenue Fund titled the One Cent Sales Tax Fund. The additional sales tax is split among three departments. The three departments are Ski Hi for maintenance and operation receiving 40%, Public Works for street and sidewalk improvements receiving 35%, and Police for the addition of an officer and equipment receiving 25% of the tax annually.

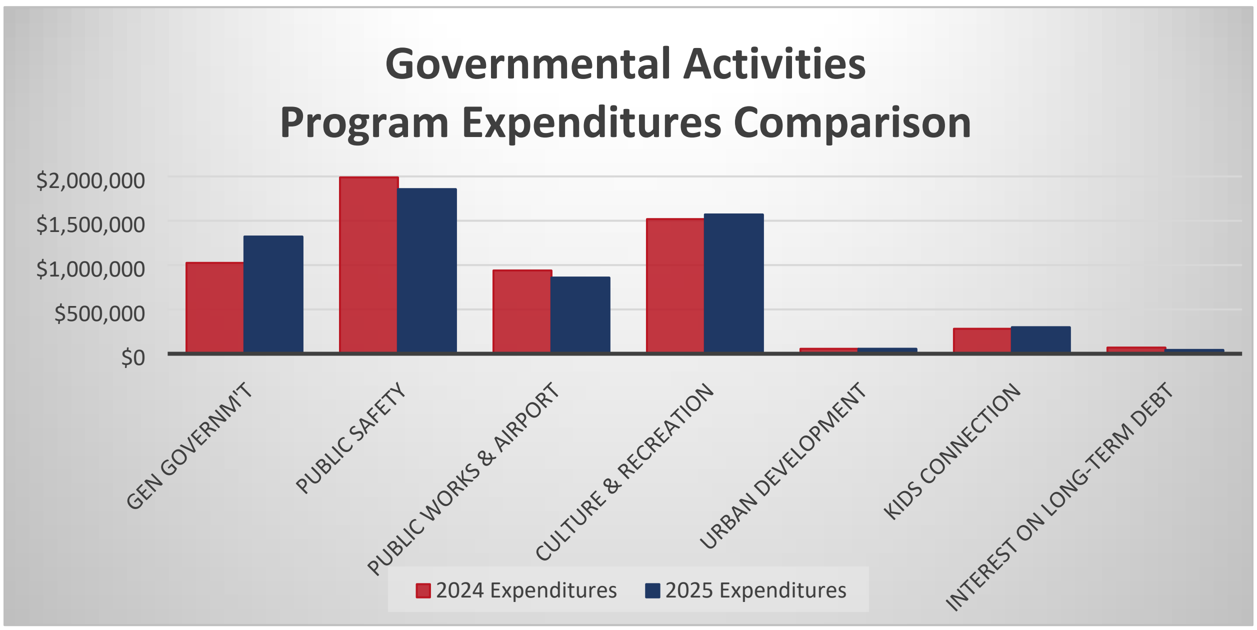
As part of the American Rescue Plan of 2021, the city received funds to be used over the next 3 years in support of the public health response and lay the foundation for a strong and equitable economic recovery. In 2024, the City receipted into revenue the last of those funds, thus increasing the net position and fund balance for 2024 significantly.

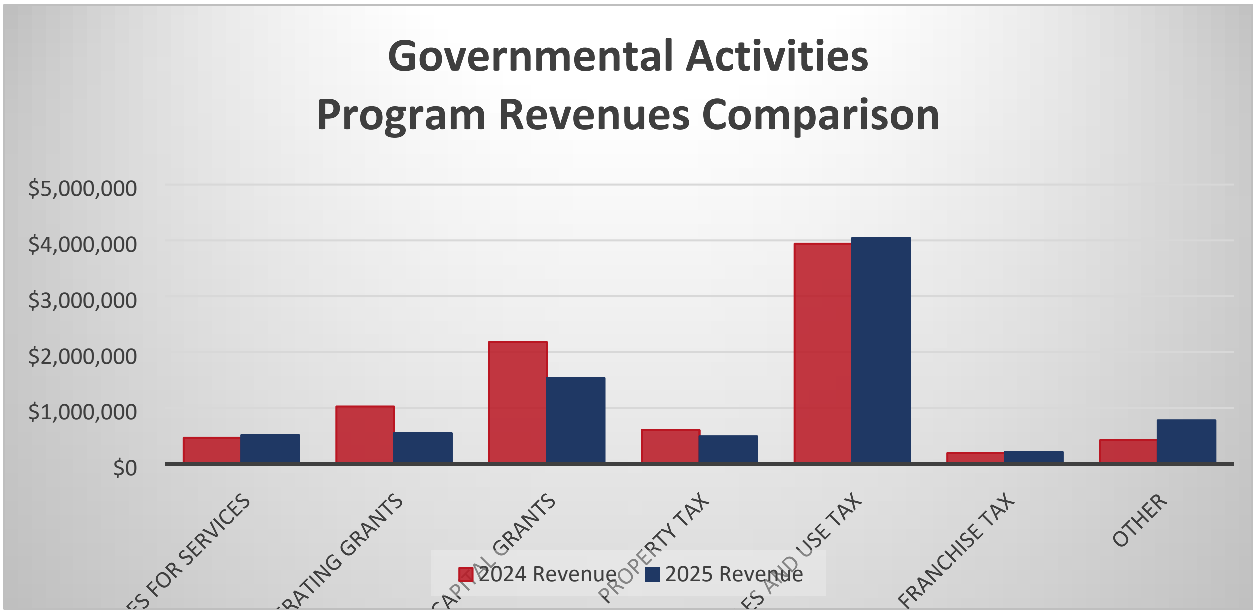
Table 2 provides a summary of the changes in net position for the years 2024 and 2025. Additional information is presented in the Statement of Activities.

General Property Taxes-net	605,196	**492,192**			605,196	**492,192**
Sales and Use Tax	3,941,376	**4,045,257**			3,941,376	**4,045,257**
Franchise Taxes	191,985	**213,535**			191,985	**213,535**
Other Taxes	247,365	**248,887**			247,365	**248,887**
Investment Income	46,733	**50,043**	36,197	**33,943**	82,930	**83,986**
Miscellaneous	128,023	**168,806**	75,478	**49,456**	203,501	**218,262**
(Loss)/Gain on Capital Assets Disposal		**310,242**			-	**310,242**
Sub Total General Revenue:	5,160,678	**5,528,962**	111,675	**83,399**	5,272,353	**5,612,361**
Total Revenue:	8,835,268	**8,130,877**	3,358,188	**3,297,720**	12,193,456	**11,428,597**
Expenses:						
General Government	1,024,880	**1,322,054**			1,024,880	**1,322,054**
Public Safety	1,989,096	**1,856,793**			1,989,096	**1,856,793**
Public Works and Airport	939,400	**859,365**			939,400	**859,365**
Culture and Recreation	1,518,701	**1,571,045**			1,518,701	**1,571,045**
Urban Development	55,792	**56,457**			55,792	**56,457**
Kids Connection	281,668	**299,598**			281,668	**299,598**
Interest on Long Term Debt	69,788	**43,244**			69,788	**43,244**
Water			938,169	**1,046,031**	938,169	**1,046,031**
Sewer			1,055,929	**1,227,332**	1,055,929	**1,227,332**
Total Expenses:	5,879,325	**6,008,556**	1,994,098	**2,273,363**	7,873,423	**8,281,919**
Increase (Decrease) in Net Position (Before Transfers)	2,955,943	**2,122,321**	1,364,090	**1,024,357**	4,320,033	**3,146,678**
Transfers:						
Transfers In (Out)	198,000	**209,000**	(198,000)	**(209,000)**	-	**-**
Change in Net Position	3,153,943	**2,331,321**	1,166,090	**815,357**	4,320,033	**3,146,678**
Net Assets - Beginning of Year	20,651,856	**23,805,799**	7,395,537	**8,561,627**	28,047,393	**32,367,426**
Net Assets - End of Year	23,805,799	**26,137,120**	8,561,627	**9,376,984**	32,367,426	**35,514,104**

Governmental Activities

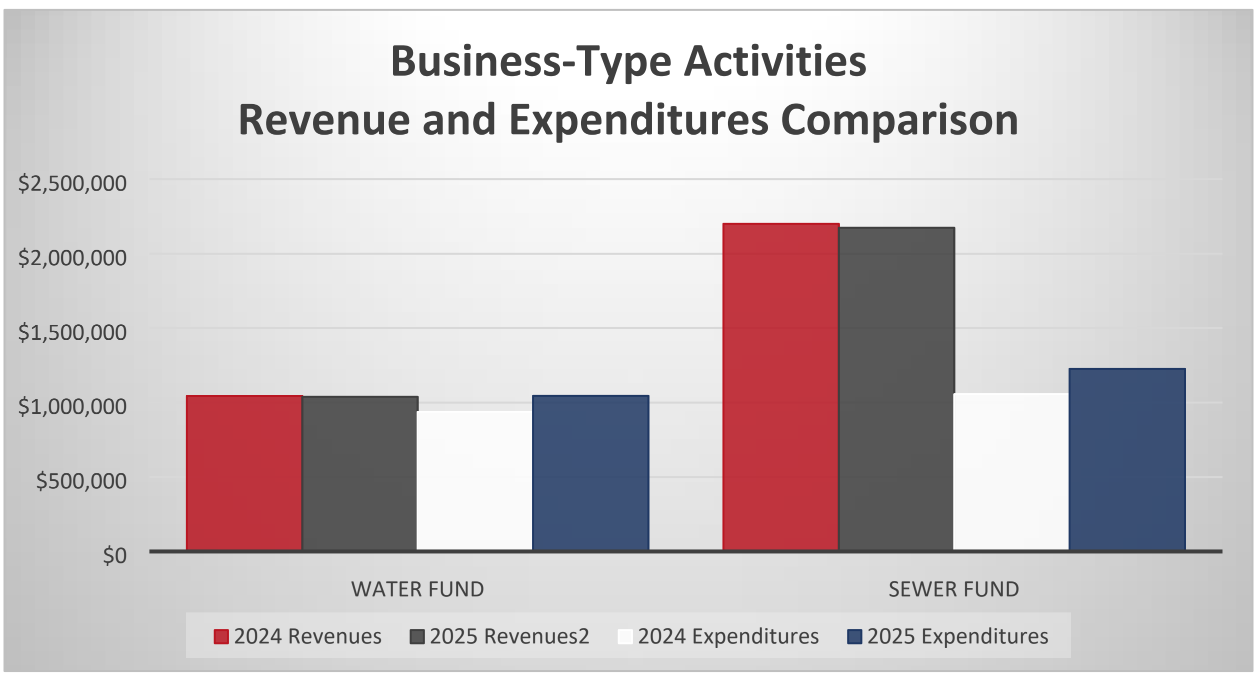
The City's governmental activities have been accounted for in seven departmental categories, which are General Government, Public Safety, Public Works and Airport, Culture and Recreation, Urban/Economic Development, Kids Connection, and Interest on Long-Term Debt. Governmental activity expenses totaled $6,008,556, which is an increase in expenditures from 2024 of $129,231. Major expenses included in the governmental activities were $1,322,054 for general government, $1,856,793 for public safety and $1,571,045 for culture and recreation including the Parks, Recreation Ski Hi and Grant Funded projects including the new Golf Club, and Tree Project. Expenditures in public works totaled $859,365, and Kids Connection totaled $299,598. Other governmental expenditures included $56,457 for urban development, and $43,244 for interest on long-term debt. City funding for governmental activities was derived from $2,601,915 in program revenue. The largest source of revenue is shown in sales and use taxes. General revenues totaled $5,528,962. Governmental revenue decreased by $704,391 compared to 2024, mainly related to a decrease in capital grant revenue.





Business-Type Activities

As mentioned earlier, business-type activities are funded in large part through the assignment of user fees imposed on external parties in exchange for services. Business-type activities net position at the end of 2025 increased $815,357. Business-type activity expenditures totaled $2,273,363 in 2025, which is an increase in expenditures compared to 2024 of $279,265. Funding for business-type activities was derived from revenues totaling $3,214,321, which is a decrease of $32,192 compared to 2024.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City of Monte Vista uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal and state requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City of Monte Vista include the General Fund, One Cent Sales Tax Fund, Capital Projects Fund, Capital Improvements Fund, and other non-major funds. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $7,172,347 which is an increase of $528,547 from the prior year ending fund balances. The City's fund balances are classified based on the extent to which the City is bound to honor constraints for the specific purpose on which amounts in the fund can be spent. In accordance with GASB Statement No. 54, ***Fund Balance Reporting and Governmental Fund Type Definitions*** the fund balances for the City were classified in the following categories:

Nonspendable Fund Balance – are amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to remain intact. As of December 31, 2025, the City's governmental funds reported a nonspendable fund balance of $18,656. This fund balance is due to prepaid capital improvements.

Restricted Fund Balance – are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. As of December 31, 2025, the City's governmental funds reported a restricted fund balance of $2,735,161. The majority of this fund balance is restricted for capital improvements and the One Cent Sales Tax Fund.

Committed Fund Balance – are amounts that can only be used for specific purposes as a result of constraints imposed by the City Council. Committed amounts cannot be used for any other purpose unless the Council removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. The City's governmental funds reported a committed fund balance of $282,011 as of December 31, 2025.

Assigned Fund Balance – are amounts a government intend to use for a specific purpose; intent can be expressed by the City Council or by an official or body to which the governing body delegates the authority. The City's governmental funds reported an assigned fund balance of $140,767 as of December 31, 2025, for the purpose of Kids Connection.

Unassigned Fund Balance – are amounts that are available for any purpose; these amounts are reported in the General Fund or for negative fund balance. The City reported an unassigned fund balance of $3,995,752 as of December 31, 2025 for all Governmental Funds.

Revenue – Revenue in all governmental funds totaled $7,820,635 in 2025. This is a decrease of $1,014,633 compared to 2024. Of the total revenue received in 2025, $4,820,311 was generated by tax revenue, Intergovernmental Revenue through the General Fund, Capital Projects Fund and Other Governmental Funds of $2,027,387 and the other large portion coming from Contributions and Donations through the General Fund and Other Governmental Funds $290,459.

The General Fund is the primary operating governmental fund of the City. At the end of 2025, the fund balance for the General Fund was $4,494,242, which is an increase of $426,448 compared to the end of 2024, As of year-end, $3,995,752 of the fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted under the assigned fund balance rules listed above.

The other Governmental Fund balances for 2025 totaled $2,678,105. This includes the One Cent Sales Tax Fund with a balance of $968,994, Capital Improvements Fund with a balance of $1,229,953, Grant Funds and other Governmental Funds with a total balance of $479,158. Funds included in the Other Governmental Funds include the Conservation Trust, Urban Renewal, Airport Grant Fund, and Kids Connection.

Expenditures **–** The governmental funds expenditures decreased by $732,274 from 2024. Total expenditures in 2025 were $7,811,330. A combination of factors led to the decrease in expenditures from 2024 to 2025, which included decreased capital outlay for projects and decreased debt service.

Proprietary Funds **-** The City's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. At December 31, 2025, the net position for the Water Fund was $2,582,804; the net position of the Sewer Fund was $6,794,180 for a combined total of $9,376,984. This was an increase in fund balances from 2024 of $815,357. At the end of the fiscal year, the unrestricted net position for the Water and Sewer Funds totaled $4,037,184, net investment in capital assets totaled $5,297,167 and the total for restricted net position was $42,633, which is restricted to the acquisition of water rights.

General Fund Budgetary Highlights

The City of Monte Vista generally adopts a supplemental appropriation in order to allow for previously unforeseen events. Every attempt is made to relate the budget to both the short and long term goals of the City Council.

For 2025, the original adopted General Fund Budget had revenue of $5,864,435 with a mid-year and year-end supplemental budget amendment decreasing the revenue budget by $1,629,080. This adjustment was mainly to move revenue from the General Fund to the Capital Project Fund. This brought the final revenue budget to $4,235,355. For expenditures, the original adopted General Fund Budget was $5,962,362, after the supplemental budget amendments, the expenditures budget decreased by $934,881 which brought total budgeted expenditures to $5,027,481. Neither revenue nor expenditures reflects resources that were transferred in or out of the General Fund. Actual expenditures in the General Fund totaled $4,520,700 not including transfers out. The supplemental budget amendments were created to reflect transactions associated with the police department, capital outlay for streets, parks improvements, building improvements and grant contributions.

Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2025 totaled $27,270,610 (net of accumulated depreciation). This is an increase of $1,396,595 in capital assets mainly due to the construction in progress on both the alleyway project and the Golf Course Clubhouse building. Capital assets include land, water rights, buildings and improvements, water and sewer treatment plants, transmission and distribution, equipment, vehicles and right-to-use leased vehicles.

Major Capital Asset events during 2025 include the following:

- Governmental Activities
  - Construction in Progress (Alleyway Project) $1,066,865
  - Construction in Progress (Golf Course Clubhouse) $599,866
  - Buildings (City Hall) - $41,395
  - Improvements - (Parks, Ski Hi Arena Lights, Tennis Courts) $223,532
  - Equipment and Vehicles (Public Works) - $193,041
  - Infrastructure (Airport Crackseal, Patching Sherman, Revitalizing Main – Walkability Sidewalk Project - $200,273)
- Proprietary Funds
  - Construction in Progress (WWTP Design & Alleyway) - $295,803
  - Transmission & Distribution(Sherman & 2Nd & Dennis) - $91,776
  - Equipment (Sewer Camera & Pumps) – $65,155

Table 3 provides a summary of the City's capital assets (net of accumulated depreciation). Additional information on the City of Monte Vista's capital assets can be found in Note 4 of the Basic Financial Statements.

	Governmental Activities		Business-type Activities		Total	
	2024	**2025**	2024	**2025**	2024	**2025**
Land	$ 785,096	**$ 785,096**	$ 22,000	**$ 22,000**	$ 807,096	**$ 807,096**
Construction in Progress	484,725	**2,282,758**	828,705	**1,124,508**	1,313,430	**3,407,266**
Water Rights			948,120	**948,120**	948,120	**948,120**
Buildings & Improvements	10,832,440	**10,518,081**	84,349	**80,914**	10,916,789	**10,598,995**
Infrastructure	3,080,392	**3,045,727**			3,080,392	**3,045,727**
Improvements-Other	1,570,927	**1,571,069**			1,570,927	**1,571,069**
W/S Treatment Plant			359,401	**333,719**	359,401	**333,719**
Transmission & Distrib.			5,041,369	**4,858,240**	5,041,369	**4,858,240**
Equipment & Vehicles	1,460,575	**1,387,146**	172,713	**200,863**	1,633,288	**1,588,009**
Right-to-Use Lease Vehicles	129,718	**73,078**	73,485	**39,291**	203,203	**112,369**
	$ 18,343,873	**$ 19,662,955**	$ 7,530,142	**$ 7,607,655**	$ 25,874,015	**$ 27,270,610**

Debt Administration

At year-end, the City of Monte Vista's long-term liabilities totaled $3,523,622. Of this amount, $1,143,457 relates to governmental activities and $2,380,165 relates to business-type activities.

Bonds payable include the Series 2018 Sales Tax Revenue refunding and Improvement Bonds payable to Branch Banking and Trust Company with an outstanding debt of $746,865. The purpose of the original Series 2008 bonds was to provide paving and resurfacing of streets, provide curb and gutter and surface drainage, sidewalk improvements and such other related improvements. These bonds were refunded in 2018 and are scheduled to be paid in full in 2028.

Outstanding notes payable include a note with the Colorado Water Resource and Power Development Authority to fund water chlorination system improvements in the amount of $191,031, a note with the Colorado Water Conservation Board to purchase water rights with an advanced payment of $1,398,183 and a note for Sewage Treatment Project with Colorado Water Resource and Power Development Authority in the amount of $663,360.

The City entered into finance purchases with San Luis Valley Federal Bank in 2013 for the purchase of a new boiler along with repairs and maintenance for the building. The current balance at year-end 2025 for the governmental and proprietary funds is $133,668 and $7,448, respectively.

The City entered into a master lease agreement with Enterprise Fleet Management for vehicles used by the public works department and the police department, with a current balance at year-end 2025 for the governmental and proprietary funds of $57,151 and $50,465, respectively.

The City of Monte Vista's total long-term liabilities decreased by $470,557 during 2025. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

Economic Factors and Next Year's Budgets

The City's 2026 Budget includes important features that will maintain current operating status of service provided, purchase new and necessary capital assets in several of the funds, and make important improvements to the City's infrastructure.

In 2026, the City of Monte Vista will continue to provide the following services to the community:

- Parks Development & Maintenance
- Police & Public Safety Services
- Water Services
- Waste Water Treatment
- Sewer Services
- Recreation Programming
- Kids Connection Youth Programing
- Business Licensing
- Municipal Court
- Municipal Airport Oversight & Management
- Event & Conference Center Facility

Property values remain fairly constant with marginal increases anticipated in 2026. Sales and property tax are the leading revenue sources for the General Fund and it is anticipated that City Sales Tax revenues will continue to reflect slight growth into 2026. Due to the South Dakota vs. Wayfair Supreme Court ruling, the City of Monte Vista continues to benefit from the addition of sales tax revenue being collected through online vendors. Some growth within the city including the opening of the O'Reilly Auto Parts in 2024 and the Auto Zone Auto Parts opening in 2026 provides optimism that the City of Monte Vista's economy will hold trend and continue to grow at a steady and stable rate.

Labor continues to increase as we strive to remain a competitive employer. Employee health care costs continue to erode the City's operational capability; the City experienced a 3% increase in the budget for 2026. The Monte Vista Police Department participates in the FPPA pension plan with a budgeted employer match on base earnings of 11% for 2026.

In the coming years, the City will be faced with the task of building a new mechanical treatment plant for their waste water system and treatment. Current project estimates reflect a total cost of $47 million. Financing for this will take place through various avenues to include rate increases for services provided, debt-service, grants, and matching funds. The City will continue taking necessary steps in 2026 to begin addressing the monetary concerns regarding this project. The City contracted with Element Engineering to assist with the implementation of the Master Plan and Rate Study associated with this project.

Long-term sustainability of the San Luis Valley's agriculture industry remains a concern due to the ongoing water issues and groundwater regulations. The City continues to keep an eye on the effects of this and what it will have on the local economy. The Outcalt Event and Conference Center at the Ski Hi Complex, has increased opportunities for added business and new developments for the City. The City remains hopeful that new development and business, along with tourism from the new Cobblestone Hotel opening Fall 2026, will continue to boost sales tax revenues within the City. Currently, revenue reports of 2026 indicate we are in line with the budget with regard to sales tax revenues.

The City continues to take a conservative approach in their budgeting and operational fiscal cycles with careful monitoring over revenues and expenditures on a monthly basis. By exercising mid-year amendment practices to the budget, we are able to better prepare and adjust for any outside factors that could potentially affect revenues and expenditures.

Requests for Information

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

City of Monte Vista
Gigi Dennis-Lounsbury, City Manager
Judy Phillips, Finance Director
95 W. First Ave. Monte Vista, Colorado 81144
719-852-2692

CITY OF MONTE VISTA, COLORADO

BASIC FINANCIAL STATEMENTS

CITY OF MONTE VISTA, COLORADO
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	TOTAL
ASSETS			
Cash and investments	$ 6,286,115	$ 3,421,472	$ 9,707,587
Restricted cash and investments	245,226	42,633	287,859
Property taxes receivable	591,138	-	591,138
Accounts receivable (Net allowance of $87,659 and $9,117)	119,645	136,145	255,790
Due from other governments	1,523,070	174,516	1,697,586
Inventory	-	144,385	144,385
Prepaid expense	120,679	-	120,679
Prepaid water storage, net of accumulated amortization	-	315,000	315,000
Capital assets, not being depreciated	3,067,854	2,094,628	5,162,482
Capital assets, net of accumulated depreciation/amortization	16,595,101	5,513,027	22,108,128
TOTAL ASSETS	28,548,828	11,841,806	40,390,634
DEFERRED OUTFLOWS OF RESOURCES			
Pension	343,561	-	343,561
LIABILITIES			
Accounts payable	593,794	36,482	630,276
Accrued liabilities	148,285	29,011	177,296
Accrued interest	4,836	19,164	24,000
Unearned revenue - grants	135,079	-	135,079
Long-term liabilities			
Due within one year	497,329	209,920	707,249
Due in more than one year	646,128	2,170,245	2,816,373
Net pension liability	-	-	-
TOTAL LIABILITIES	2,025,451	2,464,822	4,490,273
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property tax	591,138	-	591,138
Pension	138,680	-	138,680
TOTAL DEFERRED INFLOWS OF RESOURCES	729,818	-	729,818
NET POSITION			
Net investment in capital assets	18,725,271	5,297,167	24,022,438
Restricted for emergencies	220,000	-	220,000
Restricted for parks	56,312	-	56,312
Restricted for public safety	88,325	-	88,325
Restricted for public works	519,232	-	519,232
Restricted for capital projects	1,482,434	-	1,482,434
Restricted for debt service	77,775	-	77,775
Restricted for Ski Hi Park	361,437	-	361,437
Restricted for water acquisition	-	42,633	42,633
Unrestricted	4,606,334	4,037,184	8,643,518
TOTAL NET POSITION	$ 26,137,120	$ 9,376,984	$ 35,514,104

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

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants & Contributions**	**Capital Grants & Contributions**	**Governmental Activities**	**Business-Type Activities**	**TOTAL**
Primary government:							
Governmental activities:							
General government	$ 1,322,054	$ 157,173	$ 232,861	$ -	$ (932,020)	$ -	$ (932,020)
Public safety	1,856,793	61,061	46,200	-	(1,749,532)	-	(1,749,532)
Public works	859,365	111,994	33,070	111,392	(602,909)	-	(602,909)
Culture and recreation	1,571,045	178,636	52,783	1,427,760	88,134	-	88,134
Urban/Economic development	56,457	-	-	-	(56,457)	-	(56,457)
Kids connection	299,598	4,908	184,077	-	(110,613)	-	(110,613)
Interest on long-term debt	43,244	-	-	-	(43,244)	-	(43,244)
Total governmental activities	6,008,556	513,772	548,991	1,539,152	(3,406,641)	-	(3,406,641)
Business-type activities							
Water services	1,046,031	1,033,064	-	6,500	-	(6,467)	(6,467)
Sewer services	1,227,332	2,053,856	-	120,901	-	947,425	947,425
Total business-type activities	2,273,363	3,086,920	-	127,401	-	940,958	940,958
Total primary government	$ 8,281,919	$ 3,600,692	$ 548,991	$ 1,666,553	(3,406,641)	940,958	(2,465,683)

	Governmental Activities	Business-Type Activities	TOTAL
General revenues:			
Taxes:			
General property taxes - net	492,192	-	492,192
Sales and use taxes	4,045,257	-	4,045,257
Franchise taxes	213,535	-	213,535
Other taxes	248,887	-	248,887
Investment and interest income	50,043	33,943	83,986
Miscellaneous	168,806	49,456	218,262
Gain on Sale	310,242	-	310,242
Transfers	209,000	(209,000)	-
Total general revenues and transfers	5,737,962	(125,601)	5,612,361
Change in net position	2,331,321	815,357	3,146,678
Net position, beginning of year	23,805,799	8,561,627	32,367,426
Net position, end of year	$ 26,137,120	$ 9,376,984	$ 35,514,104

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

CITY OF MONTE VISTA, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	GENERAL FUND	ONE CENT SALES TAX FUND	CAPITAL IMPROVEMENTS FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and investments	$ 4,181,343	$ 837,322	$ 1,024,698	$ 242,752	$ 6,286,115
Restricted cash and investments	-	-	69,727	175,499	245,226
Property tax receivable	591,138	-	-	-	591,138
Accounts receivable	119,645	-	-	-	119,645
Prepaid Expense	18,754	-	-	101,925	120,679
Due from other governments	488,642	136,181	136,181	762,066	1,523,070
Due from other funds	-	-	-	-	-
TOTAL ASSETS	$ 5,399,522	$ 973,503	$ 1,230,606	$ 1,282,242	$ 8,885,873
LIABILITIES					
Accounts payable	$ 49,841	$ 885	$ 653	$ 542,415	$ 593,794
Accrued liabilities	138,732	3,624	-	5,929	148,285
Due to other funds	-	-	-	-	-
Unearned revenue - grants	125,569	-	-	9,510	135,079
TOTAL LIABILITIES	314,142	4,509	653	557,854	877,158
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue -grants	-	-	-	245,230	245,230
Unavailable revenue - property tax	591,138	-	-	-	591,138
TOTAL DEFERRED INFLOWS OF RESOURCES	591,138	-	-	245,230	836,368
FUND BALANCE					
Nonspendable	18,656	-	-	-	18,656
Restricted	220,000	968,994	1,229,953	316,214	2,735,161
Committed	259,834	-	-	22,177	282,011
Assigned	-	-	-	140,767	140,767
Unassigned	3,995,752	-	-	-	3,995,752
TOTAL FUND BALANCE	4,494,242	968,994	1,229,953	479,158	7,172,347
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 5,399,522	$ 973,503	$ 1,230,606	$ 1,282,242	$ 8,885,873

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

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

Total governmental fund balances		$ 7,172,347
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.		19,662,955
Some assets (liabilities) were not received in the current period and, therefore, are not reported in the funds. This is the amount of the FPPA ne pension asset (liability).		-
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.		
FPPA		343,561
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bond payable	$ (746,865)	
Financed purchases	(133,668)	
Leases	(57,151)	
Accrued interest payable	(4,836)	
Compensated absences	(205,773)	
		(1,148,293)
Certain amounts related to the plan are deferred and amortized over time. These are not reported in the funds.		
FPPA		(138,680)
Certain revenue was earned and accrued in the statement of net positioi but has been deferred in the governmental funds balance sheet.		
Deferred inflows of resources - grants		245,230
Net position of governmental activitie		$ 26,137,120

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

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

	GENERAL FUND	ONE CENT SALES TAX FUND	CAPITAL IMPROVEMENTS FUNDS	Formerly Major Fund GRANTS FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	$ 3,252,589	$ 783,861	$ 783,861	$ -	$ -	$ 4,820,311
Intergovernmental revenue	493,109	3,914	-	-	1,530,364	2,027,387
Licenses and permits	37,976	-	-	-	-	37,976
Charges for services	391,294	-	-	-	4,908	396,202
Fines and forfeits	39,937	-	-	-	-	39,937
Investment and interest income	40,562	-	7,161	-	2,320	50,043
Contributions	125,485	-	-	-	164,974	290,459
Miscellaneous revenue	156,995	-	-	-	1,325	158,320
TOTAL REVENUES	4,537,947	787,775	791,022	-	1,703,891	7,820,635
EXPENDITURES						
Current Expenditures						
General government	1,106,495	-	-	-	-	1,106,495
Public safety	1,572,671	118,743	-	-	-	1,691,414
Public works and airport	695,006	-	-	-	-	695,006
Culture and recreation	851,475	132,698	-	-	138,834	1,123,007
Urban/economic development	-	-	-	-	5,024	5,024
Kids connection	-	-	-	-	277,970	277,970
Capital outlay	225,735	182,921	33,686	-	2,059,137	2,501,479
Debt service	69,318	25,575	316,042	-	-	410,935
TOTAL EXPENDITURES	4,520,700	459,937	349,728	-	2,480,965	7,811,330
Excess (deficiency) revenues over expenditures	17,247	327,838	441,294	-	(777,074)	9,305
OTHER FINANCING SOURCES (USES)						
Transfers in	262,628	-	-	-	518,248	780,876
Transfers out	(163,669)	-	(354,579)	-	(53,628)	(571,876)
Sale of capital assets	310,242	-	-	-	-	310,242
Lease proceeds	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	409,201	-	(354,579)	-	464,620	519,242
Net change in fund balances	426,448	327,838	86,715	-	(312,454)	528,547

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

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

	GENERAL FUND	ONE CENT SALES TAX FUND	CAPITAL IMPROVEMENTS FUNDS	Formerly Major Fund GRANTS FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Fund balance, Beginning of Year as previously stated	4,067,794	641,156	1,143,238	41,827	749,785	6,643,800
Change within financial reporting entity						
(major to nonmajor fund)	-	-	-	(41,827)	41,827	-
(nonmajor to major fund)	-	-	-		-	-
Fund Balance, Beginning of Year restated	4,067,794	641,156	1,143,238	-	791,612	6,643,800
Fund balance, End of Year	$ 4,494,242	$ 968,994	$ 1,229,953	$ -	$ 479,158	$ 7,172,347

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

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

Net change in fund balances - total governmental funds		$ 528,547
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the activity in capital assets in the current period.		
Capital Asset Additions	$ 2,456,274	
Capital Asset Deletions Net Accumulated Depreciation	(2,562)	
Depreciation Expense	(1,134,630)	
		1,319,082
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The bond premium provides a current financial resource to governmental funds, but must be capitalized and amortized over the life of the bonds in the government-wide financial statements.		
Lease Proceeds	-	
Bond Payments	235,858	
Finance Purchases Payments	72,050	
Lease Payments	56,072	
		363,980
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(87,553)	
Accrued Interest Payable	3,711	
		(83,842)
Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension expenditures.		
FPPA		(41,676)
Certain revenue was earned and accrued in the statement of net position, but has been deferred in the governmental funds balance sheet.		
Deferred Inflows of Resources - Grants		245,230
Change in net position of governmental activities		$ 2,331,321

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

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

	WATER FUND	SEWER FUND	TOTAL PROPRIETARY FUNDS
ASSETS			
Current assets			
Cash and cash equivalents	$ 860,884	$ 2,285,188	$ 3,146,072
Restricted cash	42,633	-	42,633
Accounts receivable (Net allowance of $4,020 and $5,097)	23,508	112,637	136,145
Due from other governments	21,300	153,216	174,516
Inventory	136,994	7,391	144,385
Total current assets	1,085,319	2,558,432	3,643,751
Noncurrent assets			
Investments - long-term	137,700	137,700	275,400
Prepaid water storage, net of accumulated amortization	315,000	-	315,000
Capital assets, not being depreciated	979,120	1,115,508	2,094,628
Capital assets, net of accumulated depreciation	1,752,181	3,760,846	5,513,027
Total noncurrent assets	3,184,001	5,014,054	8,198,055
TOTAL ASSETS	4,269,320	7,572,486	11,841,806
LIABILITIES			
Current liabilities			
Accounts payable	5,550	30,932	36,482
Accrued liabilities	14,155	14,856	29,011
Accrued interest	19,164	-	19,164
Compensated absences, current portion	18,136	24,730	42,866
Loans payable, current portion	49,761	69,831	119,592
Finance purchases, current portion	3,724	3,724	7,448
Leases payable, current portion	20,008	20,007	40,015
Total current liabilities	130,498	164,080	294,578
Noncurrent liabilities			
Compensated absences	11,908	14,903	26,811
Loans payable	1,539,453	593,530	2,132,983
Finance purchases	-	-	-
Leases	4,657	5,793	10,450
Total noncurrent liabilities	1,556,018	614,226	2,170,244
TOTAL LIABILITIES	1,686,516	778,306	2,464,822
NET POSITION			
Net investment in capital assets	1,113,698	4,183,469	5,297,167
Restricted for water acquisition	42,633	-	42,633
Unrestricted	1,426,473	2,610,711	4,037,184
TOTAL NET POSITION	$ 2,582,804	$ 6,794,180	$ 9,376,984

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

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

	WATER FUND	SEWER FUND	TOTAL PROPRIETARY FUNDS
OPERATING REVENUES			
Charges for services	$ 1,033,064	$ 2,053,856	$ 3,086,920
Other revenues	49,256	200	49,456
Total operating revenues	1,082,320	2,054,056	3,136,376
OPERATING EXPENSES			
Operations and maintenance	837,849	973,939	1,811,788
Depreciation and amortization	147,579	250,032	397,611
Total operating expenses	985,428	1,223,971	2,209,399
Operating income (loss)	96,892	830,085	926,977
NONOPERATING REVENUES (EXPENSES)			
Grant revenue	-	112,901	112,901
Investment income	24,311	9,632	33,943
Interest expense	(60,603)	(3,361)	(63,964)
Total nonoperating revenues (expenses)	(36,292)	119,172	82,880
Income before capital contribution and operating transfers	60,600	949,257	1,009,857
CAPITAL CONTRIBUTIONS			
Tap fees	6,500	8,000	14,500
Total capital contributions	6,500	8,000	14,500
OPERATING TRANSFERS			
Transfers in	-	-	-
Transfers out	(104,000)	(105,000)	(209,000)
Total operating transfers	(104,000)	(105,000)	(209,000)
Change in net position	(36,900)	852,257	815,357
Net position, beginning of year	2,619,704	5,941,923	8,561,627
Net position, end of year	$ 2,582,804	$ 6,794,180	$ 9,376,984

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

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

	WATER FUND	SEWER FUND	TOTAL PROPRIETARY FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 1,066,398	$ 2,081,839	$ 3,148,237
Cash payments to suppliers for goods and services	(395,655)	(513,193)	(908,848)
Cash payments to employees	(432,399)	(455,925)	(888,324)
Net cash provided (used) by operating activities	238,344	1,112,721	1,351,065
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers (to) from other funds	(104,000)	(105,000)	(209,000)
Net cash provided (used) by noncapital financing activities	(104,000)	(105,000)	(209,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	6,500	8,000	14,500
Principal paid on long-term liabilities	(68,895)	(90,436)	(159,331)
Interest paid on long-term liabilities	(60,603)	(3,361)	(63,964)
Grant revenue	-	50,833	50,833
Net cash provided (used) by capital and related financing activities	(122,998)	(34,964)	(157,962)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase and construction of capital assets	(105,613)	(380,780)	(486,393)
Interest income	19,399	4,722	24,121
Net cash provided (used) by investing activities	(86,214)	(376,058)	(462,272)
Net increase (decrease) in cash and cash equivalents	(74,868)	596,699	521,831
Cash and cash equivalents, beginning of year	978,385	1,688,489	2,666,874
Cash and cash equivalents, end of year	$ 903,517	$ 2,285,188	$ 3,188,705
OPERATING INCOME (LOSS)	$ 96,892	$ 830,085	$ 926,977
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization expense	147,579	250,032	397,611
Changes in assets and liabilities			
(Increase) decrease in accounts receivable	(9,110)	41,309	32,199
(Increase) decrease in due from other governments	(6,812)	(13,526)	(20,338)
(Increase) decrease in inventory	(1,865)	(478)	(2,343)
Increase (decrease) in accounts payable	(1,522)	(15,577)	(17,099)
Increase (decrease) in accrued liabilities	2,743	2,815	5,558
Increase (decrease) in compensated absences	10,439	18,061	28,500
Net cash provided (used) by operating activities	$ 238,344	$ 1,112,721	$ 1,351,065
SUPPLEMENTAL DISCLOSURES			
Reconciliation to the statement of net position			
Cash and cash equivalents	$ 860,884	$ 2,285,188	$ 3,146,072
Restricted cash	42,633	-	42,633
	$ 903,517	$ 2,285,188	$ 3,188,705
Noncash investing, capital, and noncapital financing			
Lease liability for the acquisition of right-to-use asset	$ -	$ -	$ -

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The City of Monte Vista (the "City") was incorporated July 19, 1886 and was reorganized as a home-rule municipality under Article 20 of the Colorado Constitution on March 22, 1922. The City is governed by a council-manager form of government through a Mayor and four-member City Council elected by the residents. The City, authorized through its charter, provides the following services: public safety, public works, water, sanitation, culture & recreation, public improvements, planning and zoning, airport operations, economic development and general administrative services.

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. A summary of the City's more significant accounting policies follows.

REPORTING ENTITY

The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the City officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the 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 entity in its reporting entity.

Monte Vista Urban Renewal Authority
The Monte Vista 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 comes from the City and the City has operational and management responsibilities. The URA does not issue separate financial statements and is blended in the City's financial statements as a special revenue fund.

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 nonfiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges or 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 statement of net position reports all financial, capital and debt resources of the City. The difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources of the City is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses and allocated indirect expenses of a 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.

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, 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 granting agency 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 revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Grants and similar items are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be 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 proprietary 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 or capital contributions.

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

The City reports the following major governmental funds in the fund financial statements:

- The *General Fund* – The General Fund is used to account for the general operations and specific programs of the City.
- The *One Cent Sales Tax Fund* – The One Cent Sales Tax Fund accounts for the City's voter approved 1% sales tax collected for the purposes of (1) improving roads; (2) providing additional police officers and upgrading equipment for the police department; and (3) to maintain the Ski Hi Complex and improve the City's recreation programing. Voters approved allocations as follows: 40% to Ski Hi Complex and recreation programming; 35% to Public Works; and 25% to the Police Department.

- The *Capital Improvements Fund* – The Capital Improvements Fund accounts for the ½ of the City's 2% sales tax collected for the purposes of capital maintenance, capital outlay and repayment of the 2008 sales tax revenue bonds.

The City reports the following major proprietary funds:

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

ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, 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. Negative balances in pooled cash and investments at year end are reported as Due to/from Other Funds. Investments are reported at fair value.

Due to/from Other Funds
During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as due to/from other funds.

Grants, Other Governments and Accounts Receivable
Grants, other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventory
Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies for the Water and Sewer Funds. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

Prepaid Expenses
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Capital Assets
Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure (streets, bridges, underground drainage pipe, traffic signals, etc.) owned by the City, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 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 estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Capital Asset Classes	Years
Building	15-50
Improvements - Building	15-40
Improvements - Other	10-40
Infrastructure	15-50
Water and Sewer Treatment Plants	15-40
Transmission and Distribution Systems	5-40
Equipment and Vehicles	5-15
Right-to-Use Lease Assets:	
Vehicles	4-5 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Deferred Outflows/Inflows of Resources
In addition to assets, the balance sheet - governmental funds and statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement classification represents an acquisition of fund balance or net position that applies to a future period and therefore will not be recognized as an outflow of resources (expenses) until then. The City has items related to the participation in the FPPA pension plan that are reported as deferred outflows of resources at year end.

In addition to liabilities, the statement of financial position – governmental activities and the balance sheet – governmental funds report a separate section for deferred inflows of resources. This separate financial statement classification represents an acquisition of fund balance or net position that applies to future periods and therefore will not be recognized as an inflow of resources (revenue) until then. The City has an item related to property taxes levied in the current year to be collected in the following year and items related to its participation in the FPPA pension plans that are reported as deferred inflows of resources at year end.

Leases
Lessee: The City recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

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

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

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

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

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

Compensated Absences

Employees of the City are eligible for vacation beginning with their first pay period. Employees can accrue between 48 and 240 hours of vacation time annually, based on their years of service. Once the maximum is accrued, no additional leave is accrued. Employees will be paid for all accrued vacation time at their current pay rate upon separation of employment.

Employees are allowed to accumulate sick leave up to a maximum of 240 hours. However, unused sick leave will not be paid upon separation of employment. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide financial statements for accrued time.

Long-Term Obligations

In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the year of the debt issuance. In the government-wide and proprietary funds, debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Net Position

In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- *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 the residual net position that does not meet the classification of “net investment in capital assets” or “restricted.”

Fund Balance

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.
- *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 because of certain State statutes, bond and loan documents and third party restrictions.

- *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.
- *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.
- *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 of assigned fund balance amounts.

As of December 31, 2025, fund balances are composed of the following:

	General Fund	One Cent Sales Tax Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
Nonspendable	$ 18,656	$ -	$ -	$ -	$ 18,656
Restricted					
Emergencies	220,000	-	-	-	220,000
Parks	-	-	-	56,312	56,312
Public Safety	-	88,325	-	-	88,325
Public Works	-	519,232	-	-	519,232
Capital Projects	-	-	1,152,178	259,902	1,412,080
Debt Service	-	-	77,775	-	77,775
Ski Hi Park	-	361,437	-	-	361,437
	220,000	968,994	1,229,953	316,214	2,735,161
Committed					
Economic Development	-	-	-	22,177	22,177
Multi-Year Obligations	259,834	-	-	-	259,834
	259,834	-	-	22,177	282,011
Assigned					
Kids Connection	-	-	-	140,767	140,767
Unassigned	3,995,752	-	-	-	3,995,752
Total Fund Balance	$ 4,494,242	$ 968,994	$ 1,229,953	$ 479,158	$ 7,172,347

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

Property Taxes
Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are 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. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

Fire and Police Pension Association of Colorado (FPPA)
For purposes of measuring the net pension liability (asset), deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Statewide Retirement Plan (SWRP) administered by FPPA, and additions to/deductions from these plans' fiduciary net pension have been determined on the same basis as they are reported by FPPA. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA. Employer contributions in FPPA's financial statements are recognized in the period in which the contributions are due. Benefit payments are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value. All employees who participate in the plans are funded through the General Fund and, therefore, the net pension liability (asset) is recorded at the government-wide level only.

Use of Estimates
The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications
Certain amounts from the prior year have been reclassified for current year financial statement presentation.

NOTE 2 CASH, DEPOSITS, AND INVESTMENTS

A summary of cash and investments at December 31, 2025, follows:

Petty Cash	$ 560
Cash Deposits	8,851,648
Investments	1,143,238
Total	$ 9,995,446

Cash is reported in the financial statements as follows:

Cash and Investments	$ 9,707,587
Restricted Cash and Investments	287,859
Total	$ 9,995,446

Cash and Deposits
The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to $250,000 for each financial institution. 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. At December 31, 2025, the City had bank deposits totaling $9,208,080 of which $1,123,085 were FDIC insured, and $8,084,995 were collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments
At December 31, 2025, the City had the following investments:

COLOTRUST		
PRIME and PLUS+	$	1,143,238

The City invested in the Colorado Government Liquid Asset Trust (COLOTRUST) (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1, except for COLOTRUST EDGE, which strives to obtain a net asset value of $10/share. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE. The portfolios may invest in U.S. Treasury and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ and COLOTRUST EDGE may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ have a weighted average maturity of 60 days or less and are rated AAAm by Standard and Poor's and COLOTRUST EDGE has a weighted average maturity beyond 60 days and is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the City records its investments in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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.

Restricted Cash and Investments
Restricted cash and investments for the Governmental Funds consist of $175,499 of unspent capital projects funds in the Capital Projects Fund, and $69,727 for future debt service requirements in the Capital Improvements Fund. The Water Fund restricted $42,633, by ordinance, for water acquisition in the Fund.

NOTE 3 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

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

Transfers In	Transfers Out	Amount
General Fund	Water	$ 104,000
General Fund	Sewer	105,000
General Fund	Conservation Trust	53,628
Urban Renewal Authority	General	5,446
Kids Connection	General	88,000
Capital Projects	General	70,223
Grants	Capital Improvements	13,683
Capital Projects	Capital Improvements	340,896
	TOTALS	$ 780,876

During the year ended December 31, 2025, transfers to the General Fund were reimbursements for administrative costs, including payments in lieu of taxes from the Water and Sewer Funds as well as reimbursement by the Conservation Trust Fund for park expenditures. The General Fund transferred funds to the Urban Renewal Authority, Kids Connection, and Capital Projects Funds to subsidize operations in these funds. The Capital Improvements Fund transferred to the Grants Fund and Capital Projects Fund to cover the City's share of project expenditures.

NOTE 4 CAPITAL ASSETS

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

Governmental Activities	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Capital assets not being depreciated				
Land	$ 785,096	$ -	$ -	$ 785,096
Construction in progress	484,725	1,798,033	-	2,282,758
Total capital assets not being depreciated	1,269,821	1,798,033	-	3,067,854
Capital assets being depreciated				
Buildings and improvements	13,135,257	41,394	-	13,176,651
Infrastructure	6,102,757	200,273	-	6,303,030
Improvements- other	4,489,230	223,532	-	4,712,762
Equipment and vehicles	3,665,623	193,041	56,318	3,802,346
Right-to-use lease assets:				
Vehicles	226,561	-	-	226,561
Total capital assets being depreciated	27,619,428	658,240	56,318	28,221,350
Less accumulated depreciation/amortization for				
Buildings and improvements	2,302,817	355,754	-	2,658,571
Infrastructure	3,022,365	234,938	-	3,257,303
Improvements- other	2,918,303	223,390	-	3,141,693
Equipment and vehicles	2,205,048	263,907	53,756	2,415,199
Right-to-use lease assets:				
Vehicles	96,843	56,640	-	153,483
Total accumulated depreciation/amortization	10,545,376	1,134,629	53,756	11,626,249
Total capital assets being depreciated, net	17,074,052	(476,389)	2,562	16,595,101
Governmental activities capital assets, net	$ 18,343,873	$ 1,321,644	$ 2,562	$ 19,662,955

Depreciation/amortization expense was charged to the governmental activities of the primary government as follows:

Governmental activities:	
General government	$ 80,239
Public safety	123,703
Kids Connection	21,628
Public Works & Airport	409,588
Culture & Recreation	448,038
Urban/Economic Development	51,433
Total Depreciation/Amortization Expense	$ 1,134,629

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Business-type Activities:				
Capital assets not being depreciated				
Land	$ 22,000	$ -	$ -	$ 22,000
Water rights	948,120	-	-	948,120
Construction in Progress	828,705	295,803	-	1,124,508
Total capital assets not being depreciated	1,798,825	295,803	-	2,094,628
Capital assets being depreciated				
Buildings and improvements	154,997	-	-	154,997
Water and sewer treatment plants	4,746,771	-	-	4,746,771
Transmission and distribution systems	10,033,844	91,779	-	10,125,623
Equipment and vehicles	726,829	72,705	7,150	792,384
Right-to-use lease assets:				
Vehicles	170,976	-	-	170,976
Total Capital Assets being depreciated	15,833,417	164,484	7,150	15,990,751
Less accumulated depreciation/amortization				
Buildings and improvements	70,648	3,435	-	74,083
Water and sewer treatment plants	4,387,370	25,681	-	4,413,051
Transmission and distribution systems	4,992,475	274,908	-	5,267,383
Equipment and vehicles	554,116	38,393	987	591,522
Right-to-use lease assets:				
Vehicles	97,491	34,194	-	131,685
Total accumulated depreciation	10,102,100	376,611	987	10,477,724
Total capital assets being depreciated, net	5,731,317	(212,127)	6,163	5,513,027
Business-type activities capital assets, net	$ 7,530,142	$ 83,676	$ 6,163	$ 7,607,655

Depreciation/amortization expense was charged to the business-type activities of the primary government as follows:

Business-type activities:	
Water services	$ 126,578
Sewer services	250,033
Total depreciation/amortization expense	$ 376,611

NOTE 5 PREPAID WATER STORAGE

The City entered into a contract with San Luis Valley Irrigation District in September 2010 for a 30 year lease of water storage in the amount of $630,000. The City made two installment payments of $100,000 and $530,000 in 2010 and 2014, respectively. The prepaid water storage will be amortized over the 30 year life of the agreement, at $21,000 per year. As of December 31, 2025, the balance of the prepaid water storage, net of accumulated amortization was $315,000.

NOTE 6 LONG-TERM LIABILITIES

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

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025	Due Within One Year
Governmental activities					
2018 bond refunding	$ 982,723	$ -	$ 235,858	$ 746,865	$ 242,572
Finance purchases	205,718	-	72,050	133,668	73,389
Leases	113,223	-	56,072	57,151	48,172
Accrued compensated absences	118,220	87,553*	-	205,773	133,196
Total governmental activities	$ 1,419,884	$ 87,553	$ 363,980	$ 1,143,457	$ 497,329
Business-type activities					
Loans Payable	$ 2,370,697	$ -	$ 118,122	$ 2,252,575	$ 119,591
Finance purchases	14,586	-	7,138	7,448	7,448
Leases	84,536	-	34,071	50,465	40,015
Accrued compensated absences	41,177	28,500*	-	69,677	42,866
Total business-type activities	$ 2,510,996	$ 28,500	$ 159,331	$ 2,380,165	$ 209,920

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

Sales Tax Revenue Refunding Bond, Series 2018

During the year ended December 31, 2018, the City refunded Sales Tax Revenue Refunding and Improvements Bonds, Series 2008 with the issuance of Sales Tax Revenue Refunding Note, Series 2018 in the amount of $2,458,365 with interest at 3.19% per annum. The maturity date did not change from December 1, 2028. The refunding created net present value savings of $126,836. The old debt was called and paid in full (current refunding), the day following the refunding. The note is secured by a first lien on ½ of the City's 2% sales tax. Principal and Interest are due semi-annually on June 1 and December 1 through December 1, 2028. Interest accrues at a rate of 3.19% per annum. During the year ended December 31, 2025, pledged revenues derived from the dedicated 1% sales taxes totaling $783,861 were available to pay debt service of $267,207.

Following is a schedule of future minimum payments required under the bond as of December 31, 2025:

	Principal	Interest	Total
2026	$ 242,572	$ 23,825	$ 266,397
2027	249,040	16,087	265,127
2028	255,253	8,143	263,396
	$ 746,865	$ 48,055	$ 794,920

Finance Purchases

Energy Performance Contract – the City financed repairs and maintenance related to the contract in 2013 through a lease purchase agreement with SLVFB in the amount of $321,977. The contract bears interest at a rate of 3.35%. Payments are made from the General Fund, beginning February 1, 2013 through February 1, 2028. Capital assets totaling $190,729 with a net book value of $34,906 are reported in the governmental activities. The balance at December 31, 2025 was $87,744.

Heavy Equipment – the City purchased a motor grader, loader, and a backhoe in 2016 through a lease purchase agreement with SLVFB in the amount of $439,972. The contract bears interest at a rate of 3.03%, with annual base rental payments of $56,785, beginning December 1, 2018 through December 31, 2026. Payments are made from the Capital Improvement Fund (86%), the Water Fund (7%), and the Sewer Fund (7%). Capital assets totaling $417,797 with a net book value of $40,549 are reported in the governmental activities and capital assets totaling $32,924 with a net book value of $3,292 are reported in the business-type activities. The balance at December 31, 2025 was $53,198.

Following is a schedule of future minimum payments required under the outstanding finance purchases at December 31, 2025.

Governmental activities

	Principal	Interest	Total
2026	$ 73,389	$ 4,382	$ 77,771
2027	29,220	2,019	31,239
2028	31,059	1,040	32,099
	$ 133,668	$ 7,441	$ 141,109

Business-type activities

	Principal	Interest	Total
2026	$ 7,448	$ 227	$ 7,675
	$ 7,448	$ 227	$ 7,675

Leases

The City entered into a master lease agreement with Enterprise Fleet Management in 2022 for vehicles used by public works department and the police department. Throughout the year, nine vehicles were obtained with interest rates ranging from 4.708% to 6.342%, for 48-60 months. Payments are made from the General Fund, One Cent Fund, Water Fund, and Sewer Fund. Capital assets totaling $226,561 with a net book value of $73,078 are reported in the governmental activities and capital assets totaling $170,976 with a net book value of $39,291 are reported in the business-type activities. In addition, the City has guaranteed a residual value of $18,362 in the governmental activities and $15,954 in the business-type activities at December 31, 2025.

The future minimum lease payments to maturity for the leases payable at December 31, 2025 are as follows:

	Governmental activities	*Business-type activities*
2026	$ 48,172	$ 40,015
2027	10,252	13,909
Total minimum lease payments	58,424	53,924
Less: interest	(1,273)	(3,459)
Present value of future minimum lease payments	$ 57,151	$ 50,465

Loans Payable

2010 Water Loan – the City entered into a $1,693,770 loan agreement with the Colorado Water Conservation Board (CWCB) for acquisition of water rights and water storage. Principal and interest payments are due annually over a 30-year period beginning September 1, 2019 through September 1, 2048. Interest accrues at 4% per annum. The balance at December 31, 2025 was $1,398,183.

2011 Water Loan – the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA), in the principal amount of $400,000, for construction and improvements to the water distribution system. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2042. The loan is non-interest bearing. The balance at December 31, 2025 was $191,031.

The 2010 and 2011 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 $96,892 were available to pay annual debt service of $105,688.

2015 Sewer Loan – the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA), in the principal amount of $1,396,612, for construction of the City's sewer system expansion project. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2035. The loan is non-interest bearing. The balance at December 31, 2025 was $663,360.

This 2015 sewer loan is 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 $830,085 were available to pay annual debt service of $69,831.

The following is a schedule of the future minimum loan payments required under the loans payable as of December 31, 2025:

	Principal	Interest	Total
2026	$ 119,591	$ 55,927	$ 175,518
2027	121,119	54,400	175,519
2028	122,707	52,812	175,519
2029	124,359	51,160	175,519
2030	126,077	49,442	175,519
2031-2035	623,744	218,934	842,678
2036-2040	364,020	164,420	528,440
2041-2045	389,823	98,096	487,919
2046-2048	261,135	21,166	282,301
	$ 2,252,575	$ 766,357	$ 3,018,932

NOTE 7 PUBLIC ENTITY RISK POOL

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. For these 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 provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation 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 the entity.

NOTE 8 PENSION PLANS

Defined Contribution Plan
Effective February 2, 2024, the City began contributing to a single employer defined contribution money purchase pension plan on behalf of its fulltime employees, with the exception of sworn police officers. The contribution requirements of Plan participants and the City are established and may be amended by the City Council. The Plan is administered by Colorado Retirement Association. The City is required to contribute 3.5% of each participant's covered payroll. Employees are required to contribute to 3% of their covered payroll to the plan. For the year ended December 31, 2025, the City recognized pension expense of $21,035 net of forfeitures. Employees become 100% vested in the City's contributions and earnings after two years of service. Non-vested City contributions are forfeited upon termination of employment. Such forfeitures are either used to cover a portion of the pension plan's administrative expenses or are returned to the City. For the year ended December 31, 2025, the City reported no returned forfeitures used as City contributions, however $54,421 of forfeitures were received and used to offset administrative costs.

457 Deferred Compensation Plan
Effective February 2, 2024, the City has a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan is administered by Colorado Retirement Association. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary pre-tax and/or post-tax until future years. There is no City match to this plan.

Police Pension
Plan description
The Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.FPPAco.org.

Benefits provided
The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for 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 then years plus 1.25 percent of the average of the member's highest three years' based 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 for 0 percent to the higher of 3 percent of 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 retire member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

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

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

Contributions

Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribution 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 22.0 percent.

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

Contributions to the Plan from the City were $70,701 for the year ended December 31, 2025.

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

At December 31, 2025, the City reported a liability (asset) of $0 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2025. The City's proportion of the net pension liability (asset) was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined as of December 31, 2024, based upon the January 1, 2024 actuarial valuation. At December 31, 2024, the City's proportion was 0.071 percent, which was a decrease of 0.002 from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City increased pension expense by $41,676. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 171,179	$ 5,354
Net difference between projected and actual investment earnings	24,318	-
Changes of assumptions	61,263	-
Changes in proportion	16,100	133,326
Contributions subsequent to the measurement date	70,701	-
Total	$ 343,561	$ 138,680

$70,701 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease (increase) of the net pension liability (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	$ 50,376
2027	83,812
2028	(12,319)
2029	(8,784)
2030	6,136
Thereafter	14,959
	$ 134,180

Actuarial assumptions

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2025	January 1, 2024
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return, net*	7.00%	7.00%
Projected Salary Increases*	4.25% - 11.75%	4.25% - 11.75%
Cost of Living Adjustments (COLA)	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and projected with the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with MP-2020 Ultimate projection scale. The pre-retirement mortality tables are adjusted to 60%. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2023 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). 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 Real Rate of Return
Global Equity	33.0%	7.0%
Equity Long/Short	6.0%	6.2%
Private Markets	34.0%	8.8%
Fixed Income - Rate	7.0%	5.0%
Fixed Income - Credit	7.0%	6.5%
Absolute Return	9.0%	5.7%
Cash	4.0%	4.2%
Total	100.0%	

The discount rate used to measure the total pension liability (asset) was 7.00 percent. 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 SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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

Discount rate

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

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

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

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Proportionate share of SWDB net pension liability/(asset)	$ 347,625	$ -	$ -

NOTE 9 COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the City.

Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The City's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation. 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.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve of $220,000 was reported as restricted fund balance in the General Fund.

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.

Litigation
As of December 31, 2025, the City was a defendant in pending litigation. The City is providing a legal defense in consultation with its insurer, CIRSA. The City has not determined whether it will incur any uninsured loss, deductible or self-insured retention, or additional assessment from CIRSA related to this matter, and any such amounts will be recognized when they become probable and reasonable.

Claims and Judgments
The City participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2025, significant amounts of grant expenses have not been audited, but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

USDA Award
The City was awarded a USDA grant for $1,000,000 in February 2024 for a project to protect, enhance, and expand equitable urban tree canopy cover to maximize community access to human health, social, ecological and economic benefits particularly to the disadvantaged and nature-deprived areas of our community which experience low tree canopy cover, and increase access to parks and nature in our community. As of December 31, 2025, the City had incurred $125,849 in project expenditures. Work is expected to be completed in 2028.

Brownfield Project
The City was awarded an Environmental Protection Agency (EPA) award for $1,000,000 in October 2024 to plan, inventory, characterize, assess, conduct cleanup planning and community involvement activities, and remediate the Brownfield properties. As of December 31, 2025, the City had incurred $121,106 in project expenditures. Work is expected to be completed in 2029.

Golf Clubhouse Project
In August 2024, the City was awarded a $350,000 grant from the Colorado Department of Local Affairs and also received various donations to support the construction of a golf clubhouse. As of December 31, 2025, the City had incurred project expenditures totaling $599,866. Construction of the golf clubhouse was completed in May 2026.

Alleyway Project
The City was awarded a State Energy and Mineral Impact Assistance grant for $782,359 in 2023for infrastructure upgrades including sewer, water, and storm systems and concrete paving in downtown alleys. As of December 31, 2025, the City had incurred $1,136,865 in project expenditures. Work is expected to be completed in 2026.

CITY OF MONTE VISTA, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Year Ended December 31, 2024

	2025				2024
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Taxes	$ 3,134,259	$ 3,163,570	$ 3,252,589	$ 89,019	$ 3,302,540
Intergovernmental	2,086,097	349,893	493,109	143,216	954,413
Licenses and permits	17,332	34,679	37,976	3,297	36,188
Charges for service	228,993	396,251	391,294	(4,957)	389,675
Fines and forfeitures	43,531	43,532	39,937	(3,595)	38,575
Interest income	354,222	24,061	40,562	16,501	34,922
Contributions	-	57,126	125,485	68,359	554,975
Miscellaneous	-	166,243	156,995	(9,248)	106,398
TOTAL REVENUES	5,864,435	4,235,355	4,537,947	302,592	5,417,686
EXPENDITURES					
Current:					
General government	1,088,744	1,088,619	1,106,495	(17,876)	1,023,384
Public safety	1,764,843	1,764,843	1,572,671	192,172	1,568,379
Public works and airport	1,631,281	696,525	695,006	1,519	641,366
Culture and recreation	842,637	842,637	851,475	(8,838)	882,445
Capital outlay	565,264	565,264	225,735	339,529	258,665
Debt service	69,593	69,593	69,318	275	524,179
TOTAL EXPENDITURES	5,962,362	5,027,481	4,520,700	506,781	4,898,418
Excess (deficiency) revenues over expenditures	(97,927)	(792,126)	17,247	809,373	519,268
OTHER FINANCING SOURCES (USES)					
Transfers in	104,628	636,091	262,628	(373,463)	250,436
Transfers out	(6,700)	(6,700)	(163,669)	(156,969)	(68,553)
Sale of capital assets	-	-	310,242	310,242	-
Loan proceeds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	97,928	629,391	409,201	(220,190)	181,883
Net change in fund balance	1	(162,735)	426,448	589,183	701,151
Fund balance, beginning of year	3,691,499	4,067,794	4,067,794	-	3,366,643
Fund balance, end of year	$ 3,691,500	$ 3,905,059	$ 4,494,242	$ 589,183	$ 4,067,794

See notes to the required supplementary information.

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ONE CENT SALES TAX FUND
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Year Ended December 31, 2024

	2025				2024
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Taxes	$ 709,672	$ 709,672	$ 783,861	$ 74,189	$ 752,311
Intergovernmental Revenue	-	-	3,914	3,914	(25,007)
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	6,297
TOTAL REVENUES	709,672	709,672	787,775	78,103	733,601
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	171,647	171,647	118,743	52,904	144,588
Public works and airport	50,000	50,000	-	50,000	-
Culture and recreation	189,896	189,896	132,698	57,198	149,403
Capital outlay	272,479	685,457	182,921	502,536	919,272
Debt service	25,650	25,650	25,575	75	25,575
TOTAL EXPENDITURES	709,672	1,122,650	459,937	662,713	1,238,838
Excess (deficiency) revenues over expenditures	-	(412,978)	327,838	740,816	(505,237)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Lease proceeds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
Net Change in fund balance	-	(412,978)	327,838	740,816	(505,237)
Fund balance, beginning of year	336,121	641,156	641,156	-	1,146,393
Fund balance, end of year	$ 336,121	$ 228,178	$ 968,994	$ 740,816	$ 641,156

See notes to the required supplementary information.

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FPPA - STATEWIDE RETIREMENT PLAN - POLICE
For the Years Ended December 31,

	2025	2024	2023	2022	2021	2020
City's proportion of the net pension liability (asset)	0.07120%	0.07285%	0.04814%	0.05195%	0.04300%	0.03480%
City's proportionate share of the net liability (asset)	$ -	$ -	$ 42,732	$ (281,552)	$ (93,345)	$ (19,680)
City's covered payroll	$ 751,845	$ 834,795	$ 539,253	$ 418,848	$ 418,234	$ 300,889
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	7.92%	-67.22%	-22.32%	-6.54%
Plan fiduciary net position as a percentage of the total pension liability	100.00%	100.00%	100.70%	116.20%	106.70%	101.94%

Notes to Schedules: Information presented since joining FPPA. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.
** Prior to 2024 data reflects information related to FPPA Statewide Defined Benefit Plan (SWDB).

See notes to the required supplementary information.

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF CONTRIBUTIONS
FPPA - STATEWIDE RETIREMENT PLAN - POLICE
For the Years Ended December 31,

	2025	2024	2023	2022	2021	2020
Contractually required contribution	$ 70,701	$ 78,189	$ 51,155	$ 37,696	$ 35,550	$ 26,770
Contributions in relation to the contractually required contribution	(70,701)	(78,189)	(51,155)	(37,696)	(35,550)	(26,770)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 751,845	$ 834,795	$ 539,253	$ 418,848	$ 418,234	$ 300,889
Contributions as a percentage of covered payroll	9.40%	9.37%	9.49%	9.00%	8.50%	8.90%

Notes to Schedules: Information presented since joining FPPA. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

** Prior to 2024 data reflects information related to FPPA Statewide Defined Benefit Plan (SWDB).

See notes to the required supplementary information.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2025

NOTE 1 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets are legally adopted for all funds of the City. A budget is not presented for the Monte Vista Urban Renewal Authority, a component unit. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- In September, Management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer and public comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- 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 must be approved by the City Council.
- All budget appropriations lapse at year end.

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

Total expenditures exceed budgeted appropriations in the Water Fund by $17,734. This may be a violation of Colorado Revised Statutes 29-1-110(1).

NOTE 2 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

2024

- There were no changes in assumptions or other inputs this measurement period compared to prior year.

2023

- Statewide Defined Benefit Plan and the Statewide Hybrid Plan RSIhave merged to form the Statewide Retirement Plan
- Decreased the municipal bond rate 4.05% to 3.77%

2022

- Post-retirement mortality assumptions were changed to the Pub-2010 Safely Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees.
- The municipal bond rate increased from 1.84 percent to 4.05 percent.

2021 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2020 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2019

- Reduced the real return rate from 5.00% to 4.50%, combined with an unchanged inflation rate of 2.5%, reduced the nominal investment assumption from 7.50% to 7.00%.
- Increased the productivity component of the salary scale assumption from 1.50% to 1.75%. Combined with the inflation rates of 2.50%, this creates and ultimate salary assumption of 4.25%.

- Removed the blue collar adjustment for the mortality tables being used and updated the mortality projection scale from Scale BB to the ultimate rates of the MP-2017 projection scale.
- Increased disability rates for members covered by a defined benefit program.
- Slightly modified retirement rates to reflect increased retirement utilization for low service members and slightly decreased the normal retirement rates after age 55.
- Limited the amortization period used to determine the Actuarially Determined Contribution Rate such that no negative amortization results (the payment always covers at least the interest on the unfunded liability).

CITY OF MONTE VISTA, COLORADO

SUPPLEMENTARY INFORMATION

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

CITY OF MONTE VISTA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

Urban Renewal Authority Fund – This fund is used to account for the activities of the Urban Renewal Authority, a blended component unit of the City.

Kids Connection Fund – This fund is used to account for afterschool and summer day camp programs that is licensed by the State of Colorado.

Grants Fund **–** This fund is used to account for improvements to the City's municipal airport.

CAPITAL PROJECTS FUNDS

Capital Projects Fund **–** This fund is used to account for construction projects budgeted and approved by the City, which are funded by grants, donations, and transfers from other funds.

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

	SPECIAL REVENUE FUNDS					
	CONSERVATION TRUST FUND	URBAN RENEWAL AUTHORITY FUND	KIDS CONNECTION FUND	GRANTS FUND	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL
ASSETS						
Cash and investments	$ 56,312	$ 22,977	$ 148,791	$ 14,672	$ -	$ 242,752
Restricted cash and investments	-	-	-	-	175,499	175,499
Accounts receivable	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	101,925	101,925
Due from other governments	-	-	-	35,668	726,398	762,066
TOTAL ASSETS	$ 56,312	$ 22,977	$ 148,791	$ 50,340	$ 1,003,822	$ 1,282,242
LIABILITIES						
Accounts payable	$ -	$ 800	$ 2,095	$ 8,513	$ 531,007	$ 542,415
Accrued liabilities	-	-	5,929	-	-	5,929
Due to other funds	-	-	-	-	-	-
Unearned grant revenue	-	-	-	-	9,510	9,510
TOTAL LIABILITIES	-	800	8,024	8,513	540,517	557,854
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grants	-	-	-	35,177	210,053	245,230
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	35,177	210,053	245,230
FUND BALANCE						
Restricted	56,312	-	-	6,650	253,252	316,214
Committed	-	22,177	-	-	-	22,177
Assigned	-	-	140,767	-	-	140,767
TOTAL FUND BALANCE	56,312	22,177	140,767	6,650	253,252	479,158
TOTAL LIABILITIES AND FUND BALANCE	$ 56,312	$ 22,977	$ 148,791	$ 50,340	$ 1,003,822	$ 1,282,242

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

	SPECIAL REVENUE FUNDS					
	CONSERVATION TRUST FUND	URBAN RENEWAL AUTHORITY FUND	KIDS CONNECTION FUND	GRANTS FUND	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenue	48,869	-	143,218	111,392	1,226,885	1,530,364
Charges for services	-	-	4,908	-	-	4,908
Investment and interest income	204	1	-	-	2,115	2,320
Contributions	-	-	40,859	-	124,115	164,974
Miscellaneous revenue	-	250	1,075	-	-	1,325
TOTAL REVENUE	49,073	251	190,060	111,392	1,353,115	1,703,891
EXPENDITURES						
Current:						
Public works and airport	-	-	-	-	-	-
Culture and recreation	-	669	-	-	138,165	138,834
Urban/economic development	-	5,024	-	-	-	5,024
Kids connection	-	-	277,970	-	-	277,970
Capital outlay	-	-	-	160,252	1,898,885	2,059,137
TOTAL EXPENDITURES	-	5,693	277,970	160,252	2,037,050	2,480,965
Excess (deficiency) of revenues over expenditures	49,073	(5,442)	(87,910)	(48,860)	(683,935)	(777,074)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	5,446	88,000	13,683	411,119	518,248
Transfers out	(53,628)	-	-	-	-	(53,628)
TOTAL OTHER FINANCING SOURCES (USES)	(53,628)	5,446	88,000	13,683	411,119	464,620
Net change in fund balances	(4,555)	4	90	(35,177)	(272,816)	(312,454)
Fund balance, Beginning of Year as previously stated	60,867	22,173	140,677	-	526,068	749,785
Change within financial reporting entity						
(major to nonmajor)	-	-	-	41,827	-	41,827
(nonmajor to major)	-	-	-	-	-	-
Fund balance, Beginning of Year restated	60,867	22,173	140,677	41,827	526,068	791,612
Fund balance, End of Year	$ 56,312	$ 22,177	$ 140,767	$ 6,650	$ 253,252	$ 479,158

CITY OF MONTE VISTA, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CONSERVATION TRUST FUND

For the Year Ended December 31, 2025

With Comparative Actual Totals for the Year Ended December 31, 2024

	2025				2024
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Intergovernmental revenue					
State lottery	$ 53,628	$ 47,628	$ 48,869	$ 1,241	$ 50,901
Contribution Revenue	-	-	-	-	-
Investment income	-	-	204	204	175
TOTAL REVENUES	53,628	47,628	49,073	1,445	51,076
EXPENDITURES					
Current:					
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
Excess (deficiency) revenues over expenditures	53,628	47,628	49,073	1,445	51,076
OTHER FINANCING SOURCES (USES)					
Transfers Out	(53,628)	(53,628)	(53,628)	-	(52,436)
TOTAL OTHER FINANCING SOURCES (USES)	(53,628)	(53,628)	(53,628)	-	(52,436)
Net change in fund balance	-	(6,000)	(4,555)	1,445	(1,360)
Fund Balance, Beginning of Year	57,308	57,308	60,867	3,559	62,227
Fund Balance, End of Year	$ 57,308	$ 51,308	$ 56,312	$ 5,004	$ 60,867

CITY OF MONTE VISTA, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

URBAN RENEWAL AUTHORITY FUND

For the Year Ended December 31, 2025

With Comparative Actual Totals for the Year Ended December 31, 2024

	2025				2024
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Intergovernmental revenue	$ -	$ -	$ -	$ -	$ -
Investment and interest income	-	-	1	1	-
Miscellaneous revenue	250	250	250	-	251
TOTAL REVENUES	250	250	251	1	251
EXPENDITURES					
Current:					
Culture and recreation	1,400	1,400	669	731	1,188
Urban/economic development	5,550	5,550	5,024	526	4,816
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	6,950	6,950	5,693	1,257	6,004
Excess (deficiency) revenues over expenditures	(6,700)	(6,700)	(5,442)	1,258	(5,753)
OTHER FINANCING SOURCES (USES)					
Transfers In	6,700	6,700	5,446	(1,254)	5,753
TOTAL OTHER FINANCING SOURCES (USES)	6,700	6,700	5,446	(1,254)	5,753
Net change in fund balance	-	-	4	4	-
Fund balance, beginning of year	22,753	22,753	22,173	(580)	22,173
Fund balance, end of year	$ 22,753	$ 22,753	$ 22,177	$ (576)	$ 22,173

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
KIDS CONNECTION FUND
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Year Ended December 31, 2024

	2025				2024
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Intergovernmental revenue	$ 153,800	$ 163,600	$ 143,218	$ (20,382)	$ 106,863
Charges for services	5,275	5,275	4,908	(367)	7,364
Contribution	76,635	76,635	40,859	(35,776)	82,420
Miscellaneous revenue	1,000	1,000	1,075	75	600
TOTAL REVENUES	236,710	246,510	190,060	(56,450)	197,247
EXPENDITURES					
Current:					
Kids connection	236,710	280,006	277,970	2,036	260,040
TOTAL EXPENDITURES	236,710	280,006	277,970	2,036	260,040
OTHER FINANCING SOURCES (USES)					
Transfers In	-	20,000	88,000	68,000	62,800
TOTAL OTHER FINANCING SOURCES (USES)	-	20,000	88,000	68,000	62,800
Net change in fund balance	-	(13,496)	90	13,586	7
Fund balance, beginning of year	140,670	140,670	140,677	7	140,670
Fund balance, end of year	$ 140,670	$ 127,174	$ 140,767	$ 13,593	$ 140,677

CITY OF MONTE VISTA, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GRANTS FUND

For the Year Ended December 31, 2025

With Comparative Actual Totals for the Year Ended December 31, 2024

	2025				2024
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Intergovernmental revenue	$ -	$ 103,637	$ 111,392	$ 7,755	$ 950,059
TOTAL REVENUES	-	103,637	111,392	7,755	950,059
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public works and airport	-	-	-	-	-
Capital outlay	-	160,252	160,252	-	1,000,260
TOTAL EXPENDITURES	-	160,252	160,252	-	1,000,260
Excess (deficiency) revenues over expenditures	-	(56,615)	(48,860)	7,755	(50,201)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	56,615	13,683	(42,932)	50,201
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	56,615	13,683	(42,932)	50,201
Net change in fund balance	-	-	(35,177)	(35,177)	-
Fund balance, beginning of year	41,827	41,827	41,827	-	41,827
Fund Balance, end of Year	$ 41,827	$ 41,827	$ 6,650	$ (35,177)	$ 41,827

See notes to the required supplementary information

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Year Ended December 31, 2024

	2025				2024
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Intergovernmental revenue	$ 3,426,491	$ 3,426,491	$ 1,226,885	$ (2,199,606)	$ 317,783
Contributions	534,376	534,376	124,115	(410,261)	353,604
Interest income	3,532	3,532	2,115	(1,417)	2,467
Miscellaneous revenue	-	-	-	-	-
TOTAL REVENUES	3,964,399	3,964,399	1,353,115	(2,611,284)	673,854
EXPENDITURES					
Current:					
Public works and airport	50,000	50,000	-	50,000	-
Culture and recreation	250,000	250,000	138,165	111,835	1,223
Debt issuance costs	-	-	-	-	-
Capital outlay	3,854,399	3,854,399	1,898,885	1,955,514	423,712
Debt service	-	-	-	-	-
TOTAL EXPENDITURES	4,154,399	4,154,399	2,037,050	2,117,349	424,935
Excess (deficiency) revenues over expenditures	(190,000)	(190,000)	(683,935)	(493,935)	248,919
OTHER FINANCING SOURCES (USES)					
Transfers in	190,000	190,000	411,119	221,119	140,216
Transfers out	-	-	-	-	-
Lease proceeds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	190,000	190,000	411,119	221,119	140,216
Net change in fund balance	-	-	(272,816)	(272,816)	389,135
Fund balance, beginning of year	165,709	279,078	526,068	246,990	136,933
Fund balance, end of year	$ 165,709	$ 279,078	$ 253,252	$ (25,826)	526,068

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Year Ended December 31, 2024

	2025				2024
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Taxes					
Sales taxes	$ 716,313	$ 791,019	$ 783,861	$ (7,158)	$ 752,311
Interest income	-	-	7,161	7,161	9,169
TOTAL REVENUES	716,313	791,019	791,022	3	761,480
EXPENDITURES					
Capital Outlay	113,835	127,724	33,686	94,038	398,716
Debt service					
Principal payments	235,858	235,858	281,911	(46,053)	273,627
Interest and fiscal charges	31,349	31,349	34,131	(2,782)	42,766
TOTAL EXPENDITURES	381,042	394,931	349,728	45,203	715,109
Excess (deficiency) revenues over expenditures	335,271	396,088	441,294	45,206	46,371
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(190,000)	(309,375)	(354,579)	(45,204)	(190,417)
TOTAL OTHER FINANCING SOURCES (USES)	(190,000)	(309,375)	(354,579)	(45,204)	(190,417)
Net change in fund balance	145,271	86,713	86,715	2	(144,046)
Fund balance, beginning of year	969,377	969,377	1,143,238	173,861	1,287,284
Fund balance, end of year	$1,114,648	$1,056,090	$1,229,953	$ 173,863	$1,143,238

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
WATER FUND
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Year Ended December 31, 2024

	2025				2024
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Charges for services	$ 1,046,076	$ 996,076	$ 1,033,064	$ 36,988	$ 1,007,633
Tap fees	13,640	13,640	6,500	(7,140)	24,300
Grant proceeds	-	-	-	-	13,703
Investment income	18,880	18,880	24,311	5,431	26,850
Other revenues	81,005	81,005	49,256	(31,749)	73,295
TOTAL REVENUES	1,159,601	1,109,601	1,113,131	3,530	1,145,781
EXPENSES					
Operations and maintenance	827,906	852,250	837,849	14,401	739,065
Capital outlay	108,054	108,054	111,776	(3,722)	55,709
Debt service					
Principal	40,463	40,463	68,895	(28,432)	67,450
Interest	60,622	60,622	60,603	19	61,808
Transfers out	104,000	104,000	104,000	-	99,000
TOTAL EXPENSES	1,141,045	1,165,389	1,183,123	(17,734)	1,023,032
Net income, budget basis	$ 18,556	$ (55,788)	(69,992)	$ (14,204)	122,749
GAAP BASIS ADJUSTMENTS					
Capital Outlay			111,776		55,709
Amortization of Water Rights			(21,000)		(21,000)
Depreciation/Amortization			(126,579)		(116,296)
Principal Paid on Long-Term Debt			68,895		67,450
Net income, GAAP basis			(36,900)		108,612
Net position, beginning of year			2,619,704		2,511,092
Net position, end of year			$ 2,582,804		$ 2,619,704

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
SEWER FUND
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Year Ended December 31, 2024

	2025				2024
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Charges for services	$ 1,863,521	$ 1,863,521	$ 2,053,856	$ 190,335	$ 1,932,282
Tap fees	16,632	16,632	8,000	(8,632)	29,500
Grant proceeds	268,464	271,157	112,901	(158,256)	239,095
Investment income	5,823	5,823	9,632	3,809	9,347
Loan proceeds	-	-	-	-	-
Miscellaneous	512	512	200	(312)	2,183
TOTAL REVENUES	2,154,952	2,157,645	2,184,589	26,944	2,212,407
EXPENSES					
Operations and maintenance	1,975,517	1,975,516	973,939	1,001,577	805,673
Capital outlay	-	-	348,510	(348,510)	515,008
Debt service					
Principal	73,579	73,579	90,436	(16,857)	90,400
Interest	3,550	3,550	3,361	189	3,490
Transfers out	94,314	105,000	105,000	-	99,000
TOTAL EXPENSES	2,146,960	2,157,645	1,521,246	636,399	1,513,571
Net income, budget basis	$ 7,992	$ -	663,343	$ 663,343	698,836
GAAP BASIS ADJUSTMENTS					
Capital Outlay			348,510		515,008
Depreciation/Amortization			(250,032)		(246,766)
Principal Paid on Long-Term Debt			90,436		90,400
Net income, GAAP basis			852,257		1,057,478
Net position, beginning of year			5,941,923		4,884,445
Net position, end of year			$ 6,794,180		$ 5,941,923

LOCAL HIGHWAY FINANCE REPORT

THIS INFORMATION FROM THE RECORDS OF:	**PREPARED BY:**		**STATE:** COLORADO
City of Monte Vista, Colorado	Judy Phillips, Finance Director	jphillips@ci.monte-vista.co.us	**REPORT YEAR ENDING DATE(mm/yyyy):** 12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments	73,829.00	a. Interest on investments	9,274.00
b. Non-property Taxes and Assessments Imposts	968,452.00	b. Other Misc. Local Receipts	5,063.00
c. Total (a + b)	$ 1,042,281.00	**c. Total (a + b)**	$ 14,337.00

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	175,344.00	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	616,932.00		
c. Total (a + b)	$ 616,932.00		
4. Total (1 + 2 + 3c)	$ 792,276.00	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	66,856.67
c. Construction Costs	939,007.37
d. Total Capital Outlay (a+ b + c)	$ 1,005,864.04

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 1,042,281.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 14,337.00
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 1,056,618.00
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 792,276.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 1,848,894.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 1,005,864.04
2. Maintenance:	297,332.59
3. Road and Street Services:	
a. Snow and Ice Removal	5,472.81
b. Other & Traffic Control Operations	305.95
c. Total (a + b)	$ 5,778.76
4. General Administration & Miscellaneous	190,623.83
5. Highway Law Enforcement and Safety	472,725.71
6. Total (1 through 5)	$ 1,972,324.93
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	24,138.62
b. Redemption	181,610.57
c. Total (a + b)	$ 205,749.19
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ 205,749.19
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 2,178,074.12

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	756,701	$ -	$ 181,610.57	$ 575,090.40
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)		$ -	$ -	$ -