

TOWN OF COLUMBINE VALLEY, COLORADO

FINANCIAL STATEMENTS

December 31, 2025



Logan *and* Associates, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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TOWN OF COLUMBINE VALLEY, COLORADO

Roster of Town Officials

December 31, 2025

Mayor

Dave Huelskamp

Board of Trustees

Betsy McCain

Mike Giesen

Ed Icenogle

Jeff Sahr

Willi Taylor

Cinamon Watson

Administrative Staff

J.D. McCrumb, Town Administrator

Town Attorney

Lee Schiller, Weiner & Schiller, P.C.



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the Board of Trustees
Town of Columbine Valley
Columbine Valley, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major fund of the Town of Columbine Valley (the "Town") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town'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 and each major fund of the Town of Columbine Valley as of December 31, 2025, and the respective changes in financial position 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 Town of Columbine Valley, and to meet our 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 the 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 Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of the effectiveness of the Town'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 schedule - general fund, schedule of proportionate share of the net pension liability/(asset), schedule of Town pension contributions and the notes to required supplementary information on pages i – vi and 27 – 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of the 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 evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The other 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 other information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Logan and Associates, LLC

Aurora, Colorado
May 28, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Town of Columbine Valley's (the Town) financial performance provides an overview of the Town's financial activities for the year ended December 31, 2025. Management's Discussion and Analysis (MD&A) should be read in conjunction with the Town's financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements.

The financial section of this report includes three components: 1) the government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements – The government-wide financial statements give readers a broad overview of the Town's financial position and changes in financial position, similar to consolidated financial statements in a private sector business. These statements include the statement of net position and the statement of activities.

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

The *statement of activities* shows how the Town's net position changed as a result of its operations during the most recent fiscal year. To understand the basis of how these numbers are determined, it is important to note that the changes in net position are reported whenever an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (the accrual basis of accounting).

The government-wide financial statements include functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include administration, public safety, public works, sanitation, planning and zoning, parks and open space, and judicial.

The government-wide financial statements can be found on pages 1 - 2 of this report.

Fund Financial Statements – Funds are a self-balancing grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses governmental funds to account for its activity.

Governmental Funds – All of the Town’s basic services are included in governmental funds, which focus on 1) how cash and other financial assets can readily be converted to cash flow in and out and 2) the balances left at year-end that are available for spending. The governmental funds statements provide a detailed short-term view of cash, the governmental fund operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town’s programs. The Town maintains one individual governmental fund, which as been reported as a major fund.

The Town adopts an annual appropriated budget for its fund. Budgetary comparison statements have been provided for the fund to demonstrate compliance with this requirement.

The basic governmental fund financial statements can be found on pages 3 - 6 of this report.

Notes to Financial Statements – The notes provide additional information that is essential to have a complete understanding of the information contained in the government-wide and fund financial statements. Notes to financial statement begin on page 7 of this report.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information and accompanying notes. The required supplementary information and accompanying notes can be found on pages 27 - 31 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain other information. The other information can be found on pages 32 - 34 of this report.

Government-Wide Financial Analysis

Presented are condensed summary balances of the Town’s assets, liabilities, deferred outflows and inflows of resources and net position at December 31, 2025, with comparative balances at December 31, 2024. Total net position increased by \$466,509 during 2025 which is the result of revenues received by the Town exceeding expenditures.

A substantial portion of the Town's net position (30% at December 31, 2025 and 33% at December 31, 2024) consists of its investment in capital assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The following is a condensed summary of the Town's net position at December 31, 2025 and 2024:

ASSETS	2025	2024
Current and Other Assets	\$ 10,411,391	\$ 9,533,627
Capital Assets	4,163,525	4,358,018
Total Assets	<u>14,574,916</u>	<u>13,891,645</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>274,393</u>	<u>304,791</u>
LIABILITIES		
Current Liabilities	304,251	121,893
Noncurrent Liabilities	109,370	109,716
Total Liabilities	<u>413,621</u>	<u>231,609</u>
DEFERRED INFLOWS OF RESOURCES	<u>642,177</u>	<u>637,825</u>
NET POSITION		
Investment in Capital Assets	4,163,525	4,358,018
Restricted:		
Emergency	99,000	96,700
Parks, Recreation and Open Space	846,307	749,767
Unrestricted	8,684,679	8,122,517
Total Net Position	<u>\$ 13,793,511</u>	<u>\$ 13,327,002</u>

An additional portion of the Town's net position \$945,307 represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position \$8,684,679 may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of 2025, the Town was able to report positive balances in all categories of net position.

The Town's net position increased by \$466,509 during 2025 to \$13,793,511. Capital Assets decreased primarily due to depreciation being more than the assets purchased even though there was an increase in construction in process due to engineering for the Platte Canyon Sidewalk. The total assets increased primarily due to the increase in cash which is higher because of less expenses compared to revenue in 2025. Liabilities primary increased due to accruals being higher in 2025 for multiple projects that completed close to year end.

Revenues increased primarily due to higher sales tax received and higher costs for the Intergovernmental agreement for police officers & municipal courts. There was also a decrease in interest received due to lower interest rates. The Town did not have significant changes in the other categories.

The following is a condensed summary of the Town's revenues and expenses for the year ended December 31, 2025, with comparative figures for the year ended December 31, 2024:

	2025	2024
REVENUES		
Program Revenues:		
Charges for Services	\$ 828,421	\$ 793,911
Operating Grants and Contributions	123,709	83,027
Capital Grants and Contributions	64,405	63,209
General Revenues:		
Taxes	1,952,167	1,894,947
Unrestricted Grants	1,342	38,539
Net Investment Income	368,601	417,970
Miscellaneous	25,865	3,192
Total Revenues	<u>3,364,510</u>	<u>3,294,795</u>
EXPENSES		
Administration	747,039	700,020
Public Safety	1,258,904	1,101,705
Public Works	754,433	484,838
Planning and Zoning	15,828	31,489
Sanitation	108,204	107,118
Parks and Open Space	12,316	3,181
Interest of Long-Term Debt	1,277	1,681
Total Expenses	<u>2,898,001</u>	<u>2,430,032</u>
CHANGE IN NET POSITION	466,509	864,763
NET POSITION - BEGINNING OF YEAR	<u>13,327,002</u>	<u>12,462,239</u>
NET POSITION - END OF YEAR	<u><u>\$ 13,793,511</u></u>	<u><u>\$ 13,327,002</u></u>

Effective January 1, 2005, the Town entered into an intergovernmental agreement with the Town of Bow Mar, Colorado, to provide public safety and municipal court services for the Town of Bow Mar. Effective November 1, 2016, the Town entered into an additional intergovernmental agreement with the

Town of Bow Mar to provide other administrative services. The Town received \$392,797 in fees in 2025 to provide these services in accordance with the intergovernmental agreement, which was an increase of \$34,797 from the fees received in 2024.

Fines revenues within Charges for Services increased based on the increase in fees paid by the Town of Bow Mar. The net results of this difference is a increase in Charges for Services of \$34,510 in 2025 to 2024.

Tax revenues increased \$57,220 relating primarily to increased city sales tax and remodel sales tax collected in 2025 compared to 2024.

Net investment income decreased \$49,369 primarily due to lower interest rates in the investment accounts during the year 2025 compared to 2024.

Total expenses increased \$467,969 in 2025 compared to 2024, with a combined increase in public safety, administration and public works totaling \$473,813.

General Fund Budgetary Highlights

The difference between final budgeted revenues of \$3,212,377 and actual revenues of \$3,372,523 was \$160,146. Actual revenue for sales and use tax was \$65,363 over budgeted revenues, which was primarily related to the increase in higher city sales tax and remodel sales tax in the Town. Actual revenues for investment income were \$123,601 over budgeted revenues due to interest rates and higher balances on investments.

The difference between the final budgeted expenditures of \$3,591,854 and the actual expenditures of \$2,660,399 was \$931,455. Capital outlay expenditures were below expected expenditures by \$815,407 primarily for Platte Canyon sidewalk, Coal Mine right turn lane and the town wall work that was not completed in 2025. The remainder of the expenditures in 2025 were generally in line with budgeted amounts.

Capital Assets

The Town's investment in capital assets at December 31, 2025 amounts to \$4,163,525 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, buildings, automotive equipment, and office and other equipment. Capital assets, net of depreciation, increased in 2025 primarily due to the Platte Canyon sidewalk engineering work that was included in Construction in Progress.

Capital assets are classified as follows (net of accumulated depreciation):

	2025	2024
Land	\$ 300,000	\$ 300,000
Construction in Progress	108,225	-
Automotive Equipment	428,316	442,257
Drainage Infrastructure	4,240,255	4,240,255
Perimeter Wall/Fence	58,112	58,112
Office and Other Equipment	49,872	49,872
Building - Town Hall	838,990	838,990
Total Capital Assets	\$ 6,023,770	\$ 5,929,486
Less accumulated depreciation	(1,860,245)	(1,571,468)
Total Capital Assets, net	\$ 4,163,525	\$ 4,358,018

Additional information on the Town's capital assets can be found on Note 3 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town has budgeted for 2026 property tax revenue of \$613,496 (based on a total assessed valuation for the Town of \$84,063,594 and a mill levy of 7.298 mills for operations and abatements). Total revenues budgeted for 2026 from all sources equal \$3,831,272 including \$402,676 from the Town of Bow Mar for providing public safety, municipal court and administrative services to the town in 2026. Additional information on this arrangement can be found in Note 6 of this report. Total expenditures budgeted for 2026 equal \$3,967,228. This represents a budgeted increase in expenditures of \$1,345,568 from 2025 actual expenditures. The change in budgeted expenditures relates primarily to capital improvements for the Town.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town Administrator, Town of Columbine Valley, 2 Middlefield Road, Columbine Valley, Colorado 80123.

BASIC FINANCIAL STATEMENTS

TOWN OF COLUMBINE VALLEY, COLORADO

STATEMENT OF NET POSITION

December 31, 2025

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 9,490,131
Accounts Receivable, Net	243,449
Prepaid Expenses	31,848
Property Taxes Receivable	613,496
Right-to-Use IT Subscriptions, Net of Accumulated Amortization	32,467
Capital Assets, Not Being Depreciated	408,225
Capital Assets, Net of Accumulated Depreciation	<u>3,755,300</u>
TOTAL ASSETS	<u>14,574,916</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Outflows	<u>274,393</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>274,393</u>
LIABILITIES	
Accounts Payable	259,370
Accrued Liabilities	42,760
Other Accrued Liabilities	2,121
Long-term Liabilities:	
Due Within One Year	92,305
Due In More Than One Year	17,065
Net Pension Liability	<u>-</u>
TOTAL LIABILITIES	<u>413,621</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Taxes	613,496
Deferred Pension Inflows	<u>28,681</u>
	<u>642,177</u>
NET POSITION	
Investment in Capital Assets	4,163,525
Restricted for	
Emergencies	99,000
Parks, Recreation and Open Space	846,307
Unrestricted	<u>8,684,679</u>
TOTAL NET POSITION	<u><u>\$ 13,793,511</u></u>

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

TOWN OF COLUMBINE VALLEY, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
Administration	\$ 747,039	\$ 260,546	\$ -	\$ -	\$ (486,493)
Public Safety	1,258,904	437,102	38,738	-	(783,064)
Sanitation	108,204	-	-	-	(108,204)
Planning & Zoning	15,828	-	-	-	(15,828)
Public Works	754,433	130,773	75,018	-	(548,642)
Parks and Open Space	12,316	-	9,953	64,405	62,042
Interest of Long-Term Debt	1,277	-	-	-	(1,277)
Total Governmental Activities	<u>\$ 2,898,001</u>	<u>\$ 828,421</u>	<u>\$ 123,709</u>	<u>\$ 64,405</u>	<u>(1,881,466)</u>
GENERAL REVENUES					
Sales and Use Taxes					1,182,963
Property Taxes					613,362
Specific Ownership Taxes					33,371
Franchise Taxes					122,471
Grants not Restricted to					
Specific Programs					1,342
Investment Income					368,601
Other					25,865
TOTAL GENERAL REVENUES					<u>2,347,975</u>
CHANGE IN NET POSITION					466,509
NET POSITION, Beginning					<u>13,327,002</u>
NET POSITION, Ending					<u>\$ 13,793,511</u>

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

TOWN OF COLUMBINE VALLEY, COLORADO

BALANCE SHEET GOVERNMENTAL FUND December 31, 2025

	GENERAL FUND
ASSETS	
Cash and Investments	\$ 9,490,131
Accounts Receivable, Net	243,449
Prepaid Expenses	31,848
Property Taxes Receivable	613,496
TOTAL ASSETS	<u>\$ 10,378,924</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$ 259,370
Payroll Liabilities	42,760
Other Accrued Liabilities	2,121
TOTAL LIABILITIES	<u>304,251</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Taxes	<u>613,496</u>
FUND BALANCE	
Nonspendable	31,848
Restricted for Emergencies	99,000
Restricted for Parks and Open Space	846,307
Committed for Road Improvements	1,900,626
Committed for Capital Improvement Plan	5,934,427
Unassigned	648,969
TOTAL FUND BALANCE	<u>9,461,177</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 10,378,924</u>

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

TOWN OF COLUMBINE VALLEY, COLORADO

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION December 31, 2025

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

Total Fund Balance of Governmental Fund	\$ 9,461,177
Right-to-Use IT subscriptions and capital assets used in governmental activities are not financial resources and, therefore are not reported in the fund.	4,195,992
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources - difference between expected vs actual experience	119,480
Deferred outflows of resources - change in assumptions or other inputs	42,761
Deferred outflows of resources - change in proportionate share	34,043
Deferred outflows of resources - difference in projected vs actual investment earnings	16,973
Deferred outflows of resources - pension contributions subsequent to measurement date	61,136
Deferred inflows of resources - difference between expected vs actual experience	(3,737)
Deferred inflows of resources - change in proportionate share	(24,944)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This is the amount of the net pension liability.	-
Subscription Based IT Arrangement liability (\$33,703) and compensated absences (\$75,667) are not due and payable in the current period, therefore, they are not reported in the fund balance sheet.	(109,370)
Total Net Position of Governmental Activities	<u>\$ 13,793,511</u>

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

TOWN OF COLUMBINE VALLEY, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUND

Year Ended December 31, 2025

	<u>GENERAL FUND</u>
REVENUES	
Taxes	
Sales and Use Tax	\$ 1,182,963
Property Taxes	613,362
Specific Ownership Taxes	33,371
Franchise Fees - Utilities	81,995
Franchise Fees - Cable Television	40,476
Permits and Fees	371,319
Fines and Forfeitures	64,305
Intergovernmental	
Town of Bow Mar	392,797
Highway Users Tax Fund	53,726
Motor Vehicle Registration Fees	5,657
Conservation Trust Funds	9,953
Open Space Tax	64,405
Road and Bridge	15,635
Public Safety Grant	38,738
Miscellaneous	1,342
Investment Income	368,601
Other	33,878
TOTAL REVENUES	<u>3,372,523</u>
EXPENDITURES	
Administration	725,033
Public Safety	1,221,899
Sanitation	108,204
Planning & Zoning	15,828
Public Works	559,619
Parks and Open Space	12,316
Debt Service	
Principal - Subscription-Based IT Arrangement	16,223
Interest - Subscription-Based IT Arrangement	1,277
TOTAL EXPENDITURES	<u>2,660,399</u>
NET CHANGE IN FUND BALANCE	712,124
FUND BALANCE, Beginning	<u>8,749,053</u>
FUND BALANCE, Ending	<u><u>\$ 9,461,177</u></u>

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

TOWN OF COLUMBINE VALLEY, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

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

Net Change in Fund Balance of Governmental Fund	\$ 712,124
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount of capital outlay \$181,593, exceeded depreciation expense (\$368,073) and loss on disposal (\$8,013).	(194,493)
Right-to-Use subscription-based information technology arrangements are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and allocated over the subscriptions lives as annual amortization expense in the statement of activities. This is the amount of the subscription-based information technology arrangements amortization of \$16,233 that exceeded principal and other costs (\$16,223) in the current year.	(11)
In the statement of activities, certain operating expenses, pension expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (the amounts actually paid). This amount represents the net effect of pension related amounts, including amortization of deferred outflows and deferred inflows of resources related to pensions, in the statement of activities.	(35,234)
Compensated absences do not require the use of current financial resources, therefore, they are not reported in the funds. This is the amount by which compensated absences liability changed in the year.	<u>(15,877)</u>
Change in Net Position of Governmental Activities	<u>\$ 466,509</u>

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

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Columbine Valley (the "Town") is an incorporated Colorado statutory town (a municipal corporation), governed by a Mayor and six-member Board of Trustees elected by the residents. The Town provides public safety, public works, planning and zoning, municipal court, sanitation, parks and recreation and general administrative services to its residents.

The accounting policies of the Town 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

In accordance with governmental accounting standards, the Town has considered the possibility of including additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town 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 Town. The Town may also be financially accountable for organizations that are fiscally dependent upon it. The Town had no additional entities in its financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Town and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of net position reports all financial, capital and debt resources of the Town. The difference between the assets, deferred outflows of resources and liabilities and deferred inflows of resources of the Town is net position.

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

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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.

Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, 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 Town.

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

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

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Town reports the following major governmental fund:

General Fund – is the Town’s primary operating fund that accounts for all financial resources of the Town, except those required to be accounted for in another fund.

Assets, Liabilities and Net Position/Fund Balances

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

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

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 land and land improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure assets acquired or constructed after 2003 are capitalized. 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.

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

Infrastructure	40 years
Buildings	39 years
Perimeter Fences	15 years
Automotive Equipment	7 years
Office and Other Equipment	7 Years

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement classification represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditures) until then. The Town reports deferred outflows of resources related to pensions at December 31, 2025.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement classification represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until then. The Town reports deferred inflows of resources related to property tax revenue and pensions at December 31, 2025.

Compensated Absences – The Town has a policy that allows employees to accumulated unused paid time off up to certain maximum hours. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The Town's General Fund is used to liquidate compensated absences of the governmental activities.

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

- Investment in Capital Assets – This classification is intended to report the portion of net position which is associated with non-liquid, capital assets.
- Restricted Net Position – This classification includes liquid assets which have third party limitation on their use.
- Unrestricted Net Position – This classification includes the residual net position that does not meet the classification of "investment in capital assets" or "restricted."

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town 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:

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- 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.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, the Board of Trustees. The constraint may be removed or changed only through formal action of the Board of Trustees.
- Assigned – This classification includes amounts that are constrained by the Town's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Trustees 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.

The Town 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 Town uses restricted fund balance first.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following January 1. 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 Town on a monthly basis.

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; or acts of God. The Town maintains commercial insurance for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

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

Subsequent Events

The Town has evaluated events subsequent to the year ended December 31, 2025 through May 28, 2026, the date of these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: CASH AND INVESTMENTS

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

Cash Deposits	\$ 438,743
Investments	<u>9,051,388</u>
Total	<u>\$ 9,490,131</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to 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' accounts 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 approved 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 Town had cash deposits with a carrying amount of \$438,743. The bank balances with the financial institutions were \$511,941, of which \$250,000 were FDIC insured, and \$261,941 were collateralized with securities held by the financial institution's agents but not in the Town's name.

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

In February 2021, the Town adopted an investment policy. The objectives of the policy direct the Town to deposit and invest all funds held for future disbursement in accordance with Colorado Revised Statutes (CRS) and any ordinances and resolutions enacted by the Town Board of Trustees in a manner to accomplish the following objectives:

- Preservation of capital and protection of investment principal.
- Maintenance of sufficient liquidity to meet anticipated cash flows.
- Diversification to avoid incurring unreasonable market risks.
- Attainment of a market value rate of return.
- Conformance with all applicable Town policies, and State and Federal regulations, including TABOR requirements.

The policy follows CRS, more specifically, sections: CRS 11-10.5-101; 24-75-601; 24-75-603 and 24-75-702. The Town generally limits its concentration risk of investments to Local Government Investment Pools, obligations of the United States and certain U.S. government agency securities, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Investment transactions may be initiated by the Town Treasurer, Town Administrator and/or Town Financial Contractor upon approval by the Board of Trustees.

The Town's policy specifies investment instruments meeting defined rating, maturity and concentration risk criteria in which the Town may invest which include the following:

- Obligations of the United States and certain U.S. Federal Instrumentality securities
- Eligible banker's acceptances of certain banks
- Prime commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Negotiable and Non-negotiable certificates of deposit

Interest Rate Risk – Town policy limits investment maturities to five years or less unless formally approved by the Board of Trustees.

Concentrations of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investments in a single issue. The Town's policy addresses limitations of the amount that can be invested in any one issuer. In addition, the policy states that no less than 50% of the investable assets of the Town will be maintained in U.S. Treasury Obligations, Federal Instrumentality Securities, Repurchase Agreements and Local Government Investment Pools.

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

At December 31, 2025, the Town had the following investments, which are recorded at amortized costs:

	<u>Maturity</u>	<u>2025</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 days	<u>\$ 9,051,388</u>

CSAFE

The Town invested in the Colorado Surplus Asset Fund (CSAFE), 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 CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rate commercial paper. A designated custodial bank serves as custodian for CSAFE's investment portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as a depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the Town records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 3: CAPITAL ASSETS

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

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 300,000	\$ -	\$ -	\$ 300,000
Construction in Progress	-	108,225	-	108,225
Total Capital Assets, not being depreciated	<u>300,000</u>	<u>108,225</u>	<u>-</u>	<u>408,225</u>
Capital Assets, being depreciated				
Infrastructure	4,240,255	-	-	4,240,255
Buildings-Town Hall	838,990	-	-	838,990
Automotive Equipment	442,257	73,368	87,309	428,316
Perimeter Wall/Fence	58,112	-	-	58,112
Office and Other Equipment	49,872	-	-	49,872
Total Capital Assets, being depreciated	<u>5,629,486</u>	<u>73,368</u>	<u>87,309</u>	<u>5,615,545</u>
Less accumulated depreciation				
Infrastructure	(831,067)	(282,846)	-	(1,113,913)
Buildings-Town Hall	(417,348)	(24,738)	-	(442,086)
Automotive Equipment	(241,029)	(50,058)	(79,296)	(211,791)
Perimeter Wall/Fence	(48,279)	(3,874)	-	(52,153)
Office and Other Equipment	(33,745)	(6,557)	-	(40,302)
Total accumulated depreciation	<u>(1,571,468)</u>	<u>(368,073)</u>	<u>(79,296)</u>	<u>(1,860,245)</u>
Total Capital Assets, being depreciated, net	<u>4,058,018</u>	<u>(294,705)</u>	<u>8,013</u>	<u>3,755,300</u>
Total Capital Assets, net	<u><u>\$ 4,358,018</u></u>	<u><u>\$ (186,480)</u></u>	<u><u>\$ 8,013</u></u>	<u><u>\$ 4,163,525</u></u>

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental Activities

Public Works	\$ 303,039
Public Safety	43,028
General Government	<u>22,006</u>
Total	<u><u>\$ 368,073</u></u>

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 4: LONG-TERM DEBT

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

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025	Due Within One Year
Compensated Absences	<u>\$ 59,790</u>	<u>\$ 15,877</u>	<u>\$ -</u>	<u>\$ 75,667</u>	<u>\$ 75,667</u>

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

NOTE 4: SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENT

In August 2023 the Town entered into a subscription-based IT arrangement with Flock Safety for providing public safety camera services through August 2028 (60 months). Under GASB 96, the Town identified this agreement as a subscription-based information technology arrangement (SBITA). At the inception of the SBITA, the Town calculated the right-to-use subscription asset and IT subscription liability of \$81,169 based on the present value of the annual SBITA payments (\$17,500) using an incremental borrowing rate of 2.557%. At December 31, 2025, the Town recorded interest expense of \$1,277.

Following is a summary of the right-to-use subscription asset at December 31, 2025:

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Right-to-Use IT Subscription	<u>\$ 81,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,169</u>
Less accumulated amortization				
Right-to Use IT Subscription	<u>(32,468)</u>	<u>(16,234)</u>	<u>-</u>	<u>(48,702)</u>
Total Right-to-Use IT Subscriptions - Net	<u>\$ 48,701</u>	<u>\$ (16,234)</u>	<u>\$ -</u>	<u>\$ 32,467</u>

Following is a summary of the Subscription Based IT Arrangement liability at December 31, 2025:

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025	Due Within One Year
Subscription Based IT Arrangement	<u>\$ 49,926</u>	<u>\$ -</u>	<u>\$ 16,223</u>	<u>\$ 33,703</u>	<u>\$ 16,638</u>

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 4: SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENT (Continued)

Annual debt service requirements for the Town's outstanding Subscription Based IT Arrangement liability are as follows:

Year ended December 31	Principal	Interest	Total
2026	16,638	862	17,500
2027	17,065	435	17,500
	<u>\$ 33,703</u>	<u>\$ 1,297</u>	<u>\$ 35,000</u>

NOTE 5: PENSION PLANS

Defined Contribution Pension Plan

The administrative employees of the Town participate in a single employer defined contribution money purchase pension plan. The contribution requirements of the Plan participants and the Town are established and may be amended by the Town Board of Trustees. The Plan is administered by the Colorado Retirement Association. At December 31, 2025, there were four plan members. Employees become Plan members immediately upon employment. Under this plan, the Town will match up to 5% of employees' contributions based on the employee's covered payroll. Employee contributions are not limited. The Town's contributions, plus earnings, become vested at a rate of 33.3% for each year of participation in the Plan.

The Town contributions for plan members who leave employment before they are fully vested are used to reduce the Town's current period contributions requirement. There is no liability for benefits under the plan beyond the Town's matching payments. Plan provisions and contribution requirements are established and may be amended by the Town's Board of Trustees.

For the year ended December 31, 2025, the Town recognized pension expense, net of forfeitures of \$17,509, and employee contributions totaled \$17,509.

Police Officers Statewide Defined Benefit Pension Plan

Plan description

The Town contributes to the Statewide Defined Benefit Pension Plan (SWDB) (the "Plan"), a cost-sharing multiple-employer defined benefit pension plan, administered by the Colorado Fire and Police Pension Association (FPPA). The SWDB provides retirement benefits for members and beneficiaries.

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: PENSION PLANS (Continued)

Police Officers Statewide Defined Benefit Pension Plan (Continued)

Colorado Revised Statutes Title 31, Article 31 assigns the authority to establish benefit provisions to the State legislature. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

Description of Benefits

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2% 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% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers 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. Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0% 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% of the average of the member's highest three years' base salary for each year thereafter.

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

A member is eligible for 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. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: PENSION PLANS (Continued)

Police Officers Statewide Defined Benefit Pension Plan (Continued)

The Plan includes a Deferred Retirement Option Plan (DROP). A member may elect to participate in the DROP after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into the DROP. The member's percentage of retirement benefits is determined at time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in DROP, the member continues to make pension contributions, which are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds.

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 contribute 12.0% 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% annually through 2030 to a total of 13.0% of base salary. These increases result in a combined contribution rate of 25.0% of base salary in 2030. In 2024, the total combined member and employer contribution rate was 22.0%.

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% annually. These increases result in a minimum combined contribution rate of 25.2% in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2%.

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

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: PENSION PLANS (Continued)

Police Officers Statewide Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

At December 31, 2025, the Town reported a net pension liability of \$0 for its proportionate share of the net pension asset of the SWDB Plan. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2025.

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: PENSION PLANS (Continued)

Police Officers Statewide Defined Benefit Pension Plan (Continued)

The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2024, the Town's SWDB proportion was 0.04972141%, which was an increase of 0.00230682% from its proportion measured at December 31, 2023.

For the year ended December 31, 2024, the Town recognized pension (income)/expense for the SWDB Plan of (\$11,962).

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 119,480	\$ (3,737)
Changes of assumptions and other inputs	42,761	-
Net Difference between projected and actual earnings	16,973	-
Changes in proportion and differences between		
Contributions recognized and proportionate		
Share of contributions	34,043	(24,944)
Contributions subsequent to the measurement date	<u>61,136</u>	<u>N/A</u>
Total	<u>\$ 274,393</u>	<u>\$ (28,681)</u>

The Town's contributions to the SWDB Plan subsequent to the measurement date of \$61,136 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,

2026	\$ 52,625
2027	75,435
2028	7,390
2029	7,844
2030	15,993
Thereafter	<u>25,289</u>
Total	<u>\$ 184,576</u>

Actuarial assumptions

The collective total pension liability as of December 31, 2024 is based upon the January 1, 2025 actuarial valuation. The actuarially determined contributions as of December 31, 2024 are based upon the January 1, 2024 actuarial valuation. The valuations used the following actuarial assumptions and other inputs:

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: PENSION PLANS (Continued)

Police Officers Statewide Defined Benefit Pension Plan (Continued)

Total Pension Liability:

Actuarial Valuation Date	January 1, 2025
Actuarial method	Entry Age Normal
Amortization method	N/A
Amortization period	N/A
Investment rate of return	7.0%, including 2.5% inflation
Projected salary increases	4.25% – 11.75%
Cost of living adjustment	0.0%

Actuarial Determine Contributions:

Actuarial Valuation Date	January 1, 2024
Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 years
Investment rate of return	7.0%, including 2.5% inflation
Projected salary increases	4.25% – 11.75%
Cost of living adjustment	0.0%

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

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

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 FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption of 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.

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: PENSION PLANS (Continued)

Police Officers Statewide Defined Benefit Pension Plan (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income - Rates	7%	5.00%
Fixed Income - Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	4%	4.20%
Total	100%	

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

Discount rate

The discount rate used to measure the total pension liability was 7.0%. 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 SWSB 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.

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

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 5: PENSION PLANS (Continued)

Police Officers Statewide Defined Benefit Pension Plan (Continued)

position is projected to be sufficient to pay benefits) and (2) tax exempt 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, expected rate of return on pension plan investments is 7%; the municipal bond rate is 3.77% (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%.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate

The following presents the Town's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Proportionate share of net pension liability/(Asset)	\$ 278,807	\$ 0	\$ 0

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report, which may be obtained at <http://www.fppaco.org>.

NOTE 6: INTERGOVERNMENTAL AGREEMENTS

Police and Municipal Court - The Town had an intergovernmental agreement with the Town of Bow Mar ("Bow Mar") to provide police and municipal court services January 1, 2014 through December 31, 2019. The agreement was renewed during 2019 to continue with these services from January 1, 2019 to December 31, 2023. In December 2023, the agreement was renewed through December 31, 2024. Subsequent to December 31, 2023, the agreement was renewed for an additional ten (10) years, starting January 1, 2025 through December 2034. The agreement required Bow Mar to pay the Town for these services based on the amount of \$363,350, increasing by the Denver/Aurora/Lakewood CPI projected increase available from the Colorado Department of Local Affairs in October 2024. For each subsequent year of the agreement, the annual amount due will be the prior year's

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 6: INTERGOVERNMENTAL AGREEMENTS (Continued)

amount increased by the Denver/Aurora/Lakewood CPI projected increase available each preceding October from the Colorado Department of Local Affairs. The amount received under this agreement for the year ending December 31, 2025 was \$372,797.

Building Department Administrative Services – In 2016 the Town entered into an intergovernmental agreement with Bow Mar to provide building department administrative services beginning November 1, 2016 through December 31, 2018 (the “Initial Term”). The agreement was renewed during 2018 to continue with these services from January 1, 2019 to December 31, 2020 and again during 2021 from January 1, 2021 to December 31, 2025. These services include building permit review, inspections, contractor licensing and collection of permit fees for remittance to Bow Mar. Bow Mar will pay the Town \$20,000 each calendar year. Payments of \$5,000 are due on the 1st of each calendar quarter. For the year ended December 31, 2025, the Town received \$20,000 from Bow Mar for these services.

Open Space Tax Entitlement – In November 2003, the voters in Arapahoe County (“The County”) approved a countywide sales and use tax of 0.25%, known as the Open Space Tax, which became effective on January 1, 2004. In November 2011, voters in the County approved extending the tax through December 3023. The Open Space Tax is to be used exclusively to purchase, develop, improve, and maintain park and recreation facilities.

In June 2004, the Town entered into an intergovernmental agreement with the County to impose the Open Space Tax on building and construction materials purchased within the Town, and to participate in the shareback funds available through the County.

The amount of shareback funds is based upon a formula considering the population within the Town. During the year ended December 31, 2025, the Town was entitled to and received \$64,405 in open space shareback funds. The Town has restricted \$804,166 to be spent in future years in accordance with the guidelines established for Open Space Funds.

NOTE 7: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as the TaxPayer’s Bill of Rights (TABOR), which has several limitations, including revenue raising, spending abilities, debt limitations and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation.

TOWN OF COLUMBINE VALLEY, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2025

NOTE 7: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment (Continued)

On November 30, 1998, the Town's voters approved the following:

Authorized the Town to collect, retain and spend all excess revenue collected in 1998 and thereafter without regard to any limitations under TABOR or any other law provided that no local tax rate or mill levy shall be increased without further voter approval. In addition, the Town's voters authorized the Town to increase the property tax mill levy without exceeding the annual property tax increase of 5.5% set forth in State statutes.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve of \$99,000 was reported as a restriction of fund balance and net position in the General Fund and Governmental Activities, respectively.

Tax Spending Limitation

Section 29-1-1702, Colorado Revised Statutes (C.R.S.), contains limitations on revenues generated from property tax revenues that apply to certain local governments within the State of Colorado.

Annual operating revenue from property taxes is generally limited to a 10.50% increase over a two-year period (5.25% each year); such increase is determined based on a prior assessment period and adjusted for allowable exclusion and exemptions from qualified property tax revenues.

The Town's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF COLUMBINE VALLEY, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2025

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

	2025			2024
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE with FINAL BUDGET	ACTUAL
REVENUES				
Taxes				
Sales and Use Tax	\$ 1,117,600	\$ 1,182,963	\$ 65,363	\$ 1,127,078
Property Taxes	613,980	613,362	(618)	612,410
Specific Ownership Taxes	43,000	33,371	(9,629)	34,395
Franchise Fees - Utilities	81,300	81,995	695	78,548
Franchise Fees - Cable Television	43,400	40,476	(2,924)	42,516
Total Taxes	1,899,280	1,952,167	52,887	1,894,947
Permits and Fees				
Building Permits and Fees	252,400	240,546	(11,854)	232,193
Transportation Fee	100,000	130,773	30,773	106,117
Total Permits and Fees	352,400	371,319	18,919	338,310
Fines and Forfeitures	100,000	64,305	(35,695)	97,601
Intergovernmental				
Town of Bow Mar	392,797	392,797	-	358,000
Highway Users Tax Fund	51,500	53,726	2,226	52,411
Motor Vehicle Registration Fees	5,600	5,657	57	5,557
Conservation Trust Funds	10,000	9,953	(47)	10,013
Open Space Tax	90,200	64,405	(25,795)	63,209
Road and Bridge	18,900	15,635	(3,265)	15,046
Public Safety Grant	32,000	38,738	6,738	-
Miscellaneous	1,700	1,342	(358)	38,539
Total Intergovernmental	602,697	582,253	(20,444)	542,775
Investment Income	245,000	368,601	123,601	417,970
Other	13,000	33,878	20,878	3,192
TOTAL REVENUES	3,212,377	3,372,523	160,146	3,294,795

(Continued)

See the accompanying Independent Auditor's Report.

TOWN OF COLUMBINE VALLEY, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2025

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

	2025			2024
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE with FINAL BUDGET	ACTUAL
EXPENDITURES				
Administration				
Legal	\$ 30,000	\$ 43,808	\$ (13,808)	\$ 27,425
Accounting and Audit	131,000	111,829	19,171	136,573
Inspections	80,000	88,493	(8,493)	74,066
Town Administration	489,393	474,758	14,635	433,818
County Treasurer's Fees	6,140	6,145	(5)	6,132
Total Administration	<u>736,533</u>	<u>725,033</u>	<u>11,500</u>	<u>678,014</u>
Public Safety				
Salaries and Benefits	810,173	840,750	(30,577)	779,401
Municipal Court	135,700	122,073	13,627	91,636
Automotive Expenses	39,978	32,850	7,128	31,488
Supplies and Miscellaneous	175,291	152,858	22,433	162,483
Total Public Safety	<u>1,161,142</u>	<u>1,148,531</u>	<u>12,611</u>	<u>1,065,008</u>
Sanitation	<u>110,838</u>	<u>108,204</u>	<u>2,634</u>	<u>107,118</u>
Planning & Zoning				
Planning and Engineering	<u>36,000</u>	<u>15,828</u>	<u>20,172</u>	<u>31,489</u>
Public Works				
Street Repairs and Maintenance	341,841	314,422	27,419	165,887
Street Lighting	15,000	12,710	2,290	11,665
Ground Maintenance	75,000	32,723	42,277	7,210
Supplies and Miscellaneous	-	91,539	(91,539)	9,166
Total Public Works	<u>431,841</u>	<u>451,394</u>	<u>(19,553)</u>	<u>193,928</u>
Conservation Trust Fund & Open Space	<u>10,000</u>	<u>12,316</u>	<u>(2,316)</u>	<u>3,181</u>
Capital Outlay	<u>997,000</u>	<u>181,593</u>	<u>815,407</u>	<u>731,284</u>
Debt Service				
Principal - SBITA	20,500	16,223	4,277	15,819
Interest - SBITA	-	1,277	(1,277)	1,681
	<u>20,500</u>	<u>17,500</u>	<u>3,000</u>	<u>17,500</u>
Emergency Reserves	<u>88,000</u>	<u>-</u>	<u>88,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,591,854</u>	<u>2,660,399</u>	<u>931,455</u>	<u>2,827,522</u>
NET CHANGE IN FUND BALANCE	<u>(379,477)</u>	<u>712,124</u>	<u>1,091,601</u>	<u>467,273</u>
FUND BALANCE, Beginning	<u>8,595,950</u>	<u>8,749,053</u>	<u>153,103</u>	<u>8,281,780</u>
FUND BALANCE, Ending	<u>\$ 8,216,473</u>	<u>\$ 9,461,177</u>	<u>\$ 1,244,704</u>	<u>\$ 8,749,053</u>

See the accompanying Independent Auditor's Report.

TOWN OF COLUMBINE VALLEY, COLORADO

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
FPPA - STATEWIDE DEFINED BENEFIT PLAN - POLICE
Last Ten Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Plan Measurement Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Proportion of the Net Pension Liability (Asset)	0.049721%	0.047416%	0.053172%	0.050400%	0.047880%	0.043585%	0.055851%	0.060567%	0.067775%	0.067921%
Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ 47,196	\$ (273,133)	\$ (103,947)	\$ (24,650)	\$ 70,612	\$ (87,135)	\$ 24,490	\$ (1,197)
Covered Employee Payroll	\$ 582,249	\$ 542,984	\$ 466,765	\$ 463,472	\$ 406,688	\$ 384,575	\$ 374,130	\$ 354,843	\$ 331,188	\$ 342,855
Proportionate Share of Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	10.11%	-58.93%	-25.56%	-6.41%	18.87%	-24.56%	7.39%	-0.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.00%	100.00%	97.63%	116.16%	106.72%	101.94%	95.23%	106.34%	98.21%	100.10%
Total Pension Liability	\$4,716,284,644	\$4,212,130,287	\$3,752,109,029	\$3,352,605,624	\$3,230,485,701	\$2,919,378,738	\$2,653,120,261	\$2,269,410,684	\$2,021,526,883	\$1,846,961,999
Plan Fiduciary Net Position	4,716,284,644	4,212,130,287	3,663,348,061	3,894,539,387	3,447,586,098	2,975,935,079	2,526,692,808	2,413,276,447	1,985,383,043	1,848,724,853
Net Pension Liability	\$ -	\$ -	\$ 88,760,968	\$ (541,933,763)	\$ (217,100,397)	\$ (56,556,341)	\$ 126,427,453	\$ (143,865,763)	\$ 36,143,840	\$ (1,762,854)

* - The amounts presented for each fiscal year were determined as of 12/31.

See the accompanying Independent Auditor's Report.

TOWN OF COLUMBINE VALLEY, COLORADO

SCHEDULE OF TOWN PENSION CONTRIBUTIONS
FPPA - STATEWIDE DEFINED BENEFIT PLAN - POLICE
 Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 61,136	\$ 54,215	\$ 44,253	\$ 41,634	\$ 34,487	\$ 30,766	\$ 25,699	\$ 29,930	\$ 28,421	\$ 26,495
Contributions in Relation to the Contractually Required Contribution	<u>61,136</u>	<u>54,215</u>	<u>44,253</u>	<u>41,634</u>	<u>34,487</u>	<u>30,766</u>	<u>25,699</u>	<u>29,930</u>	<u>28,421</u>	<u>26,495</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 582,249	\$ 542,984	\$ 466,765	\$ 463,472	\$ 405,729	\$ 384,575	\$ 321,235	\$ 374,130	\$ 355,263	\$ 331,188
Contributions as a Percentage of Covered Employee Payroll	10.50%	9.98%	9.48%	8.98%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%

See the accompanying Independent Auditor's Report.

TOWN OF COLUMBINE VALLEY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- In October, management submits to the Board of Trustees 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 enacted 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 Board of Trustees.
- Budgets are legally adopted for all funds of the Town on a basis consistent with generally accepted accounting principles (GAAP).
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 2: PENSION PLAN – STATEWIDE DEFINED BENEFIT PENSION PLAN

Basis of Presentation

The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the GASB. 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 they are due. Investments are reported at fair value.

OTHER INFORMATION

TOWN OF COLUMBINE VALLEY, COLORADO

SCHEDULE OF FIVE YEAR SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2025

Levy Year	Collection Year	Assessed Valuation	Mill Levy	Total Property Taxes		Collection Rate
				Levied	Collected	
2020	2021	\$ 54,835,909	7.949	\$ 435,891	\$ 431,219	98.93%
2021	2022	65,358,880	9.416	615,419	612,007	99.45%
2022	2023	62,737,997	9.339	586,851	567,738	96.74%
2023	2024	81,774,145	7.144	584,194	612,410 *	104.83%
2024	2025	\$ 83,387,222	7.144	\$ 613,980	613,362	99.90%
2025	2026	\$ 84,063,594	7.298	\$ 613,496		

Note: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Arapahoe County Treasurer does not permit identification of specific year of levy.

* - Collection year 2024 includes the two Senate Bills, SB22 & SB238 property taxes backfill.

Source: Arapahoe County Assessor and Treasurer.

See the accompanying Independent Auditor's Report.

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO	
THIS INFORMATION FROM THE RECORDS OF: Town of Columbine Valley		PREPARED BY: Diane Rodriguez d Rodriguez@crsofcolorado.com	
		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
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 Assessments		a. Interest on investments	58,226.00
b. Non-property Taxes and Assessments Imposts	405,599.00	b. Other Misc. Local Receipts	64,305.00
c. Total (a + b)	\$ 405,599.00	c. Total (a + b)	\$ 122,531.00
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user Taxes (from Item I.C.5.)	53,726.00	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	5,657.00		
c. Total (a + b)	\$ 5,657.00		
4. Total (1 + 2 + 3c)	\$ 59,383.00	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			
c. Construction Costs			
d. Total Capital Outlay (a+ b + c)	\$ -		
Form FHWA-536 (Rev. 02-2025) Page2			

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	
1. Amount used for highway purposes			D. Receipts from Federal Highway Administration	
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES		
ITEM	AMOUNT	ITEM	AMOUNT	
A. Receipts from Local Sources:		A. Local highway expenditures:		
1. Local Highway-user Taxes		1. Capital Outlay (from page 1, Item III.A1.d)	\$ -	
a. Motor Fuel (from Item I.A.1)		2. Maintenance:		
b. Motor Vehicle (from Item I.B.1)		3. Road and Street Services:		
c. Total (a + b)		a. Snow and Ice Removal	10,305.00	
2. General Fund Appropriations	928,119.00	b. Other & Traffic Control Operations	197,158.00	
3. Other Local Imposts (from page 1, Item II.A3.c)	\$ 405,599.00	c. Total (a + b)	\$ 207,463.00	
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	\$ 122,531.00	4. General Administration & Miscellaneous	142,138.00	
5. Transfers from Toll Facilities		5. Highway Law Enforcement and Safety	1,166,031.00	
6. Proceeds of Sale of Bonds and Notes:		6. Total (1 through 5)	\$ 1,515,632.00	
a. Bonds - Original Issues		B. Debt Service on Local Obligations:		
b. Bonds - Refunding Issues		1. Bonds:		
c. Notes		a. Interest		
d. Total (a + b + c)	\$ -	b. Redemption		
7. Total (1 through 6)	\$ 1,456,249.00	c. Total (a + b)	\$ -	
B. Private Contributions		2. Notes:		
C. Receipts from State government (from page 1, Item II.C.4)	\$ 59,383.00	a. Interest		
D. Receipts from Federal government (from page 1, Item II.D.3)	\$ -	b. Redemption		
E. Total receipts (A.7 + B + C + D)	\$ 1,515,632.00	c. Total (a + b)	\$ -	
		3. Total (1c + 2c)	\$ -	
		C. Payments to State for Highways		
		D. Payments to Toll Facilities		
		E. Total Expenditures (A6 + B3 + C + D)	\$ 1,515,632.00	
IV. LOCAL HIGHWAY DEBT STATUS				
(Show all entries at par)				
ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)		\$ -	\$ -	\$ -
1. Bonds (Refunding Portion)		\$ -		
B. Notes (Total)		\$ -	\$ -	\$ -