City of Victor, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2025

HINKLE & COMPANY PC
Strategic Business Advisors

City of Victor, Colorado
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December 31, 2025

Financial Section

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Victor, Colorado
Victor, Colorado

Report on the Audit of the Financial Statements

Opinions
We have audited the financial statements of the governmental activities, the business-type activities, and each major fund, of the City of Victor, Colorado (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Other Information

Management is responsible for the other information included in the Supplementary Information and the local highway finance report, as listed in the table of contents. The other information comprises the Supplementary Information and the local highway finance report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Hinkle & Company, PC

Englewood, Colorado
July 23, 2026

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

FINANCIAL HIGHLIGHTS

- The City of Victor had a Net Position of $19,897,528 at December 31, 2025.
- The Net Position of the City increased by $1,568,039 (8.5%) during 2025.
- At December 31, 2025, the City's governmental funds reported combined ending fund balances of $3,478,837. This marked a decrease of $179,042 (-4.9%) from the prior year's ending governmental fund balances due primarily to transfers to the Utility Enterprise Fund for capital improvements.
- The General Fund increased its Fund Balance by $217,239 (27.2%) during 2025, primarily due to a transfer of $815,000 from the Utility Enterprise Fund for General Fund operating expenses.
- The Net Position of the City's Utility Enterprise Fund increased by $1,568,039 (17.5%) primarily due to operating income and system development fee.

USING THIS ANNUAL REPORT

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

Government-wide financial statements

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

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

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee leave).

Both government-wide financial statements distinguish functions of the City of Victor that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety (police and fire), public works, culture and recreation, and special events. The business-type activities of the City include water, sewer, and refuse disposal operations.

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

Governmental Funds -- Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The unrestricted balances left at year-end are available for spending in future years. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide detailed short-term views of cash, operations, and basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The *Reconciliation of Balance Sheet of the Governmental Funds to the Statement of Net Position* and the *Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities* provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The City of Victor maintains three individual governmental funds. Information for these funds is presented by fund name in the *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for the two governmental funds that meet the criteria to be designated as a major fund (General Fund and Capital Projects Fund). The City’s non-major fund (Conservation Trust Fund) is also displayed.

Proprietary Funds -- The City's utility services are reported in proprietary funds; they focus on overall economic position rather than year-end fund balances. Enterprise fund is the type of proprietary fund used to account for the City’s Utility Enterprise Fund. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements, only in a bit more detail.

Notes to the Financial Statements

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

Other information

Budgetary comparison statements or schedules to demonstrate each fund’s compliance with adopted budgets and appropriations are included following the “Notes to Financial Statements” in the Required Supplementary Information section for the General Fund and any major Special Revenue Funds (none in 2025), and in the Supplementary Information section for all other funds. For the year ended December 31, 2025, all funds had budgeted expenditures/expenses.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Victor, assets exceeded liabilities and deferred inflows of resources by $19,897,528 at the close of 2025. As shown below, the City's financial position increased by 8.5% during 2025.

City of Victor's Condensed Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 3,623,566	$ 3,901,995	$ 3,327,330	$ 1,731,078	$ 6,950,896	$ 5,633,073
Capital assets, net	7,755,011	7,294,171	6,317,419	5,691,162	14,072,430	12,985,333
Total assets	$ 11,378,577	$ 11,196,166	$ 9,644,749	$ 7,422,240	$ 21,023,326	$ 18,618,406
Current liabilities	$ 52,609	$ 157,059	$ 31,282	$ 24,455	$ 83,891	$ 181,514
Noncurrent Liabilities	23,900	17,571	925,887	2,775	949,787	20,346
Total liabilities	$ 76,509	$ 174,630	$ 957,169	$ 27,230	$ 1,033,678	$ 201,860
Deferred inflows of resources	$ 92,120	$ 87,057	$ -	$ -	$ 92,120	$ 87,057
Net position:						
Net investment in capital assets	$ 7,755,011	$ 7,294,171	$ 5,408,419	$ 5,691,162	$ 13,163,430	$ 12,985,333
Restricted	122,211	84,845	-	-	122,211	84,845
Unrestricted	3,332,726	3,555,463	3,279,161	1,703,848	6,611,887	5,259,311
Total net position	$ 11,209,948	$ 10,934,479	$ 8,687,580	$ 7,395,010	$ 19,897,528	$ 18,329,489

Most (66.2%) of the City's total net position at December 31, 2025 is represented by its net investment in capital assets (e.g. land, infrastructure, buildings, construction in progress, machinery, and equipment). The City uses these capital assets to provide services to residents and businesses; consequently, these assets are not available generally for future spending.

Approximately 0.6% ($122,211) of the City's total net position at the end of 2025 represents resources that are subject to external restrictions on how they may be used. They are fund balance restrictions for state-shared lottery revenues ($46,211) restricted for parks and certain recreation projects and $76,000 for emergencies.

The remaining amount of the City's total net position at the end of 2025 ($6,611,887) represents 33.2% of total net position and may be used to meet the City's other ongoing obligations to residents and creditors.

The following chart displays the changes in net position experienced by the City over the last two fiscal years. An analysis of these changes follows for both its Governmental and Business-type Activities.

City of Victor's Condensed Changes in Net Position

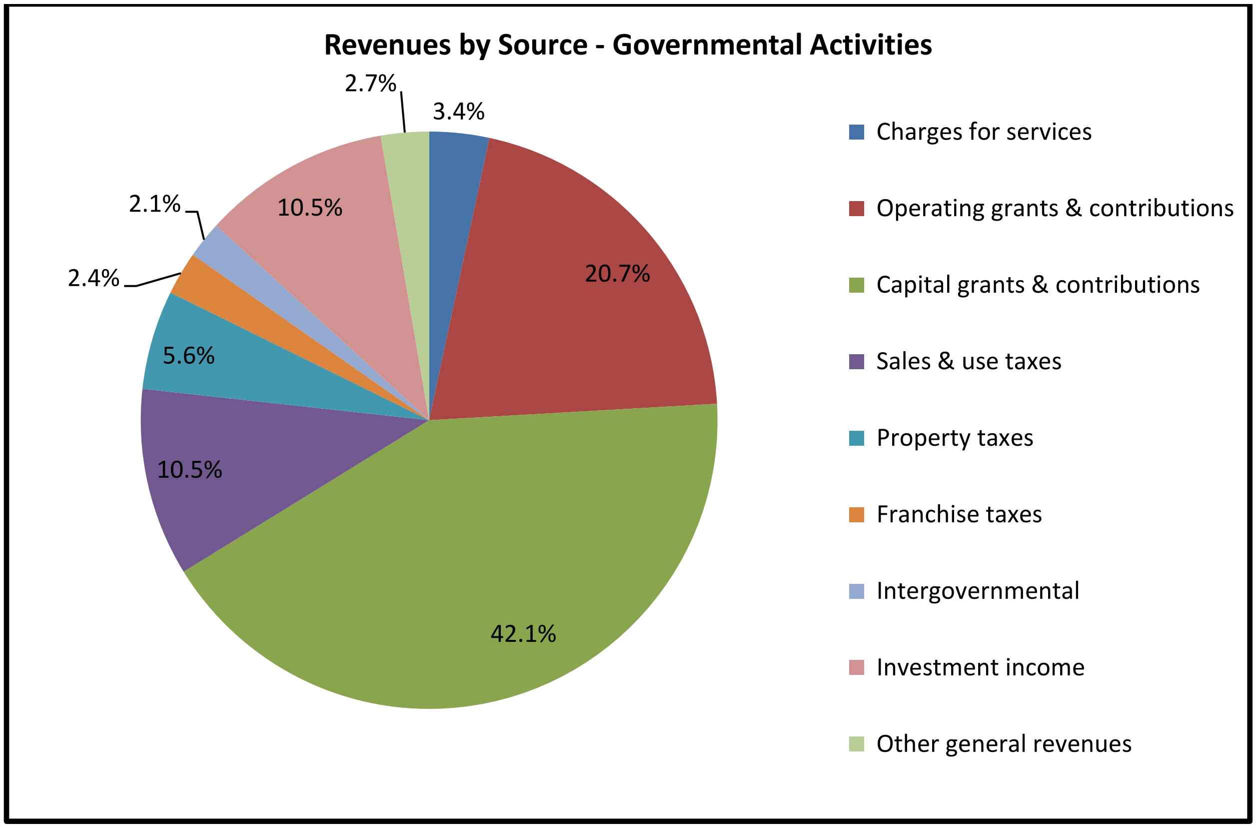
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues:						
Charges for services	$ 59,001	$ 30,875	$ 2,035,575	$ 2,239,037	$ 2,094,576	$ 2,269,912
Operating grants & contributions	365,866	569,319	-	-	365,866	569,319
Capital grants & contributions	743,013	57,484	813,072	34,775	1,556,085	92,259
General revenues:						
Sales & use taxes	185,696	166,403	-	-	185,696	166,403
Property taxes	98,030	92,312	-	-	98,030	92,312
Franchise taxes	42,849	25,896	-	-	42,849	25,896
Intergovernmental	36,351	42,498	-	-	36,351	42,498
Sale of Capital Assets	-	15,726	-	(6,408)	-	9,318
Investment income	185,790	163,430	892	674	186,682	164,104
Other general revenues	47,461	57,775	-	-	47,461	57,775
Total revenues	$ 1,764,057	$ 1,221,718	$ 2,849,539	$ 2,268,078	$ 4,613,596	$ 3,489,796
Program expenses:						
General government	$ 869,915	$ 725,888	$ -	$ -	$ 869,915	$ 725,888
Public safety	304,123	534,820	-	-	304,123	534,820
Public works	468,677	379,532	-	-	468,677	379,532
Community development	24,752	1,439	-	-	24,752	1,439
Culture & recreation	96,607	83,766	-	-	96,607	83,766
Raw water	-	-	333,790	375,652	333,790	375,652
Water	-	-	485,373	434,277	485,373	434,277
Wastewater	-	-	462,320	471,596	462,320	471,596
Total expenses	$ 1,764,074	$ 1,725,445	$ 1,281,483	$ 1,281,525	$ 3,045,557	$ 3,006,970
Transfers In/(Out)	$ 275,486	$ 1,040,205	$ (275,486)	$ (1,040,205)	$ -	$ -
Increase/(decrease)in net position	$ 275,469	$ 536,478	$ 1,292,570	$ (53,652)	$ 1,568,039	$ 482,826
Net Position, Beginning	10,934,479	10,398,001	7,395,010	7,448,662	18,329,489	17,846,663
Net Position, Ending	$ 11,209,948	$ 10,934,479	$ 8,687,580	$ 7,395,010	$ 19,897,528	$ 18,329,489

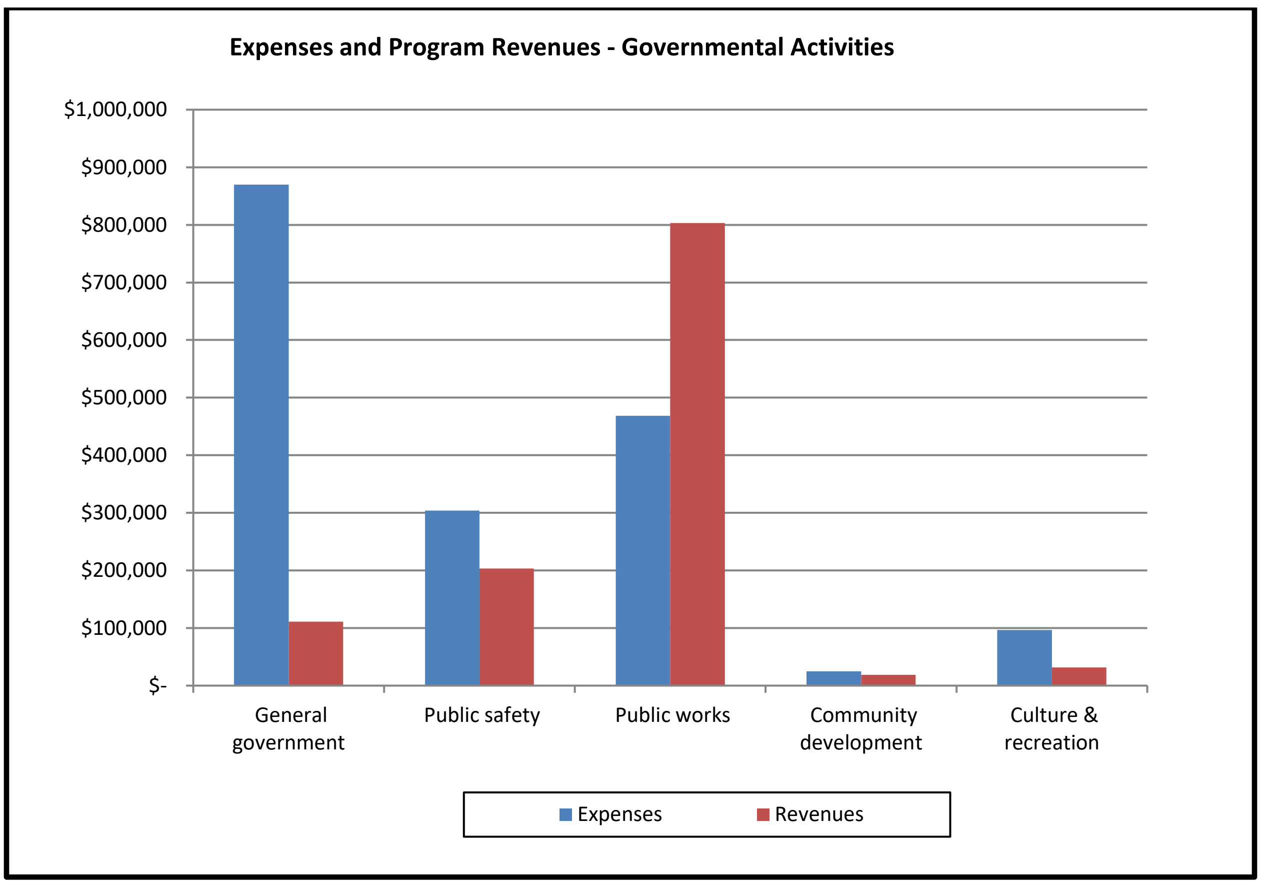
Governmental Activities

The City's Governmental Activities net position experienced an increase of $275,469 (36.1%) during 2025. Key areas of change among revenues and expenses were as follows:

- Operating and Capital grants and contributions collectively increased by $482,076 (76.8%).
- General Government expenses increased by $144,027 (19.8%).
- Public Works expenses increased by $89,145 (23.5%).
- Community Development expenses increased by $23,313.
- Net transfers from Business-type Activities decreased by $764,719.

The following two charts illustrate the Governmental Activities revenues and expenses. As in most municipalities, the expenses of governmental activities are not fully supported through program revenues but are largely financed through taxes.

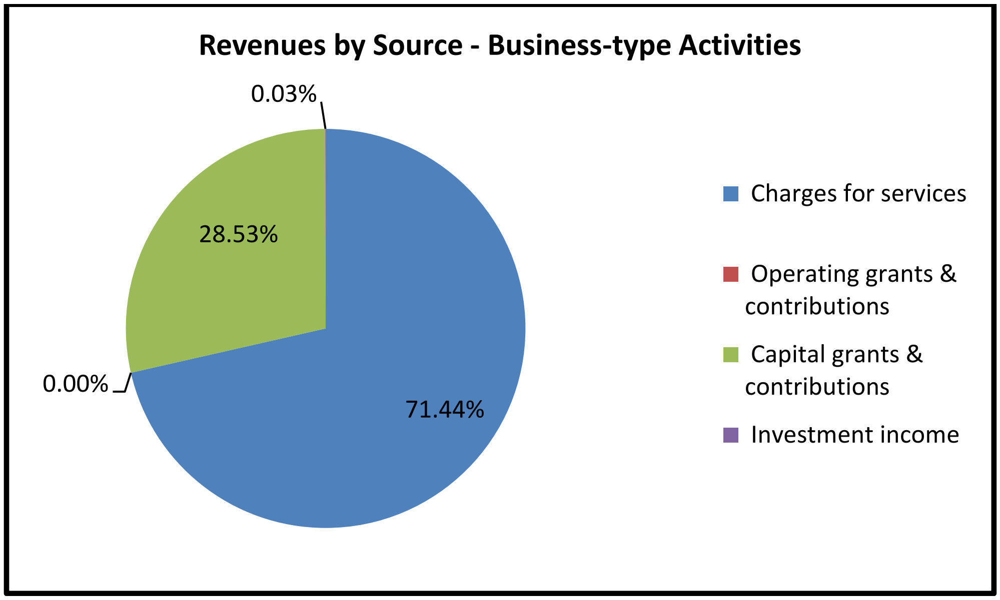

Revenues by Source - Governmental Activities
3.4%
20.7%
42.1%
10.5%
5.6%
2.4%
2.1%
10.5%
2.7%
Charges for services
Operating grants & contributions
Capital grants & contributions
Sales & use taxes
Property taxes
Franchise taxes
Intergovernmental
Investment income
Other general revenues

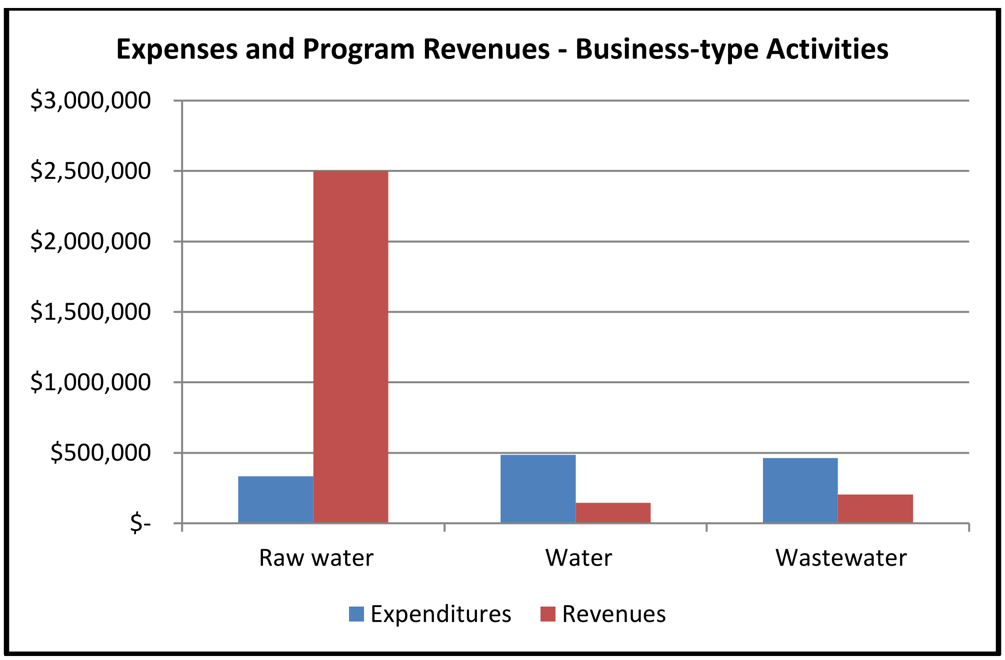

Expenses and Program Revenues - Governmental Activities
$1,000,000
$900,000
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$-
General government
Public safety
Public works
Community development
Culture & recreation
Expenses
Revenues

Business-type Activities
The City's Business-type Activities net position increased of $1,293,570 (17.5%) during 2025. Key areas of change among revenues and expenses were as follows:

- Charges for services decreased by $203,462 (-9.1%)
- Capital grants and contributions increased by $778,297 due largely to capital contributions from a local mine.
- Net transfers to Governmental Activities decreased by $764,719.

The following two charts illustrate the Business-type Activities revenues and expenses for 2025.

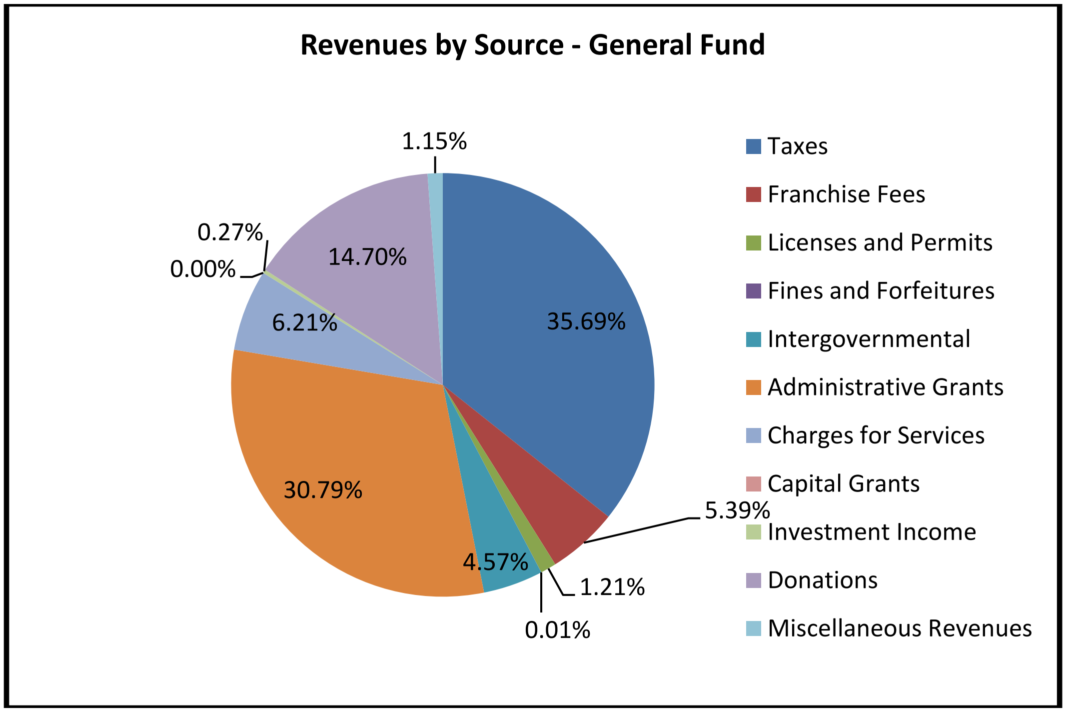


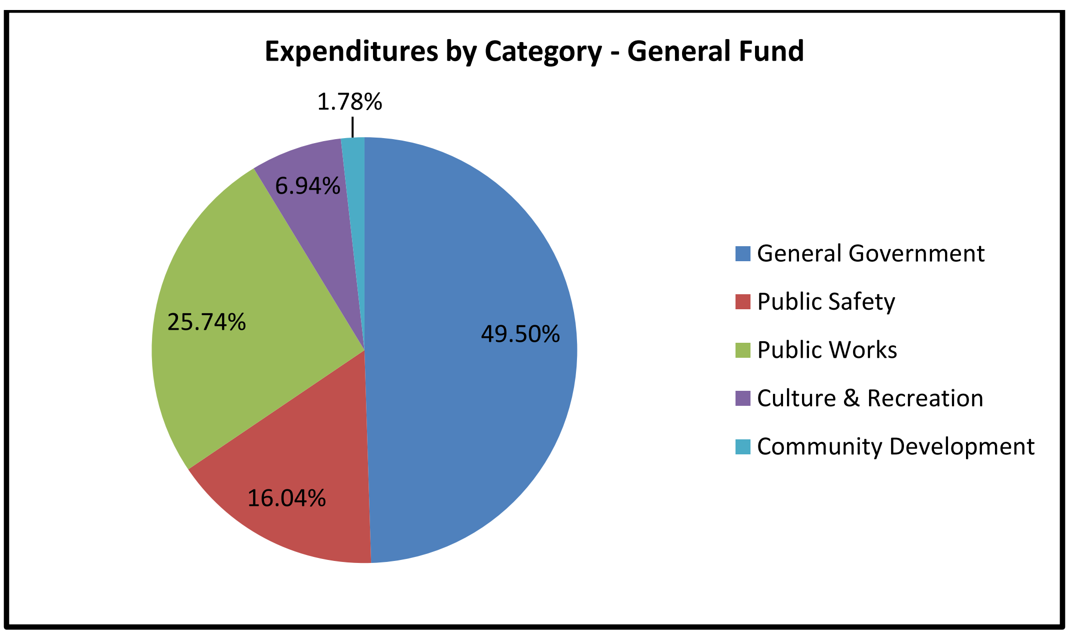


THE CITY'S FUNDS

As noted earlier, the City of Victor uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (unrestricted fund balance) in each fund are shown at year end. The City's major funds are discussed below.

General Fund. The General Fund is the chief operating fund of the City of Victor. It accounts for all the general services provided by the City. At the end of 2025, the fund balance of the General Fund totaled \$1,016,754. This was a \$217,239 (21.4%) increase from 2024. Expenditures in 2025 exceed revenues by \$597,761 (75.2%) but the loss was offset by transfers of \$815,000 from the Utility Fund.





Utility Fund

CAPITAL ASSETS AND DEBT ADMINISTRATION

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City’s 2026 Budget anticipates that the General Fund balance will remain at current levels. The

REQUESTS FOR INFORMATION

This financial report is designed to provide the City of Victor's residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the funds it receives and the assets it maintains. If you have questions about this report, or should you desire additional financial information, contact the City's Management at City of Victor, 1360 Greene Street, Victor, CO 81433 or call City Hall at (970) 387-5522.

Basic Financial Statements

City of Victor, Colorado

Statement of Net Position
December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	$ 3,205,833	$ 3,110,600	$ 6,316,433
Restricted Cash and Investments	49,534	-	49,534
Accounts Receivable	275,642	195,649	471,291
Property Taxes Receivable	92,120	-	92,120
Due from Other Governments	-	21,081	21,081
Prepaid Expenses	437	-	437
Capital Assets, Not Being Depreciated	232,662	451,981	684,643
Capital Assets, Net of Accumulated Depreciation	7,522,349	5,865,438	13,387,787
Total Assets	11,378,577	9,644,749	21,023,326
Liabilities			
Accounts Payable	37,833	20,142	57,975
Accrued Liabilities	12,376	10,193	22,569
Deposits	2,400	-	2,400
Accrued Interest Payable	-	947	947
Noncurrent Liabilities			
Due Within One Year	2,390	41,976	44,366
Due in More Than One Year	21,510	883,911	905,421
Total Liabilities	76,509	957,169	1,033,678
Deferred Inflows of Resources			
Property Taxes	92,120	-	92,120
Total Deferred Inflows of Resources	92,120	-	92,120
Net Position			
Net Investment in Capital Assets	7,755,011	5,408,419	13,163,430
Restricted for:			
Emergencies	76,000	-	76,000
Conservation Trust	46,211	-	46,211
Unrestricted	3,332,726	3,279,161	6,611,887
Total Net Position	$ 11,209,948	$ 8,687,580	$ 19,897,528

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

		Program Revenues			Net (Expense) Revenue & Change in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	$ 869,913	$ 51,905	$ 59,288	$ -	$ (758,720)	$ -	$ (758,720)
Public Safety	304,123	45	203,365	-	(100,713)	-	(100,713)
Public Works	468,678	-	60,118	743,013	334,453	-	334,453
Community Development	24,752	5,501	13,089	-	(6,162)	-	(6,162)
Culture and Recreation	96,607	1,550	30,006	-	(65,051)	-	(65,051)
Total Governmental Activities	1,764,073	59,001	365,866	743,013	(596,193)	-	(596,193)
Business-Type Activities							
Raw Water	333,790	1,729,264	-	771,759	-	2,167,233	2,167,233
Water	485,373	119,656	-	24,372	-	(341,345)	(341,345)
Wastewater	462,320	186,655	-	16,941	-	(258,724)	(258,724)
Total Business-Type Activities	1,281,483	2,035,575	-	813,072	-	1,567,164	1,567,164
Total Primary Government	$ 3,045,556	$ 2,094,576	$ 365,866	$ 1,556,085	(596,193)	1,567,164	970,971
		General Revenues					
		Property Taxes			89,761	-	89,761
		Sales and Use Taxes			185,696	-	185,696
		Specific Ownership Taxes			8,269	-	8,269
		Franchise Taxes			42,849	-	42,849
		Intergovernmental Revenues not Restricted to Specific Programs			36,351	-	36,351
		Investment Income			185,789	892	186,681
		Miscellaneous			47,461	-	47,461
		Transfers			275,486	(275,486)	-
		Total General Revenues and Transfers			871,662	(274,594)	597,068
		Change in Net Position			275,469	1,292,570	1,568,039
		Net Position, *Beginning of Year*			10,934,479	7,395,010	18,329,489
		Net Position, *End of Year*			$ 11,209,948	$ 8,687,580	$ 19,897,528

City of Victor, Colorado
Balance Sheet
Governmental Funds
December 31, 2025

	General	Capital Projects	*Nonmajor Funds* Conservation Trust Fund	Total
Assets				
Cash and Investments	$ 767,515	$ 2,438,318	$ -	$ 3,205,833
Restricted Cash and Investments	3,323	-	46,211	49,534
Property Taxes Receivable	92,120	-	-	92,120
Accounts Receivable	275,642	-	-	275,642
Prepaid Expenses	437	-	-	437
Total Assets	$ 1,139,037	$ 2,438,318	$ 46,211	$ 3,623,566
Liabilities				
Accounts Payable	$ 15,387	$ 22,446	$ -	$ 37,833
Accrued Liabilities	12,376	-	-	12,376
Deposits	2,400	-	-	2,400
Total Liabilities	30,163	22,446	-	52,609
Deferred Inflows of Resources				
Property Taxes	92,120	-	-	92,120
Fund Balances				
Restricted for:				
Emergencies	76,000	-	-	76,000
Conservation Trust Fund	-	-	46,211	46,211
Committed to:				
Capital Projects	-	2,415,872	-	2,415,872
Unassigned	940,754	-	-	940,754
Total Fund Balances	1,016,754	2,415,872	46,211	3,478,837
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 1,139,037	$ 2,438,318	$ 46,211	$ 3,623,566

See Notes to the Financial Statements.

City of Victor, Colorado

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

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

Total Fund Balances of Governmental Funds	$ 3,478,837
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	
Capital Asset Additions	12,336,355
Accumulated Depreciation	(4,581,344)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Accrued Compensated Absences	(23,900)
Total Net Position of Governmental Activities	$ 11,209,948

See Notes to the Financial Statements.

City of Victor, Colorado

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

	General	Capital Projects	*Nonmajor Funds* Conservation Trust Fund	Total
Revenues				
Taxes	$ 283,726	$ -	$ -	$ 283,726
Franchise Fees	42,849	-	-	42,849
Charges for Services	49,329	-	-	49,329
Licenses and Permits	9,627	-	-	9,627
Fines and Forfeitures	45	-	-	45
Intergovernmental	36,351	-	4,366	40,717
Administrative Grants	244,682	706,984	-	951,666
Donations	116,818	-	-	116,818
Capital Grants	-	36,029	-	36,029
Investment Income	2,176	183,613	-	185,789
Other Income	9,156	38,305	-	47,461
Total Revenues	794,759	964,931	4,366	1,764,056
Expenditures				
Current				
General Government				
Legislative	80,531	-	-	80,531
Administrative	376,897	-	-	376,897
Revitalization and Marketing	231,920	-	-	231,920
Public Safety				
Police Department	158,407	-	-	158,407
Fire Department	64,931	-	-	64,931
Public Works	358,475	30,597	-	389,072
Community Development and Planning	24,752	-	-	24,752
Parks and Cemetery	96,607	-	-	96,607
Capital Outlay	-	795,467	-	795,467
Total Expenditures	1,392,520	826,064	-	2,218,584
Excess Revenues Over (Under) Expenditures	(597,761)	138,867	4,366	(454,528)
Other Financing Sources (Uses)				
Transfers In	815,000	425,000	-	1,240,000
Transfers Out	-	(964,514)	-	(964,514)
Total Other Financing Sources (Uses)	815,000	(539,514)	-	275,486
Net Change in Fund Balances	217,239	(400,647)	4,366	(179,042)
Fund Balances, *Beginning of Year*	799,515	2,816,519	41,845	3,657,879
Fund Balances, *End of Year*	$ 1,016,754	$ 2,415,872	$ 46,211	$ 3,478,837

See Notes to the Financial Statements.

City of Victor, Colorado

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

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

Net Change in Fund Balances of Governmental Funds	$	(179,042)
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Depreciation Expense		(334,627)
Capital Outlays		795,467
Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		
Change in Accrued Compensated Absences		(6,329)
Change in Net Position of Governmental Activities	$	275,469

City of Victor, Colorado

Statement of Net Position
Proprietary Funds
December 31, 2025

	Utility Enterprise
Assets	
Current Assets	
Cash and Investments	$ 3,110,600
Utility Fees Receivable	195,649
Other Receivables	21,081
Total Current Assets	3,327,330
Noncurrent Assets	
Capital Assets, *Not Being Depreciated*	451,981
Capital Assets, *Net of Accumulated Depreciation*	5,865,438
Total Noncurrent Assets	6,317,419
Total Assets	9,644,749
Liabilities	
Current Liabilities	
Accounts Payable	20,632
Accrued Liabilities	9,703
Accrued Interest Payable	947
Current Portion of Long-Term Debt	
Note Payable	40,287
Compensated Absences Payable	1,689
Long-Term Portion of Long-Term Debt	
Note Payable	868,713
Compensated Absences Payable	15,198
Total Liabilities	957,169
Net Position	
Net Investment in Capital Assets	5,408,419
Unrestricted	3,279,161
Total Net Position	$ 8,687,580

See Notes to the Financial Statements.

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

	Utility Enterprise
Operating Revenues	
Charges for Services	$ 2,035,575
Other	8,090
Total Operating Revenues	2,043,665
Operating Expenses	
General and Administration	443,740
Operations and Maintenance	
Raw Water	231,023
Treated Water	142,970
Wastewater	91,871
Depreciation	363,257
Total Operating Expenses	1,272,861
Operating Income (Loss)	770,804
Nonoperating Revenues (Expenses)	
Investment Income	892
Interest Expense	(8,622)
Total Nonoperating Revenues (Expenses)	(7,730)
Net Income (Loss) Before Transfers and Capital Contributions	763,074
System Development Fees	804,982
Transfers In	964,514
Transfers Out	(1,240,000)
Change in Net Position	1,292,570
Net Position, *Beginning of Year*	7,395,010
Net Position, *End of Year*	$ 8,687,580

City of Victor, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Utility Enterprise
Cash Flows from Operating Activities	
Cash Received from Customers	$ 1,992,154
Cash Payments to Employees	(527,510)
Cash Payments to Suppliers	(362,102)
Net Cash Provided (Used) by Operating Activities	1,102,542
Cash Flows from Nonoperating Capital Financing Activities	
Transfers Out	(1,240,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(1,240,000)
Cash Flows from Capital and Related Financing Activities	
Proceeds from Note Payable	909,000
System Development Fees Received	804,982
Transfers from Capital Improvement Fund	964,514
Interest Paid	(7,675)
Capital Asset Additions	(989,514)
Net Cash Provided (Used) by Capital and Related Financing Activities	1,681,307
Cash Flow from Investing Activities	
Interest Received	892
Net Cash Provided (Used) by Investing Activities	892
Net Change in Cash and Cash Equivalents	1,544,741
Cash and Cash Equivalents, *Beginning of Year*	1,565,859
Cash and Cash Equivalents, *End of Year*	$ 3,110,600

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	$ 770,804
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation	363,257
Changes in Assets and Liabilities	
Accounts Receivable	(51,511)
Accounts Payable	5,431
Accrued Liabilities	449
Customer Deposits	(2,355)
Net Cash Provided (Used) by Operating Activities	$ 1,086,075

See Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

The City of Victor, Colorado (the City) was founded in 1893. It operates under a Mayor/Council statutory form of government and provides the following services: public safety (police and fire services), public works (highway and streets), water, sewer, parks and recreations, cemetery, community development (including planning, building, and zoning), downtown revitalization and general government.

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

Reporting Entity

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. 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 and pension trust fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered 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 the fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, the City reports the following major governmental funds:

> *General Fund* - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.
>
> *Capital Projects Fund* - This fund accounts for financial resources to be used for the acquisition and construction of capital improvements and equipment.

Note 1: Summary of Significant Accounting Policies (Continued)

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

The City also reports the following major enterprise funds:

Utility Enterprise Fund - This fund accounts for all activities necessary to provide water and wastewater services to the City residents.

Assets, Liabilities and Net Position/Fund Balances

Cash Equivalents - Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents.

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

Inventories - Inventories of the proprietary funds are valued using the average cost method and are reported as expenses when consumed. Materials and supplies purchased by the governmental funds are charged to operations when purchased.

Prepaid Expenses - Payments to vendors for services that will benefit subsequent years are reported as prepaid expenses.

Interfund Receivables and Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *interfund receivables* and *interfund payables* when they are short-term in nature. Noncurrent portions of interfund receivables and payables are reported as *advances from other funds* and *advances to other funds*. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

Capital Assets - Capital assets, which include land, buildings, equipment, and all infrastructure assets owned by the City, are reported in the applicable governmental or business-type activities columns in 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 $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset lives are not capitalized.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Buildings and Improvements	30 - 50 years
Infrastructure	30 - 40 years
Machinery and Equipment	5 - 15 years

The City has elected not to retroactively report infrastructure.

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

Compensated Absences - Employees of the City are allowed to accumulate unused vacation up to one year's accrual plus 40 hours. Upon termination of employment, an employee will be compensated for all eligible accrued vacation time at their current rate of pay.

Net Position - In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net Investment in Capital Assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This consists of net position legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - This consists of net position not meeting the definition of "restricted" or "invested in capital assets, net of related debt."

When an expense is incurred for purposes for which restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

Fund Balance Classification - The following fund balance classifications describe the relative strength of the spending constraints placed on a government's fund balance and purposes for which resources can be used:

Nonspendable fund balance - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance - Amounts constrained to specific purposes stipulated by external resource providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Note 1: Summary of Significant Accounting Policies (Continued)

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

Committed fund balance - Amounts constrained to specific purposes stipulated by the government itself, determined by formal action by the City Council to be reported as committed, amounts cannot be used for any other purpose unless changed by the City Council.

Assigned fund balance - Amounts the City intends to use for a specific purpose as expressed by management.

Unassigned fund balance - Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution or ordinance. Each December the budget is adopted by resolution for the coming year. A fund balance commitment is indicated in the budget by the use of reserves. The budget document will also identify the budgeted use of any restricted funds planned in the budget.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following December for collection 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, receivables and corresponding deferred inflows of resources are reported at year end.

Subsequent Events

The City has evaluated subsequent events through July 23, 2026, the date the financial statements were available to be issued.

Note 2: Cash and Investments

Cash and investments at December 31, 2025, consisted of the following:

Petty Cash	$	300
Deposits		1,747,627
Investments		4,618,040
Total	$	6,365,967

Note 2: Cash and Investments (Continued)

Cash and investments are reported in the financial statements as follows:

Cash and Investments	$	6,316,433
Restricted Cash and Investments		49,534
Total	$	6,365,967

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2025, the City had bank deposits of $1,509,058 collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

The City is required to comply with State statutes which specify investments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk. The City's investment policy does not further limit these investment choices.

- Obligations of the United States and certain U.S. Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Certain corporate or bank securities
- Commercial paper
- Local government investment pools
- Repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)

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

Investment Type	S&P Rating	Investment Maturities in Years: Less Than 1	1 to 5 Years	Total
Local Government Investment Pools	AAAm	$ 4,618,040	$ -	$ 4,618,040
Total		$ 4,618,040	$ -	$ 4,618,040

Note 2: Cash and Investments (Continued)

Investments *(Continued)*

Local Government Investment Pools - At December 31, 2025, the City had $4,618,040 invested in the Colorado Local Government Liquid Asset Trust (Colotrust). The Trusts is an investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trust. The Trust operates in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at $1. The Trust is rated AAAm by Standard and Poor's. Investments of the Trust is limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

$3,323 is restricted for employee Health Reimbursement Accounts and $46,211 is restricted for the Conservation Trust Fund.

Note 3: Interfund Balances and Transactions

Interfund Transfers

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

Transfers In	Transfers Out	Amount
General Fund	Raw Water Fund	$ 815,000
Wastewater	Capital Projects Fund	552,100
Capital Projects Fund	Raw Water Fund	425,000
Raw Water Fund	Capital Projects Fund	275,861
Water Fund	Capital Projects Fund	136,553
Total		$ 2,204,514

The transfer from the Raw Water Fund to the General Fund is an annual transfer that supports the day to day operations of the City. The transfer from the Raw Water Fund to the Capital Projects Fund is an annual transfer meant to enable the City to deliver projects. The transfers from the Capital Projects Fund to the Utilities Funds are for current year capital outlay purchases.

Note 4: Capital Assets

Governmental Activities capital assets activity for the year ended December 31, 2025, is summarized below:

	Balance 12/31/24	Additions	Transfers	Deletions	Balance 12/31/25
Governmental Activities					
Capital Assets*, Not Being Depreciated*					
Land	$ 232,662	$ -	$ -	$ -	$ 232,662
Constructions in Progress	30,215	-	(30,215)	-	-
Total Capital Assets*, Not Being Depreciated*	262,877	-	(30,215)	-	232,662
Capital Assets, being depreciated					
Buildings and Improvements	6,584,114	591,218	-	-	7,175,332
Machinery and Equipment	1,950,956	204,249	30,215	-	2,185,420
Infrastructure	2,742,941	-	-	-	2,742,941
Total Capital Assets, Being Depreciated	11,278,011	795,467	30,215	-	12,103,693
Less Accumulated Depreciation					
Buildings and Improvements	(1,685,107)	(184,090)	-	-	(1,869,197)
Machinery and Equipment	(1,480,008)	(87,760)	-	-	(1,567,768)
Infrastructure	(1,081,602)	(62,777)	-	-	(1,144,379)
Total Accumulated Depreciation	(4,246,717)	(334,627)	-	-	(4,581,344)
Capital Assets*, Being Depreciated* , Net	7,031,294	460,840	30,215	-	7,522,349
Governmental Activities Capital Assets, Net	$ 7,294,171	$ 460,840	$ -	$ -	$ 7,755,011

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

Governmental Activities	
General Government	$ 174,236
Public Safety	80,785
Public Works	79,606
Total	$ 334,627

Note 4: Capital Assets (Continued)

Business-type assets activity for the year ended December 31, 2025, is summarized below:

	(Restated) Balance 12/31/24	Additions	Transfers	Deletions	Balance 12/31/25
Business-Type Activities					
Capital Assets, *Not Being Depreciated*					
Land and Water Rights	$ 151,120	$ -	$ -	$ -	$ 151,120
Constructions in Progress	262,612	300,861	(262,612)	-	300,861
Total Capital Assets, *Not Being Depreciated*	413,732	300,861	(262,612)	-	451,981
Capital Assets, Being Depreciated					
Machinery and Equipment	513,605	-	-	-	513,605
Infrastructure	2,417,618	-	-	-	2,417,618
Water Plant and Systems	4,149,145	136,553	187,545	-	4,473,243
Wastewater Plant and Systems	6,480,323	552,100	75,067	-	7,107,490
Total Capital Assets, Being Depreciated	13,560,691	688,653	262,612	-	14,511,956
Less Accumulated Depreciation					
Machinery and Equipment	(472,168)	(16,642)	-	-	(488,810)
Infrastructure	(621,219)	(65,816)	-	-	(687,035)
Water Plant and Systems	(3,056,350)	(127,568)	-	-	(3,183,918)
Wastewater Plant and Systems	(4,133,524)	(153,231)	-	-	(4,286,755)
Total Accumulated Depreciation	(8,283,261)	(363,257)	-	-	(8,646,518)
Capital Assets, *Being Depreciated* , Net	5,277,430	325,396	262,612	-	5,865,438
Business-Type Activities Capital Assets, Net	$ 5,691,162	$ 626,257	$ -	$ -	$ 6,317,419

Note 5: Long-Term Debt

Governmental Activities

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

	Balance 12/31/24	Additions	Reductions	Balance 12/31/25	Due Within One Year
Compensated Absences	$ 17,571	$ 29,920	$ (23,591)	$ 23,900	$ 2,390

Note 5: Long-Term Debt (Continued)

Business-Type Activities

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

	Balance 12/31/24	Additions	Reductions	Balance 12/31/25	Due Within One Year
CWCB Loan	$ -	$ 909,000	$ -	$ 909,000	$ 40,287
Compensated Absences	2,775	24,818	(10,706)	16,887	1,689
Total	$ 2,775	$ 933,818	$ (10,706)	$ 925,887	$ 41,976

During 2025, the City entered into a $909,000 loan agreement with the Colorado Water Conservation Board for dam rehabilitation of the Victor Reservoir. Principal and interest payments are due annually on November 1, through 2045. Interest accrues at 1.25% per annum.

Year Ended December 31,	Principal	Interest	Total
2026	$ 40,287	$ 11,362	$ 51,649
2027	40,791	10,859	51,650
2028	41,301	10,349	51,650
2029	41,817	9,833	51,650
2030	42,340	9,310	51,650
2031-2035	219,770	38,478	258,248
2036-2040	233,854	24,395	258,249
2041-2045	248,840	9,409	258,249
Total	$ 909,000	$ 123,995	$ 1,032,995

Note 6: Commitments, Contingencies and Economic Dependency

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or Capital Projects Fund. However, in the opinion of the City, any such disallowed claims will not have a material effect on the financial statements of the individual fund type or on the overall financial position of the City at December 31, 2025.

The City has only one major employer within its City limits, the Cripple Creek & Victor Gold Mining Company, which accounts for a significant portion of the City's utility fees revenue.

Note 6: Commitments, Contingencies and Economic Dependency (Continued)

TABOR Amendment

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

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $76,000.

Claims and Judgements

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.

Litigation

The City is not involved in any pending or threatened litigation as of December 31, 2025.

Note 7: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and health and dental claims of its employees.

Public Entity Risk Pool

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

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

Note 7: Risk Management (Continued)

Public Entity Risk Pool *(Continued)*

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.

Required Supplementary Information

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

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Taxes	$ 225,500	$ 256,513	$ 283,726	$ 27,213
Franchise Fees	26,550	24,008	42,849	18,841
Licenses and Permits	17,020	5,235	12,077	6,842
Fines and Forfeitures	100	45	45	-
Intergovernmental	39,600	31,404	36,351	4,947
Administrative Grants	182,053	215,000	244,682	29,682
Investment Income	700	1,270	2,176	906
Other Income	15,650	28,396	172,853	144,457
Total Revenues	507,173	561,871	794,759	232,888
Expenditures				
General Government				
Legislative	67,260	66,564	80,531	(13,967)
Administrative	317,079	301,513	376,897	(75,384)
Revitalization and Marketing	172,814	190,090	231,920	(41,830)
Public Safety				
Police Department	160,358	158,377	158,407	(30)
Fire Department	70,976	54,177	64,931	(10,754)
Public Works	415,553	347,549	358,475	(10,926)
Community Development and Planning	43,076	50,239	24,752	25,487
Parks and Cemetery	74,989	76,258	96,607	(20,349)
Total Expenditures	1,322,105	1,244,767	1,392,520	(147,753)
Excess of Revenues Over (Under) Expenditures	(814,932)	(682,896)	(597,761)	85,135
Other Financing Sources (Uses)				
Transfers In	815,000	815,000	815,000	-
Transfers Out	-	(99,500)	-	99,500
Total Other Financing Sources (Uses)	815,000	715,500	815,000	99,500
Net Change in Fund Balance	68	32,604	217,239	184,635
Fund Balance, *Beginning of Year*	620,568	799,515	799,515	-
Fund Balance, *End of Year*	$ 620,636	$ 832,119	$ 1,016,754	$ 184,635

City of Victor, Colorado

Notes to Required Supplementary Information
December 31, 2025

Note 1: Stewardship, Compliance and Accountability

Budgetary Accounting

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

- In September, management submits to the City Council a proposed 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 comments.

- Prior to December 31, the budget is legally adopted through passage of an ordinance.

- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council. State statutes stipulate that expenditures may not exceed budgeted appropriations at the fund level.

- Budgets are legally adopted for all funds of the City. Fiduciary fund budgets have not been presented in the financial statements. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Debt principal is recognized as an expenditure for budgetary purposes. Capital outlay is budgeted as an expenditure, and depreciation and amortization are not budgeted.

- All appropriations lapse at year end.

Supplementary Information

City of Victor, Colorado
Budgetary Comparison Schedule
Capital Projects Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Grants				
State Grants	$ 450,000	$ 627,000	$ 706,984	$ 79,984
Other Grants	30,000	30,000	36,029	6,029
Investment Income	135,000	91,724	183,613	91,889
Other	-	-	38,305	38,305
Total Revenues	615,000	748,724	964,931	216,207
Expenditures				
Public Works	-	-	30,597	(30,597)
General Improvements				
Improvements	670,000	460,504	591,218	(130,714)
Equipment	53,000	119,500	204,249	(84,749)
Raw Water				
Land	-	159,000	-	159,000
Improvements	-	60,000	-	60,000
Equipment	-	10,000	-	10,000
Treated Water				
Land	-	25,000	-	25,000
Improvements	-	-	-	-
Equipment	52,000	52,000	-	52,000
Wastewater				
Improvements	400,000	550,000	-	550,000
Total Expenditures	1,175,000	1,436,004	826,064	609,940
Excess of Revenues Over (Under) Expenditures	(560,000)	(687,280)	138,867	826,147
Other Financing Sources (Uses)				
Transfers In	425,000	425,000	425,000	-
Transfers Out	-	-	(964,514)	(964,514)
Total Other Financing Sources (Uses)	425,000	425,000	(539,514)	(964,514)
Net Change in Fund Balance	(135,000)	(262,280)	(400,647)	(138,367)
Fund Balance, *Beginning of Year*	2,357,568	2,816,519	2,816,519	-
Fund Balance, *End of Year*	$ 2,222,568	$ 2,554,239	$ 2,415,872	$ (138,367)

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

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Intergovernmental	$ 4,500	$ 3,646	$ 4,366	$ 720
Total Revenues	4,500	3,646	4,366	720
Net Change in Fund Balance	4,500	3,646	4,366	720
Fund Balance, *Beginning of Year*	42,256	41,845	41,845	-
Fund Balance, *End of Year*	$ 46,756	$ 45,491	$ 46,211	$ 720

City of Victor, Colorado
Budgetary Comparison Schedule
Utility Enterprise Fund
For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges for Services				
Raw Water				
Sales	$ 1,872,000	$ 1,650,000	$ 1,505,484	$ (144,516)
Wheeling and Storage Fees	26,000	26,000	22,111	(3,889)
Miscellaneous Sales	220,138	181,918	201,669	19,751
Capital Replacement Fees	-	770,000	770,002	2
Treated Water				
Residential Sales	72,000	76,109	106,713	30,604
Commercial Sales	12,500	12,735	12,943	208
Capital Replacement Fees	21,000	19,376	21,791	2,415
Wastewater Sales				
Residential Sales	117,600	120,581	121,453	872
Commercial Sales	26,600	21,413	24,678	3,265
Capital Replacement Fees	13,000	11,722	13,189	1,467
Liquid Waste Disposal Fees	30,000	21,413	40,524	19,111
Debt Proceeds	900,000	900,000	909,000	9,000
Interest Income	31,677	19,302	892	(18,410)
Other	-	-	8,090	8,090
Transfers In	-	-	964,514	964,514
Total Revenues	3,342,515	3,830,569	4,723,053	892,484
Expenditures				
General and Administration	529,353	413,244	443,740	(30,496)
Operations and Maintenance				
Raw Water	280,500	301,325	231,023	70,302
Treated Water	123,250	106,977	142,970	(35,993)
Wastewater	137,500	49,455	91,871	(42,416)
Capital Outlay	-	-	1,541,614	(1,541,614)
Interest Expense	-	-	8,622	(8,622)
Transfers Out	1,240,000	1,240,000	1,240,000	-
Total Expenditures	2,310,603	2,111,001	3,699,840	(1,588,839)
Change in Net Position, *Budgetary Basis*	$ 1,031,912	$ 1,719,568	1,023,213	$ (696,355)
Adjustments to GAAP Basis				
Debt Proceeds			(909,000)	
Capital Outlay			1,541,614	
Depreciation Expense			(363,257)	
Change in Net Position, *GAAP Basis*			$ 1,292,570	

See the Accompanying Independent Auditor's Report.

Compliance Section

State Compliance

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado
THIS INFORMATION FROM THE RECORDS OF: City of Victor	PREPARED BY: Lorraine Trotter lhtrotter@professionalmanagemen	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	0.00	a. Interest on investments	0.00
b. Non-property Taxes and Assessments Imposts	8,268.97	b. Other Misc. Local Receipts	195,041.34
c. Total (a + b)	$ 8,268.97	**c. Total (a + b)**	$ 195,041.34
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	26,468.26	1. FHWA (from Item I.D.5.)	0.00
2. State General Funds		2. Other Federal Agencies:	0.00
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	2,514.75		
c. Total (a + b)	$ 2,514.75		
4. Total (1 + 2 + 3c)	$ 28,983.01	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	0.00
b. Engineering Costs	0.00
c. Construction Costs	0.00
d. Total Capital Outlay (a+ b + c)	$ -

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LOCAL HIGHWAY FINANCE REPORT

STATE: Colorado

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

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	236,549.27
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 8,268.97
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 195,041.34
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	0.00
b. Bonds - Refunding Issues	0.00
c. Notes	0.00
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 439,859.58
B. Private Contributions	0.00
C. Receipts from State government (from page 1, Item II.C.4)	$ 28,983.01
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 468,842.59

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ -
2. Maintenance:	337,182.37
3. Road and Street Services:	
a. Snow and Ice Removal	63,162.24
b. Other & Traffic Control Operations	11,334.30
c. Total (a + b)	$ 74,496.54
4. General Administration & Miscellaneous	41322.95
5. Highway Law Enforcement and Safety	15,840.73
6. Total (1 through 5)	$ 468,842.59
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
2. Notes:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	0.00
D. Payments to Toll Facilities	0.00
E. Total Expenditures (A6 + B3 + C + D)	$ 468,842.59

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	0.00	$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)	0.00	$ -	$ -	$ -

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