

Town of Haxtun, Colorado

Financial Statements

For the Year ended December 31, 2017

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June 19, 2018

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Independent Auditors' Report

To the Honorable Mayor and Members of Town Council
Town of Haxtun
Haxtun, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Haxtun (the Town) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and historical pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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

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

The other supplementary information and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
April 13, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the Town of Haxtun, Colorado's annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2017.

FINANCIAL HIGHLIGHTS

- The Town of Haxtun remains in good financial condition.
- The assets of the Town of Haxtun exceeded its liabilities at the close of 2017 by \$5,140,901 (net position). Of this amount \$670,970 or 13% is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- During the year, the Town's revenue from taxes and other revenues for governmental programs were more than the expenditures by \$169,134.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Haxtun's basic financial statements. The Town of Haxtun's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements.
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies.

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

The **statement of activities** presents information showing how the Town of Haxtun'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 reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes.)

The government-wide financial statements of the Town are divided into two categories:

- **Governmental activities.** Most of the 'Town' basic services are included here, such as the fire, public works, parks, recreation, and general administration. Property tax, franchise tax, intergovernmental revenue and charges for services finance most of these activities.
- **Business-type activities.** The Town charges fees to customers to recover most of the costs of certain services provided. The Town's electric, water, sewer and sanitation systems are included here.

The government-wide financial statements can be found starting on page 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law, however, the Board of Trustees has established other funds to help control and manage money for particular purposes or to show that it is properly using certain revenue (the Conservation Trust Fund). All of the funds of the Town of Haxtun can be divided into two categories: governmental and proprietary funds.

Governmental funds. Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statement provides a detailed, short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found starting on page 14 of this report.

Proprietary funds. When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found starting on page 18 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 30 of this report.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Haxtun, assets exceed liabilities by \$5,140,901 at the close of 2017.

Net Position

Combined net position of the Town of Haxtun as of December 31, 2017 and 2016 are shown in Table 1 below.

**Table 1
NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 617,279	\$ 614,614	\$ 767,873	\$ 675,191	\$ 1,385,152	\$ 1,289,805
Capital assets, net	2,964,377	3,052,833	1,922,830	1,869,925	4,887,207	4,922,758
Total assets	3,581,656	3,667,447	2,690,703	2,545,116	6,272,359	6,212,563
Deferred outflows of resources	67,944	45,206	-	-	67,944	45,206
Total assets and deferred outflows of resources	<u>\$ 3,649,600</u>	<u>\$ 3,712,653</u>	<u>\$ 2,690,703</u>	<u>\$ 2,545,116</u>	<u>\$ 6,340,303</u>	<u>\$ 6,257,769</u>
Long-term debt outstanding	\$ 719,614	\$ 777,780	\$ 164,282	\$ 179,410	\$ 883,896	\$ 957,190
Other liabilities	11,488	11,489	147,956	161,298	159,444	172,787
Total liabilities	731,102	789,269	312,238	340,708	1,043,340	1,129,977
Deferred inflows of resources	156,062	156,025	-	-	156,062	156,025
Net position:						
Net investment in capital assets	2,384,416	2,406,186	1,762,053	1,693,823	4,146,469	4,100,009
Restricted	323,462	335,343	-	-	323,462	335,343
Unrestricted	54,558	25,830	616,412	510,585	670,970	536,415
Total net position	2,762,436	2,767,359	2,378,465	2,204,408	5,140,901	4,971,767
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,649,600</u>	<u>\$ 3,712,653</u>	<u>\$ 2,690,703</u>	<u>\$ 2,545,116</u>	<u>\$ 6,340,303</u>	<u>\$ 6,257,769</u>

The largest portion of the Town of Haxtun’s net position, 81%, reflects its investment in capital assets (land, buildings and equipment). The Town of Haxtun uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. In addition, a portion of the Town of Haxtun’s net position, 6%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 13%, may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of 2017, the Town of Haxtun is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Changes in net position

The Town’s total revenue of \$2,203,558 was more than program expenses of \$2,034,424 for an increase in net position of \$169,134.

Table 2 shows the summarized revenues and expenses for 2017 and 2016.

Table 2
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program revenues						
Charges for services	\$ 40,936	\$ 43,211	\$ 1,578,351	\$ 1,583,893	\$ 1,619,287	\$ 1,627,104
Operating grants and contributions	86,811	78,962	-	-	86,811	78,962
General revenues						
Property taxes	150,512	143,298	-	-	150,512	143,298
Sales and use taxes	263,264	248,762	-	-	263,264	248,762
Specific ownership taxes	16,635	15,095	-	-	16,635	15,095
Other taxes	7,993	7,504	-	-	7,993	7,504
Interest earnings	3,241	2,723	133	90	3,374	2,813
Miscellaneous	30,892	59,935	18,932	12,264	49,824	72,199
Sale of assets	5,858	19,000	-	-	5,858	19,000
Transfers	315,000	365,000	(315,000)	(365,000)	-	-
Total revenues	921,142	983,490	1,282,416	1,231,247	2,203,558	2,214,737
Program expenses						
General government	155,359	145,310	-	-	155,359	145,310
Public safety	299,528	349,273	-	-	299,528	349,273
Public works	233,632	254,813	-	-	233,632	254,813
Culture and recreation	209,886	200,875	-	-	209,886	200,875
Interest and fiscal charges	27,660	30,276	-	-	27,660	30,276
Electric services	-	-	738,511	795,163	738,511	795,163
Water services	-	-	129,006	187,292	129,006	187,292
Sanitation services	-	-	153,963	136,796	153,963	136,796
Sewer services	-	-	86,879	101,320	86,879	101,320
Total expenses	926,065	980,547	1,108,359	1,220,571	2,034,424	2,201,118
Change in net position	(4,923)	2,943	174,057	10,676	169,134	13,619
Net position at beginning of year	2,767,359	2,764,416	2,204,408	2,193,732	4,971,767	4,958,148
Net position at end of year	\$ 2,762,436	\$ 2,767,359	\$ 2,378,465	\$ 2,204,408	\$ 5,140,901	\$ 4,971,767

Governmental Activities

Revenue for the Town's governmental activities totaled \$921,142 for 2017. Tax revenue produced 48% of these revenues. Tax revenue includes property taxes, sales and use taxes, specific ownership taxes, franchise taxes and other taxes.

Table 3
GOVERNMENTAL ACTIVITIES

	Total cost of services		Net cost of services	
	2017	2016	2017	2016
General government	\$ 155,359	\$ 145,310	\$ 133,085	\$ 122,141
Public safety	299,528	349,273	293,525	349,273
Public works	233,632	254,813	173,103	195,338
Culture and recreation	209,886	200,875	170,945	161,346
Interest and fiscal charges	27,660	30,276	27,660	30,276

Table 3 presents the cost and revenue of each of the Town’s five largest programs – general government, public safety, public works, and culture recreation – as well as each program’s *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

Business-type Activities

Net position in business-type activities increased to \$2,378,465 in 2017. Business-type activities include electric, water, sewer and sanitation services.

**Table 4
BUSINESS-TYPE ACTIVITIES**

	Total cost of services		Net cost of services	
	2017	2016	2017	2016
Electric services	\$ 738,511	\$ 795,163	\$ (338,679)	\$ (289,731)
Water services	129,006	187,292	(54,536)	(1,239)
Sanitation services	153,963	136,796	(26,828)	(40,978)
Sewer services	86,879	101,320	(49,949)	(31,374)

Table 4, above, presents the cost and revenue of each of the Town’s business-type activities – electric, water, sanitation and sewer– as well as the program *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

THE TOWN’S FUNDS

As the Town completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$449,667. The general, community center and other governmental funds reported fund balances of \$147,783, \$267,041, and \$34,843, respectively.

General Fund Budgetary Highlights

The actual charges to appropriations (expenditures) were \$143,814 less than the final budget amounts primarily due to the overall expenses being less than anticipated at the time of budget adoption.

Additionally, resources available for appropriation (revenues) were \$70,361 less than the final budgeted amounts primarily due to an increase in the year’s sales tax and other tax receipts, coupled with less funds transferred in.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Town of Haxtun’s investment in capital assets for its governmental and business-type activities as of December 31, 2017, amounts to \$4,887,207 (net of accumulated depreciation). This amount includes a broad range of capital assets, including public works equipment, electric, water, sewer, sanitation and other infrastructure.

The Town remains committed to the upkeep and maintenance of the Town’s largest assets. More detailed information about the Town’s capital assets is presented in Table 5.

Table 5
CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and land improvements	\$ 338,010	\$ 355,145	\$ 31,900	\$ 31,900	\$ 369,910	\$ 387,045
Buildings and improvements	1,552,037	1,569,195	2,925	3,182	1,554,962	1,572,377
Machinery and equipment	244,668	274,182	40,740	38,395	285,408	312,577
Infrastructure	829,662	854,311	-	-	829,662	854,311
Systems	-	-	1,847,265	1,796,448	1,847,265	1,796,448
Total	\$ 2,964,377	\$ 3,052,833	\$ 1,922,830	\$ 1,869,925	\$ 4,887,207	\$ 4,922,758

Long-term debt. The Town had \$883,896 in debt outstanding at year-end consisting of outstanding notes, bonds, capital lease obligations, net pension liability and accrued compensated absences. The majority of the debt incumbency is attributed to the wastewater lagoon improvement project, and the electric back-up generator, along with the main street improvements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Town of Haxtun remains in a solid viable financial condition. During 2017, the Town continued working on a major ongoing electric rebuild project by CHS Grainland elevator, along with replacing some electric poles. The Town continued street repairs, with a major rebuild of Powell Street. The Community Center received a fresh interior paint job, and new carpet and flooring. We purchased a new 4-wheeler to help with electric meter reading, and spraying weeds. We also purchased a 2000 tonner truck and a 2007 work pickup truck.

The 2017 utility rates including Electric, Water, Sanitation and Sewer remain stable, with no increases in rates.

In 2017, the citizens voted for a 1% increase in sales tax to help fund the recreation programs, the swimming pool, and the library. The council hopes this will help lesson the amount of dollars we transfer out of the Enterprise Funds to the General Fund.

In 2018, the Town is going to continue the CHS Grainland electrical project, continue street repairs, purchase a ditch-witch type digger, repair broken water meters, repair the water feature in the park, and other necessary maintenance.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact Karie L. Wilson at the Town of Haxtun, 145 S Colorado Avenue, Haxtun, Colorado 80731.

Basic Financial Statements

The basic financial statements of the Town include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

TOWN OF HAXTUN, COLORADO
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 403,998	\$ 540,910	\$ 944,908
Cash with county treasurer	3,638	716	4,354
Receivables	205,093	162,704	367,797
Inventory		63,543	63,543
Net pension asset	4,550		4,550
Capital assets, net of depreciation	2,964,377	1,922,830	4,887,207
Total assets	3,581,656	2,690,703	6,272,359
Deferred outflows of resources			
Pension deferrals	67,944		67,944
Total assets and deferred outflows of resources	\$ 3,649,600	\$ 2,690,703	\$ 6,340,303
Liabilities			
Accounts payable	\$ 9,195	\$ 62,581	\$ 71,776
Accrued interest payable	2,293	502	2,795
Customer deposits		84,873	84,873
Noncurrent liabilities			
Due within one year	65,882	15,613	81,495
Due in more than one year	653,732	148,669	802,401
Total liabilities	731,102	312,238	1,043,340
Deferred inflows of resources			
Deferred property tax revenues	153,867		153,867
Pension deferrals	2,195		2,195
Total deferred inflows of resources	156,062		156,062
Net position			
Net investment in capital assets	2,384,416	1,762,053	4,146,469
Restricted for:			
Emergencies	27,000		27,000
Pensions	4,550		4,550
Culture and recreation	291,912		291,912
Unrestricted	54,558	616,412	670,970
Total net position	2,762,436	2,378,465	5,140,901
Total liabilities, deferred inflows of resources and net position	\$ 3,649,600	\$ 2,690,703	\$ 6,340,303

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

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TOWN OF HAXTUN, COLORADO
Statement of Activities
For the Year Ended December 31, 2017

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 155,359	\$ 16,731	\$ 5,543	
Public safety	299,528		6,003	
Public works	233,632		60,529	
Culture and recreation	209,886	24,205	14,736	
Interest and fiscal charges	27,660			
Total governmental activities	926,065	40,936	86,811	\$ -
Business-type activities				
Electric services	738,511	1,077,190		
Water services	129,006	183,542		
Sanitation services	153,963	180,791		
Sewer services	86,879	136,828		
Total business-type activities	1,108,359	1,578,351	-	-
Total	\$ 2,034,424	\$ 1,619,287	\$ 86,811	\$ -

General revenues and transfers

- Taxes
 - Property taxes, levied for general purposes
 - Sales and use taxes
 - Specific ownership taxes
 - Franchise taxes
 - Severance taxes
- Unrestricted interest on investments
- Miscellaneous
- Sale of assets
- Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

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

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (133,085)		\$ (133,085)
(293,525)		(293,525)
(173,103)		(173,103)
(170,945)		(170,945)
(27,660)		(27,660)
(798,318)	\$ -	(798,318)
	338,679	338,679
	54,536	54,536
	26,828	26,828
	49,949	49,949
-	469,992	469,992
(798,318)	469,992	(328,326)
150,512		150,512
263,264		263,264
16,635		16,635
7,449		7,449
544		544
3,241	133	3,374
30,892	18,932	49,824
5,858		5,858
315,000	(315,000)	-
793,395	(295,935)	497,460
(4,923)	174,057	169,134
2,767,359	2,204,408	4,971,767
\$ 2,762,436	\$ 2,378,465	\$ 5,140,901

TOWN OF HAXTUN, COLORADO
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Community Center Fund	Other Governmental Funds	Total
Assets				
Cash and investments	\$ 109,804	\$ 258,889	\$ 35,305	\$ 403,998
Cash with county treasurer	3,477		161	3,638
Property taxes receivable	141,558		12,309	153,867
Accounts receivable	42,898	8,328		51,226
Total assets	\$ 297,737	\$ 267,217	\$ 47,775	\$ 612,729
Liabilities				
Accounts payable	\$ 8,396	\$ 176	\$ 623	\$ 9,195
Total liabilities	8,396	176	623	9,195
Deferred inflows of resources				
Deferred property tax revenues	141,558		12,309	153,867
Total deferred inflows of resources	141,558	-	12,309	153,867
Fund balance				
Restricted for emergencies	27,000			27,000
Restricted for culture and recreation		267,041	24,871	291,912
Committed to library purposes			9,972	9,972
Unassigned	120,783			120,783
Total fund balance	147,783	267,041	34,843	449,667
Total liabilities, deferred inflows of resources and fund balance	\$ 297,737	\$ 267,217	\$ 47,775	\$ 612,729

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

TOWN OF HAXTUN, COLORADO
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2017

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 449,667
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	2,964,377
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(2,293)
Net pension assets and deferrals used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	72,494
Long-term liabilities and pension deferrals are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(721,809)</u>
Net position of the governmental activities	<u>\$ 2,762,436</u>

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

TOWN OF HAXTUN, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2017

	General Fund	Community Center Fund	Other Governmental Funds	Total
Revenues				
Taxes	\$ 374,474	\$ 52,578	\$ 12,096	\$ 439,148
Licenses and permits	3,886			3,886
Intergovernmental	62,234		9,642	71,876
Fines and forfeitures	8,081			8,081
Charges for services	25,999	2,970		28,969
Miscellaneous	42,900	980	4,444	48,324
Total revenues	517,574	56,528	26,182	600,284
Expenditures				
Current				
General government	140,630			140,630
Public safety	282,500			282,500
Public works	178,273			178,273
Culture and recreation	115,842	67,078	44,453	227,373
Debt service				
Principal retirement	66,686			66,686
Interest and fiscal charges	28,940			28,940
Total expenditures	812,871	67,078	44,453	924,402
Excess of revenues over (under) expenditures	(295,297)	(10,550)	(18,271)	(324,118)
Other financing sources				
Transfers in	300,000		15,000	315,000
Sale of assets	5,858			5,858
Total other financing sources	305,858	-	15,000	320,858
Net change in fund balance	10,561	(10,550)	(3,271)	(3,260)
Fund balance at beginning of year	137,222	277,591	38,114	452,927
Fund balance at end of year	<u>\$ 147,783</u>	<u>\$ 267,041</u>	<u>\$ 34,843</u>	<u>\$ 449,667</u>

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

TOWN OF HAXTUN, COLORADO

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2017**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental funds	\$ (3,260)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown 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 by which depreciation exceeded capital outlays in the current period.	(88,456)
In the statement of activities, certain expenses related to the pension asset and liability and related deferred inflows and outflows of resources, compensated absences and accrued interest payable, are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially, the amounts actually paid).	20,107
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces the long-term debt liability in the statement of net position.	<u>66,686</u>
Change in net position of governmental activities	<u><u>\$ (4,923)</u></u>

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

TOWN OF HAXTUN, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Assets				
Current assets				
Cash and investments	\$ 164,340	\$ 98,795	\$ 62,773	\$ 215,002
Cash with county treasurer	716			
Accounts receivable	120,715	14,688	15,621	11,680
Inventory	54,319	6,427	838	1,959
Total current assets	340,090	119,910	79,232	228,641
Capital assets, net of depreciation	932,819	286,243	15,655	688,113
Total assets	\$ 1,272,909	\$ 406,153	\$ 94,887	\$ 916,754

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

Total

\$ 540,910
716
162,704
63,543

767,873

1,922,830

\$ 2,690,703

(continued)

TOWN OF HAXTUN, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2017

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Liabilities				
Current liabilities				
Accounts payable	\$ 59,809	\$ 538	\$ 2,055	\$ 179
Accrued interest payable				502
Customer deposits	84,873			
Current portion of long-term debt				15,613
Total current liabilities	144,682	538	2,055	16,294
Long-term liabilities				
Accrued compensated absences	988	796	689	1,032
Long-term debt				145,164
Total long-term liabilities	988	796	689	146,196
Total liabilities	145,670	1,334	2,744	162,490
Net position				
Net investment in capital assets	932,819	286,243	15,655	527,336
Unrestricted	194,420	118,576	76,488	226,928
Total net position	1,127,239	404,819	92,143	754,264
Total liabilities and net position	\$ 1,272,909	\$ 406,153	\$ 94,887	\$ 916,754

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

Total

\$ 62,581
502
84,873

15,613

163,569

3,505
145,164

148,669

312,238

1,762,053
616,412

2,378,465

\$ 2,690,703

TOWN OF HAXTUN, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Operating revenues				
Charges for services	\$ 1,014,380	\$ 183,542	\$ 180,791	\$ 136,828
Penalties	11,510			
Reimbursements	51,300			
Total operating revenues	1,077,190	183,542	180,791	136,828
Operating expenses				
Salaries	51,260	40,108	71,252	33,061
Employee benefits	26,052	20,454	36,239	16,163
Supplies	9,553	3,755	4,879	4,660
Repairs and maintenance	42,469	4,733	5,392	890
Insurance	4,444	2,737	5,980	3,451
Utilities	1,227	29,335	416	1,752
Audit and legal	1,927	1,927	1,927	1,082
Fuel and oil	2,464	939	2,827	81
Power purchased	559,826			
Water assessment fee		2,463		
Dump expense			20,287	
Miscellaneous	5,313	5,452	912	1,994
Depreciation and amortization	33,976	17,103	3,852	20,562
Total operating expenses	738,511	129,006	153,963	83,696
Operating income	338,679	54,536	26,828	53,132

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

<u>Total</u>
\$ 1,515,541
11,510
51,300
<u>1,578,351</u>
195,681
98,908
22,847
53,484
16,612
32,730
6,863
6,311
559,826
2,463
20,287
13,671
75,493
<u>1,105,176</u>
473,175

(continued)

TOWN OF HAXTUN, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Nonoperating revenues (expenses)				
Interest on investments	49	21	12	51
Miscellaneous revenues	14,832	2,936	1,164	
Interest and fiscal charges				(3,183)
Total nonoperating revenues (expenses)	14,881	2,957	1,176	(3,132)
Income before transfers	353,560	57,493	28,004	50,000
Transfers out	(250,000)		(65,000)	
Change in net position	103,560	57,493	(36,996)	50,000
Net position at beginning of year	1,023,679	347,326	129,139	704,264
Net position at end of year	<u>\$ 1,127,239</u>	<u>\$ 404,819</u>	<u>\$ 92,143</u>	<u>\$ 754,264</u>

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

Total

133
18,932
(3,183)

15,882

489,057

(315,000)

174,057

2,204,408

\$ 2,378,465

TOWN OF HAXTUN, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Cash flows from operating activities				
Receipts from customers	\$ 1,087,051	\$ 188,975	\$ 181,528	\$ 137,454
Payments to suppliers	(656,093)	(73,083)	(79,191)	(30,584)
Payments to employees	(51,213)	(40,088)	(71,171)	(33,012)
Net cash provided by operating activities	379,745	75,804	31,166	73,858
Cash flows from noncapital financing activities				
Miscellaneous revenues	14,832	2,936	1,164	
Transfers	(250,000)		(65,000)	
Net cash provided (used) by noncapital financing activities	(235,168)	2,936	(63,836)	-
Cash flows from capital and related financing activities				
Purchase of capital assets	(109,149)	(12,999)	(6,250)	
Principal paid on capital debt				(15,325)
Interest and fiscal charges				(3,231)
Net cash used by capital and related financing activities	(109,149)	(12,999)	(6,250)	(18,556)
Cash flows from investing activities				
Interest on investments	49	21	12	51
Net cash provided by investing activities	49	21	12	51
Net increase (decrease) in cash and cash equivalents	35,477	65,762	(38,908)	55,353
Cash and cash equivalents at beginning of year	128,863	33,033	101,681	159,649
Cash and cash equivalents at end of year	\$ 164,340	\$ 98,795	\$ 62,773	\$ 215,002

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

Total

\$ 1,595,008
(838,951)
(195,484)

560,573

18,932
(315,000)

(296,068)

(128,398)
(15,325)
(3,231)

(146,954)

133

133

117,684

423,226

\$ 540,910

(continued)

TOWN OF HAXTUN, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 338,679	\$ 54,536	\$ 26,828	\$ 53,132
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	33,976	17,103	3,852	20,562
Change in assets and liabilities				
Cash with county treasurer	(716)			
Accounts receivable	9,451	5,433	737	626
Inventory	9,778	(732)	910	(485)
Accounts payable	(12,596)	(556)	(1,242)	(26)
Accrued compensated absences	47	20	81	49
Customer deposits	1,126			
Net cash provided by operating activities	<u>\$ 379,745</u>	<u>\$ 75,804</u>	<u>\$ 31,166</u>	<u>\$ 73,858</u>

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

Total

\$ 473,175

75,493

(716)

16,247

9,471

(14,420)

197

1,126

\$ 560,573

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the Town of Haxtun's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town's accounting policies are described below.

A.1 – Reporting entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

A.2 – Fund accounting

The Town uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The Town does not have any fiduciary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), major capital projects (capital projects fund), and the servicing of general long-term debt (debt service fund). The following are the Town's major governmental funds:

General Fund – The General Fund is the operating fund of the Town. It is used to account for most of the day-to-day operations of the Town which are financed from sales and use taxes, property taxes and other general revenues. Activities financed by the general fund include those of line and staff departments within the Town, except for activities of the enterprise funds.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Community Center Fund – This fund was established to provide for an accounting of those funds received through fundraising and donations for the Haxtun Community Center. These funds are to be expended on the maintenance and operations of the Center.

The following are the Town's nonmajor governmental funds:

Conservation Trust Fund – This fund was established to account for state lottery proceeds and allowable expenditures.

Library Fund – This fund was established to account for the town owned and operated public library.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Town's major proprietary funds:

Electric Fund – This fund was established to account for all operations of the electric utility services provided by the Town.

Water Fund – This fund was established to account for all operations of the water utility services provided by the Town.

Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the Town.

Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the Town.

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Town and for each function or program of the Town's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Town.

Fund financial statements – Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Revenues – exchange and nonexchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Town must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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 element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Expenses/expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

A.5 – Encumbrances

The Town does not utilize encumbrance accounting.

A.6 – Cash and cash equivalents

For the purposes of the statement of cash flows, the Town considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

A.7 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

A.8 – Receivables

Monthly charges for water services are included with monthly utility billings. No allowance for doubtful accounts has been provided in the accompanying financial statements since substantially all accounts are deemed by management to be collectible.

A.9 – Inventories

Inventories in the proprietary funds consist of supplies and are recorded at the lower of cost or market using the first-in, first-out method.

A.10 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) will be capitalized on a prospective basis beginning in 2004.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized during the year.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Buildings & Improvements	5-50 years	5-50 years
Equipment	5-20 years	5-20 years
Infrastructure	10-100 years	10-100 years

A.11 – Compensated absences

It is the policy of the Town to provide their regular employees with greater economic security by granting reasonable personal absences from work due to actual illness or personal reasons. Full-time employees eligible for these allowances receive from five to twenty days per year, with no more than five day of vacation being accumulated for carryover from year to year.

These allowances are payable at the employee’s standard rate of pay in effect at the time of usage.

A.12 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

A.13 – Net position

Net position represents the difference between assets and liabilities. Net investment in assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

A.14 – Operating revenues and expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Town, these revenues are service charges for electric, water, sanitation and sewer utility services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A.15 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.16 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the town council and that are either unusual in nature or infrequent in occurrence. The Town had no transactions that qualify as extraordinary or special items during the year.

A.17 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

- *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),
- *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
- *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council (the Town's highest level of decision-making authority),
- *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, an
- *Unassigned* fund balance is the residual classification for the Town's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the town council through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the Town applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note B – Cash and investments

Cash and deposits – Colorado State statutes govern the Town’s deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government’s name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of year-end, the Town had total deposits of \$892,510, of which \$250,000 was insured and \$642,510 was collateralized with securities held by the pledging institution’s trust department or agent in the Town’s name.

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the Town’s own investment policies and procedures. Investments of the Town may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

During the year, the Town invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note B – Cash and investments (Continued)

collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of December 31, 2017, the Town had invested \$102,618 in COLOTRUST PLUS+, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

At year-end, the Town had the following investments:

Investment type	Fair value	Investment maturities (in years)		
		Less than 1	1-5	6-10
Investment in Colostrust	\$ 102,618	\$ 102,618	\$ -	\$ -

Note C – Interfund transactions

The following is a summary of interfund transfers for the year as presented in the fund financial statements:

Transfers In	Transfers Out	Amount
General Fund	Electric Fund	\$ 250,000
General Fund	Sanitation Fund	50,000
Other Governmental Funds	Sanitation Fund	15,000
Totals		\$ 315,000

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The Town annually transfers funds from certain of the Proprietary Funds (Electric, Water and Sewer) to provide support for various departments within the General Fund. The Town also transferred \$15,000 from the Sanitation Fund the Library Fund to provide support for the operation of the Town’s library.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note D – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Receivables</u>
Property taxes	\$ 153,867	\$ -	\$ 153,867
Other accounts	<u>51,226</u>	<u>162,704</u>	<u>213,930</u>
Total	<u>\$ 205,093</u>	<u>\$ 162,704</u>	<u>\$ 367,797</u>

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Phillips County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the county are remitted to the Town in the subsequent month.

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 39,940	\$ -	\$ -	\$ 39,940
Total capital assets, not being depreciated	39,940	-	-	39,940
Capital assets, being depreciated:				
Land improvements	421,738	-	-	421,738
Buildings	2,338,241	41,133	-	2,379,374
Infrastructure	985,958	-	-	985,958
Equipment and furniture	<u>550,684</u>	<u>12,872</u>	<u>(1,500)</u>	<u>562,056</u>
Total capital assets, being depreciated	<u>4,296,621</u>	<u>54,005</u>	<u>(1,500)</u>	<u>4,349,126</u>
Total capital assets	4,336,561	54,005	(1,500)	4,389,066

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Less accumulated depreciation:				
Land improvements	(106,533)	(17,135)	-	(123,668)
Buildings	(769,046)	(58,291)	-	(827,337)
Infrastructure	(131,647)	(24,649)	-	(156,296)
Equipment and furniture	(276,502)	(42,386)	1,500	(317,388)
Total accumulated depreciation	<u>(1,283,728)</u>	<u>(142,461)</u>	<u>1,500</u>	<u>(1,424,689)</u>
Governmental activities capital assets, net	<u>\$ 3,052,833</u>	<u>\$ (88,456)</u>	<u>\$ -</u>	<u>\$ 2,964,377</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	<u>\$ 31,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,900</u>
Total capital assets, not being depreciated	31,900	-	-	31,900
Capital assets, being depreciated				
Buildings	68,318	-	-	68,318
Systems	3,711,506	109,149	-	3,820,655
Equipment	313,423	19,249	-	332,672
Total capital assets, being depreciated	<u>4,093,247</u>	<u>128,398</u>	<u>-</u>	<u>4,221,645</u>
Total capital assets	4,125,147	128,398	-	4,253,545
Less accumulated depreciation:				
Buildings	(65,136)	(257)	-	(65,393)
Systems	(1,915,058)	(58,332)	-	(1,973,390)
Equipment	(275,028)	(16,904)	-	(291,932)
Total accumulated depreciation	<u>(2,255,222)</u>	<u>(75,493)</u>	<u>-</u>	<u>(2,330,715)</u>
Business-type activities capital assets, net	<u>\$ 1,869,925</u>	<u>\$ 52,905</u>	<u>\$ -</u>	<u>\$ 1,922,830</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities	
General government	\$ 15,393
Public safety	35,191
Public works	61,609
Culture and recreation	<u>30,268</u>
Total governmental activities	<u>\$ 142,461</u>
Business-type activities	
Electric	\$ 33,976
Water	17,103
Sanitation	3,852
Sewer	<u>20,562</u>
Total business-type activities	<u>\$ 75,493</u>

Note F – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental Activities					
Bond payable	\$ 520,169	\$ -	\$ (47,697)	\$ 472,472	\$ 45,819
Capital lease	126,478	-	(18,989)	107,489	20,063
Net pension liability	127,917	9,184	-	137,101	-
Compensated absences	<u>3,216</u>	<u>-</u>	<u>(664)</u>	<u>2,552</u>	<u>-</u>
Total	<u>\$ 777,780</u>	<u>\$ 9,184</u>	<u>\$ (67,350)</u>	<u>\$ 719,614</u>	<u>\$ 65,882</u>

The compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. The Town believes that the current portion of compensated absences is negligible and is therefore not reported.

Bonds payable

General obligation bonds payable consist of the following individual issue:

\$750,000 general obligation bonds, dated April 26, 2011, due in monthly installments beginning in fiscal year 2011 of \$6,010; fixed monthly interest rate of 4.9%, payable monthly on the first of each month.

\$ 472,472

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note F – Long-term debt (Continued)

The following schedule represents the Town’s debt service requirements to maturity for the outstanding long-term debt at year-end:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 45,819	\$ 20,294	\$ 66,113
2019	52,383	19,740	72,123
2020	55,008	17,115	72,123
2021	57,765	14,358	72,123
2022	60,660	11,463	72,123
2023-2025	<u>200,837</u>	<u>15,532</u>	<u>216,369</u>
Total	<u>\$ 472,472</u>	<u>\$ 98,502</u>	<u>\$ 570,974</u>

Capital lease obligations

Caterpillar wheel loader – The Town has entered into an annually renewable lease and purchase option agreement for the acquisition of a new 926M Caterpillar wheel loader. The Town has capitalized \$149,981 of assets under this capital lease. This lease, dated March 18, 2016, requires annual payments of \$23,502 with a fixed interest rate of 3.20%, with final payment due April 29, 2022.

The following is a schedule by years of future minimum lease payments under the capital lease above, together with the present value of the net minimum lease payments at year-end:

<u>Year ended December 31,</u>	<u>Debt service requirement</u>
2018	\$ 23,502
2019	23,502
2020	23,502
2021	23,502
2022	<u>24,054</u>
Total minimum lease payments	118,062
Less amount representing interest	<u>(10,573)</u>
Present value of future net minimum lease payments	<u>\$ 107,489</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note F – Long-term debt (Continued)

	<u>Beginning Balances</u>	<u>Adjustments/ Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Business-type activities					
Notes payable	\$ 176,102	\$ -	\$ (15,325)	\$ 160,777	\$ 15,613
Compensated absences	<u>3,308</u>	<u>197</u>	<u>-</u>	<u>3,505</u>	<u>-</u>
Total	<u>\$ 179,410</u>	<u>\$ 197</u>	<u>\$ (15,325)</u>	<u>\$ 164,282</u>	<u>\$ 15,613</u>

Note payable – The Town has entered into a \$305,041 note agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) dated November 1, 2007, due in semi-annual installments of \$9,277 through 2027. The agreement provides for the disbursement of funds at the Town’s request to facilitate the construction of a sanitary sewer relief line. The agreement requires semi-annual payments of principal, interest and administrative fees due May 1st and November 1st of each year.

The loan agreement contains various covenants including the establishment and maintenance of an operations and maintenance reserve fund in an amount equal to three months of operation and maintenance expenses as set forth in the annual budget for the current fiscal year. Based on the current annual budget, three months of operations and maintenance expenses totaled \$26,401 which the Town has funded with unobligated fund balances. The Town must also maintain water rates, fees and other charges that will cover operation and maintenance expenses and at least 110% of debt service for the calendar year. The Town believes it is in compliance with the covenants as set forth in the loan agreement.

The following schedule represents the Town’s debt service requirements to maturity for the outstanding note payable at year-end:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 15,613	\$ 2,942	\$ 18,555
2019	15,907	2,648	18,555
2020	16,207	2,348	18,555
2021	16,512	2,043	18,555
2022	16,823	1,732	18,555
2023-2027	<u>79,715</u>	<u>3,783</u>	<u>83,498</u>
Total	<u>\$ 160,777</u>	<u>\$ 15,496</u>	<u>\$ 176,273</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note G – 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; and natural disasters. The Town has purchased workman's compensation insurance through the Colorado Compensation Insurance Association to provide protection against losses from employees while on the job. The Town has affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty, and general liability claims. CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability and property 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. The Town makes an annual contribution to CIRSA for its insurance coverage. For the year, the Town's financial contribution to CIRSA was \$70,989. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the Town. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note H – Pension Plans

Statewide Defined Benefit Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. 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.

General information about the pension plan

Plan description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980 and as of December 31, 2016 has 216 participating employer fire and police departments.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Employers once had the option to elect to withdraw from the Plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at www.fppaco.org.

Benefits provided. 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.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent 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 payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of 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 percent 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 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

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

Members of the SWDB Plan and their employers are contributing at the rate of 9 percent and 8 percent, respectively, of base salary for a total contribution rate of 17 percent in 2016. In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5 percent of base salary in 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.5 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.5 percent in 2016. Per the 2014 member election, members of the affiliate social security group will have their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the Town were \$5,241.

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

At December 31, 2017 the Town reported a liability of \$4,227 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The Town's proportion of the net pension liability 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 entities, actuarially determined. At December 31, 2016, the Town's proportion was .0117 percent, which was a decrease of .0008 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Town recognized pension expense (income) of \$7,001. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 11,947	\$ -
Changes in assumptions or other inputs	3,086	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,746	38
Contributions subsequent to measurement date	5,241	
Difference between expected and actual experience	<u>3,876</u>	<u>230</u>
Totals	<u>\$ 25,896</u>	<u>\$ 268</u>

\$5,241 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31, _____</u>	<u>Amount</u>
2018	\$ 4,802
2019	4,802
2020	4,524
2021	1,928
2022	1,027
2023	1,027
2024	1,027
2025	936
2026	<u>314</u>
Totals	<u>\$ 20,387</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Actuarial assumptions. The collective total pension liability as of December 31, 2016 is based upon the January 1, 2017 actuarial valuation, which was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2017
Actuarial method	Entry age normal
Amortization method	Level percent of payroll, open
Amortization period	30 years
Long-term investment rate of return *	7.5%
Projected salary increases*	4.0% – 14.0%
Cost of living adjustment	0.0%
*Includes inflation at	2.5%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2016, are summarized in the following table:

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15.0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	<u>2.0%</u>	0.00%*
Totals	<u>100.0%</u>	

* While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Sensitivity of the Town’s proportionate share of the net pension liability/(asset) to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the Town’s proportionate share of the net pension liability/(asset) calculated using a Single Discount Rate of 7.50%, as well as what the Town’s proportionate share of the net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount (7.50)	1% Increase (8.50)
Proportionate share of the net pension liability (asset)	\$ 35,961	\$ 4,227	\$ (22,130)

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.

Payables to the pension plan

The Town did not report any payables to the pension plan at year-end.

Haxtun Volunteer Fire Department Pension Fund

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Haxtun Volunteer Fire Department Pension Fund and additions to/deductions from Haxtun Volunteer Fire Department Pension Fund’s net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

General information about the pension plan

Plan administration. The Town's defined benefit pension plan for volunteers provides retirement and disability benefits and death benefits to plan members and beneficiaries. The plan is affiliated with the Fire and Police Member's Benefit Fund, an agent multiple-employer pension plan administered by the Fire and Police Pension Association (FPPA) of Colorado. Title 31, Article 30 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plans that participate in FPPA to the respective member entities. The FPPA issues a publicly available financial report that includes financial statements and required supplementary information for Public Employee Retirement System (PERS) Affiliated Local Plans that can be obtained at www.fppaco.org.

Management of the Haxtun Volunteer Fire Department Pension Fund is vested in the local Pension Board, which consists of the Town Mayor, Treasurer, two persons appointed by the governing body of the Town, and three representatives of the local fire department serving the Town.

Plan membership. At year-end, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>29</u>
Total	<u>49</u>

Benefits provided. The plan provides retirement and death benefits. Any firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension (currently \$50 per month). Vesting for reduced monthly pension benefits begins at 10 years of service, with full pension after 20 years. The plan also provides for a lump-sum burial benefit of \$100 upon the death of an active or retired firefighter. The plan does not provide for disability or survivor benefits.

Contributions. Contribution requirements of the plan are established under Title 31, Article 30 of the Colorado Revised Statutes. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2017 included \$4,297 from the State of Colorado matching funds and \$7,028 from the Town.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

At December 31, 2017 the Town reported a net pension asset of \$4,550. The net pension asset was measured as of December 31, 2016, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2017.

For the year ended December 31, 2017, the Town recognized pension expense (income) of \$(144). At December 31, 2017, 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>
Net difference between projected and actual investment earnings	\$ 9,325	\$ -
Changes in assumptions or other inputs	4,024	
Contributions subsequent to measurement date	7,028	
Difference between expected and actual experience	<u>753</u>	<u>1,927</u>
Totals	<u>\$ 21,130</u>	<u>\$ 1,927</u>

\$7,028 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31, ___</u>	<u>Amount</u>
2018	\$ 4,006
2019	3,826
2020	3,260
2021	<u>1,082</u>
Totals	<u>\$ 12,175</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Actuarial assumptions. The total pension asset in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Amortization method	Level dollar open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	N/A
Investment rate of return	7.50%
Retirement age	50% per year of eligibility until 100% at age 65

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment projected with Scale AA, 40 percent multiplier for off-duty mortality. On-duty related mortality is assumed to be 0.00020 per year for all members.

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of a regularly scheduled experience study in 2015. As a result of the 2015 experience study, the main actuarial factor changes were:

- Reduced the inflation assumption from 3.0 percent to 2.5 percent.
- Revised the post-retirement mortality tables to reflect increased longevity.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund's target asset allocation as of December 31, 2016, are summarized in the following table:

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	36.00%	6.75%
Equity Long/Short	10.00%	4.85%
Illiquid Alternatives	23.00%	8.25%
Fixed Income	15.00%	.50%
Absolute Return	10.00%	4.05%
Managed Futures	4.00%	3.00%
Cash	<u>2.00%</u>	0.00%*
Totals	<u>100.00%</u>	

* While expected inflation exceeds the expected rate of return for cash, a 0.0 real rate of return is utilized.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the 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 position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Sensitivity of the Town’s net pension liability/(asset) to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan’s net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount (7.50)	1% Increase (8.50)
Net pension liability (asset)	\$ 13,711	\$ (4,550)	\$ (19,818)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Haxtun Volunteer Fire Department Pension Fund financial report.

Payables to the pension plan

The Town did not report any payables to the pension plan at year-end.

Town of Haxtun Old Hire Police Pension Fund

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town of Haxtun Old Hire Police Pension Fund and additions to/deductions from Town of Haxtun Old Hire Police Pension Fund’s net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

Plan administration. The Town contributes to the Police Old Hire Pension Plan which is an affiliated local plan of the Public Employees Retirement System (PERS), an agent multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association (FPPA) of Colorado. The pension plan provides retirement benefits, postretirement death and disability benefits, and annual cost-of-living adjustments to plan

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

members and beneficiaries. Currently the plan's membership consists of one retired member. The Town has elected to affiliate with FPPA to manage the pension plan's assets for plan administration and investment purposes only. The FPPA Board of Directors is responsible for formulating official rules and regulations to implement state statutes governing fire and police pensions. These statutes may be found in Title 31, Article 30.5 of the *Colorado Revised Statutes (CRS)*, as amended. The FPPA issues a publicly available financial report that includes financial statements and required supplementary information for Public Employee Retirement System (PERS) Affiliated Local Plans that can be obtained at www.fppaco.org.

Benefits provided. The plan provides normal retirement and certain post-retirement death and disability benefits. Any police officer who has both reached the age of 55 and completed 20 years of active service or, upon completing 25 years of active service, if earlier, shall be eligible for a monthly pension benefit equal to one-half of the average monthly salary received one year before retirement. The plan also provides a post-retirement death and disability benefit to the surviving spouse of a deceased retired police officer in the amount of one-half of the monthly pension the officer was entitled to receive prior to death.

Contributions. The authority for establishing and amending the plan's funding policy is governed by Title 31, Article 30.5 of the *CRS*, as amended. The Town contributed \$13,404 to the plan in accordance with actuarially determined requirements based on the January 1, 2016 valuation. No contributions are required of plan members.

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

At December 31, 2017 the Town reported a net pension liability of \$132,874. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

For the year ended December 31, 2017, the Town recognized pension expense (income) of \$653. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Net difference between projected and actual investment earnings	\$ 7,514	\$ -
Contributions subsequent to measurement date	<u>13,404</u>	<u>-</u>
Totals	<u>\$ 20,918</u>	<u>\$ -</u>

\$13,404 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31, _____</u>	<u>Amount</u>
2018	\$ 2,359
2019	2,361
2020	2,217
2021	<u>577</u>
Totals	<u>\$ 7,514</u>

Actuarial assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Amortization method	Level dollar open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	N/A
Investment rate of return	7.50%
Retirement age	Any remaining actives are assumed to retire immediately

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment projected with Scale AA, 40 percent multiplier for off-duty mortality. On-duty related mortality is assumed to be 0.00020 per year for all members.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of a regularly scheduled experience study in 2015. As a result of the 2015 experience study, the main actuarial factor changes were:

- Reduced the inflation assumption from 3.0 percent to 2.5 percent.
- Revised the post-retirement mortality tables to reflect increased longevity.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return, which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund's target asset allocation as of December 31, 2016, are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	36.00%	6.75%
Equity Long/Short	10.00%	4.85%
Illiquid Alternatives	23.00%	8.25%
Fixed Income	15.00%	0.50%
Absolute Return	10.00%	4.05%
Managed Futures	4.00%	3.00%
Cash	<u>2.00%</u>	0.00%*
Totals	<u>100.00%</u>	

* While expected inflation exceeds the expected rate of return for cash, a 0.0% real rate of return is utilized.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Directors' funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the 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 position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H. 15)); and the resulting Single Discount Rate is 7.50%.

Sensitivity of the Town's net pension liability/(asset) to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount (7.50)	1% Increase (8.50)
Net pension liability	\$ 156,629	\$ 132,874	\$ 112,308

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Town of Haxtun Old Hire Police Pension Fund financial report.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Payables to the pension plan

The Town did not report any payables to the pension plan at year-end.

Defined Contribution Plan

The Town contributes to the Colorado County Officials and Employees Retirement Plan (the Plan), a defined contribution plan administered by the Colorado County Officials and Employees Retirement Association (CCOERA).

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Town Council. The Town's contribution is a minimum of 3 percent of covered salary, but may be increased beyond this amount. All eligible employees are required to contribute an amount equal to the contribution by the Town. For the year employee contributions totaled \$8,116, and the Town recognized pension expense of \$8,116.

Employees are immediately vested in their own contributions, Town contributions, and earnings on those contributions.

Note I – Commitments and contingencies

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate. In November, 1995, the voters of the Town approved a ballot initiative permitting the Town to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of TABOR. However, the Town has made certain interpretations of TABOR's language in order to determine its compliance. The Town has reserved funds in the General Fund in the amount of \$27,000 for the emergency reserve.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Schedule of the Town's Proportionate Share of the Net Pension Asset – Fire & Police Statewide Defined Benefit Plan
- Schedule of Town Contributions – Fire & Police Statewide Defined Benefit Plan
- Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios – Haxtun Volunteer Fire Department Pension Fund
- Schedule of Town Contributions – Haxtun Volunteer Fire Department Pension Fund
- Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios – Town of Haxtun Old Hire Police Pension Fund
- Schedule of Town Contributions – Town of Haxtun Old Hire Police Pension Fund
- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Community Center Fund

TOWN OF HAXTUN, COLORADO
Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset) ¹
Fire & Police Statewide Defined Benefit Plan
December 31, 2017

Measurement period ending December 31,	2016	2015	2014
Town's proportion of the net pension liability/(asset)	0.0116968%	0.0125032%	0.0125307%
Town's proportionate share of the net pension liability/(asset)	\$ (4,227)	\$ (220)	\$ (14,142)
Town's covered-employee payroll	\$ 65,508	\$ 59,862	\$ 60,950
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	6.5%	0.4%	23.2%
Plan fiduciary net position as a percentage of the total pension liability	98.21%	100.10%	106.80%

¹ Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

TOWN OF HAXTUN, COLORADO
Schedule of Town Contributions ¹
Fire & Police Statewide Defined Benefit Plan
December 31, 2017

Measurement period ending December 31,	2016	2015	2014
Contractually required contribution	\$ 5,241	\$ 4,789	\$ 4,876
Contributions in relation to the contractually required contribution	(5,241)	(4,789)	(4,876)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 65,508	\$ 59,862	\$ 60,950
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%

¹ Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

TOWN OF HAXTUN, COLORADO
Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios ¹
Haxtun Volunteer Fire Department Pension Fund
Last 10 Fiscal Years

Measurement period ending December 31,	2016	2015	2014
Total pension liability			
Service cost	\$ 1,126	\$ 1,126	\$ 1,174
Interest on the total pension liability	11,974	11,979	11,819
Benefit changes	-	-	-
Differences between expected and actual experience	(2,467)	-	2,152
Assumption changes	5,152	-	-
Benefit payments	(13,150)	(13,200)	(12,762)
Net change in total pension liability	2,635	(95)	2,383
Total pension liability - beginning	165,559	165,654	163,271
Total pension liability - ending (a)	\$ 168,194	\$ 165,559	\$ 165,654
Plan fiduciary net position			
Contributions - employer	\$ 2,460	\$ 6,583	\$ 4,714
Net investment income	8,776	3,049	10,784
Benefit payments	(13,150)	(13,200)	(12,762)
Pension plan administrative expenses	(539)	(1,565)	(634)
State of Colorado supplemental discretionary payment	5,263	4,243	4,243
Net change in plan fiduciary net position	2,810	(890)	6,345
Plan fiduciary net position - beginning	169,934	170,824	164,479
Plan fiduciary net position - ending (b)	\$ 172,744	\$ 169,934	\$ 170,824
Town's net pension liability/(asset) - ending (a) - (b)	\$ (4,550)	\$ (4,375)	\$ (5,170)
Plan fiduciary net position as a percentage of the total pension liability	102.71%	102.64%	103.12%
Covered-employee payroll	N/A	N/A	N/A
Town's net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A

¹ Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

TOWN OF HAXTUN, COLORADO
Schedule of Town Contributions ¹
Haxtun Volunteer Fire Department Pension Fund
Last 10 Fiscal Years

Measurement Period Ending December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2016	\$ 60	\$ 7,723	\$ (7,663)	N/A	N/A
2015	1,869	10,826	(8,957)	N/A	N/A
2014	1,869	8,957	(7,088)	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment.

¹ Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

TOWN OF HAXTUN, COLORADO
Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios ¹
Town of Haxtun Old Hire Police Pension Fund
Last 10 Fiscal Years

Measurement period ending December 31,	2016	2015	2014
Total pension liability			
Service cost	\$ -	\$ -	\$ -
Interest on the total pension liability	19,268	18,196	18,432
Benefit changes	-	-	-
Difference between expected and actual experience	-	4,942	-
Assumption changes	-	13,153	-
Benefit payments	(22,221)	(21,785)	(21,358)
Net change in total pension liability	(2,953)	14,506	(2,926)
Total pension liability - beginning	267,820	253,314	256,240
Total pension liability - ending (a)	<u>\$ 264,867</u>	<u>\$ 267,820</u>	<u>\$ 253,314</u>
Plan fiduciary net position			
Contributions - employer	\$ 9,342	\$ 9,342	\$ 8,892
Contributions - employee	-	-	-
Net investment income	7,056	2,595	10,379
Benefit payments	(22,221)	(21,785)	(21,358)
Pension plan administrative expenses	(2,087)	(577)	(3,123)
Net change in plan fiduciary net position	(7,910)	(10,425)	(5,210)
Plan fiduciary net position - beginning	139,903	150,328	155,538
Plan fiduciary net position - ending (b)	<u>\$ 131,993</u>	<u>\$ 139,903</u>	<u>\$ 150,328</u>
Town's net pension liability/(asset) - ending (a) - (b)	<u>\$ 132,874</u>	<u>\$ 127,917</u>	<u>\$ 102,986</u>
Plan fiduciary net position as a percentage of the total pension liability	49.83%	52.24%	59.34%
Covered-employee payroll	N/A	N/A	N/A
Town's net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A

¹ Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

TOWN OF HAXTUN, COLORADO
Schedule of Town Contributions ¹
Town of Haxtun Old Hire Police Pension Fund
Last 10 Fiscal Years

Measurement Period Ending December 31,	Actuarially Determined Contribution *	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2016	\$ 9,342	\$ 9,342	\$ -	N/A	N/A
2015	9,342	9,342	-	N/A	N/A
2014	8,892	8,892	-	N/A	N/A

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

¹ Until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

TOWN OF HAXTUN, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 370,843	\$ 370,843	\$ 374,474	\$ 3,631
Licenses and permits	5,000	5,000	3,886	(1,114)
Intergovernmental	57,500	57,500	62,234	4,734
Fines and forfeitures	9,300	9,300	8,081	(1,219)
Charges for services	24,600	24,600	25,999	1,399
Miscellaneous	41,550	41,550	42,900	1,350
Total revenues	508,793	508,793	517,574	8,781
Expenditures				
Current				
General government	140,320	140,320	140,630	(310)
Public safety	341,740	341,740	282,500	59,240
Public works	276,400	276,400	178,273	98,127
Culture and recreation	126,025	126,025	115,842	10,183
Debt service				
Principal retirement	66,686	66,686	66,686	-
Interest and fiscal charges	5,514	5,514	28,940	(23,426)
Total expenditures	956,685	956,685	812,871	143,814
Excess of revenues over (under) expenditures	(447,892)	(447,892)	(295,297)	152,595
Other financing sources				
Transfers in	385,000	385,000	300,000	(85,000)
Sale of assets			5,858	5,858
Total other financing sources	385,000	385,000	305,858	(79,142)
Net change in fund balance	\$ (62,892)	\$ (62,892)	10,561	\$ 73,453
Fund balance at beginning of year			137,222	
Fund balance at end of year			\$ 147,783	

TOWN OF HAXTUN, COLORADO
Community Center Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Sales tax	\$ 48,750	\$ 48,750	\$ 52,578	\$ 3,828
Rent income	4,500	4,500	2,970	(1,530)
Grants and contributions	2,500	2,500	834	(1,666)
Miscellaneous	650	650	146	(504)
Total revenues	56,400	56,400	56,528	128
Expenditures				
Current				
Salaries	9,500	9,500	8,827	673
Employee benefits	1,600	1,600	1,522	78
Insurance and bonds	1,850	1,850	3,047	(1,197)
Repairs and maintenance	2,500	2,500	1,304	1,196
County clerk fee	350	350	366	(16)
Utilities	12,700	12,700	8,483	4,217
Audit and legal	950	950	1,082	(132)
Supplies	5,000	5,000	2,990	2,010
Miscellaneous	2,000	2,000	1,241	759
Capital outlay	202,000	202,000	38,216	163,784
Total expenditures	238,450	238,450	67,078	171,372
Net change in fund balance	\$ (182,050)	\$ (182,050)	(10,550)	\$ 171,500
Fund balance at beginning of year			277,591	
Fund balance at end of year			\$ 267,041	

TOWN OF HAXTUN, COLORADO
Notes to the Required Supplementary Information

Note A – Budgetary data

Annual budgets are established for all funds of the Town as required by its local code. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for the enterprise funds (electric, water, sanitation and sewer) in which capital and principal retirement expenses are treated as operating expenses and depreciation expense is not budgeted.

An appropriated budget for the entity as a whole is prepared on a detailed basis. Revenues are budgeted by source. Expenditures are budgeted by department and the major divisions thereof and by each independent office and agency and by the principal objects of expenditure. The legal level of control is considered to be the entity as a whole and expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review and approval by Town council. Within these control levels, management may transfer appropriations without Town council approval. Revisions to the budget were made throughout the year.

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

- On or before October 15th of each year, or in conformity with the general state law, the Town clerk submits to the Town council a budget which shall be a complete financial plan for the ensuing fiscal year.
- At the same time the budget is submitted, the Town clerk shall also prepare an appropriation ordinance making a levy in mills upon all taxable property within the Town for the ensuing fiscal year.
- A public hearing on the budget shall be held by Town council two weeks after its submission. Notice of the time and place of said hearing shall be published within three days after the submission of the budget.
- Prior to December 15th, or in conformity with the general state law, the Town council shall adopt the budget and the tax levy ordinance.
- Any portion of any annual appropriation remaining unexpended and unencumbered at the close of the budget year shall be declared surplus and included in the budget for the ensuing year as those appropriations lapse at year-end.

TOWN OF HAXTUN, COLORADO
Notes to the Required Supplementary Information

Note B – Factors affecting trends in amounts reported in the pension schedules

Information about factors that significantly affect trends in the amounts reported in the pension schedules is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org/annual-reports.html.

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Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- General Fund – Budgetary Comparison Schedules – Revenues and Expenditures
- Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Proprietary Funds

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General Fund

The General Fund accounts for all transactions of the Town not required to be accounted for in other funds. This fund represents an accounting of the Town's ordinary operations financed primarily from tax dollars and intergovernmental aid. It is the most significant fund in relation to the Town's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

TOWN OF HAXTUN, COLORADO
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Taxes				
Property taxes	\$ 145,243	\$ 145,243	\$ 138,471	\$ (6,772)
Specific ownership taxes	16,000	16,000	16,635	635
Penalties and interest on taxes	600	600	689	89
Franchise taxes	8,000	8,000	7,449	(551)
Sales taxes	200,000	200,000	210,686	10,686
Severance taxes	1,000	1,000	544	(456)
Total taxes	370,843	370,843	374,474	3,631
Licenses and permits	5,000	5,000	3,886	(1,114)
Intergovernmental				
Motor vehicle assessments	4,500	4,500	4,846	346
Cigarette taxes	1,000	1,000	1,158	158
Highway users tax	39,000	39,000	41,282	2,282
Road and bridge	13,000	13,000	14,401	1,401
Mineral lease			547	547
Total intergovernmental	57,500	57,500	62,234	4,734
Fines and forfeitures	9,300	9,300	8,081	(1,219)
Charges for services				
Rabies control	5,600	5,600	4,764	(836)
Swimming pool	9,000	9,000	8,841	(159)
Concession stand	10,000	10,000	12,394	2,394
Total charges for services	24,600	24,600	25,999	1,399
Miscellaneous				
Interest on investments	2,000	2,000	3,127	1,127
Refunds and reimbursements	26,200	26,200	21,320	(4,880)
Grants and donations	5,350	5,350	10,999	5,649
Miscellaneous	8,000	8,000	7,454	(546)
Total miscellaneous	41,550	41,550	42,900	1,350
Total revenues	\$ 508,793	\$ 508,793	\$ 517,574	\$ 8,781

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TOWN OF HAXTUN, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
General government				
Salaries	\$ 48,120	\$ 48,120	\$ 46,675	\$ 1,445
Employee benefits	17,500	17,500	11,911	5,589
Supplies	8,000	8,000	4,690	3,310
Maintenance	500	500	555	(55)
Utilities	8,000	8,000	9,629	(1,629)
Travel	2,500	2,500	2,678	(178)
Insurance	6,500	6,500	8,877	(2,377)
Reporting and publishing	1,500	1,500	3,762	(2,262)
Audit and legal	6,500	6,500	10,587	(4,087)
Dues	12,000	12,000	7,611	4,389
County treasurer fees	3,000	3,000	3,042	(42)
Miscellaneous	21,200	21,200	30,613	(9,413)
Capital outlay	5,000	5,000		5,000
Total general government	140,320	140,320	140,630	(310)
Public safety				
Police				
Salaries	147,000	147,000	144,909	2,091
Employee benefits	73,000	73,000	67,505	5,495
Life and disability insurance	5,000	5,000	3,537	1,463
Drug education	5,000	5,000	2,233	2,767
Pension contribution	15,000	15,000	5,241	9,759
Maintenance	3,000	3,000	3,025	(25)
Fuel and oil	6,500	6,500	4,549	1,951
Insurance	19,200	19,200	8,826	10,374
Utilities	8,000	8,000	6,350	1,650
Supplies	9,500	9,500	6,388	3,112
Travel and training	4,000	4,000	4,499	(499)
Miscellaneous	11,050	11,050	3,562	7,488
Audit and legal	2,000	2,000	2,819	(819)
Total police	308,250	308,250	263,443	44,807

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fire				
Salaries	500	500	761	(261)
Employee benefits	250	250	411	(161)
Firemen's allotment	240	240	240	-
Pension contribution	2,400	2,400	2,400	-
Maintenance	4,000	4,000	1,286	2,714
Insurance	4,200	4,200	7,811	(3,611)
Utilities	8,050	8,050	5,447	2,603
Supplies	3,500	3,500	244	3,256
Miscellaneous	2,850	2,850		2,850
Capital outlay	7,500	7,500	457	7,043
Total fire	33,490	33,490	19,057	14,433
Total public safety	341,740	341,740	282,500	59,240
Public works				
Highways and streets				
Salaries	66,500	66,500	65,263	1,237
Employee benefits	31,500	31,500	28,444	3,056
Utilities	19,200	19,200	13,216	5,984
Maintenance and supplies	90,700	90,700	44,389	46,311
Fuel and oil	10,000	10,000	5,156	4,844
Insurance	7,500	7,500	4,910	2,590
Miscellaneous	4,500	4,500	767	3,733
Capital outlay	25,000	25,000	10,099	14,901
Total highways and streets	254,900	254,900	172,244	82,656

(continued)

TOWN OF HAXTUN, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2017

(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Airport				
Salaries	2,500	2,500	1,009	1,491
Employee benefits	900	900	608	292
Maintenance and supplies			138	(138)
Fuel and oil	200	200		200
Insurance	2,500	2,500	4,089	(1,589)
Miscellaneous	400	400		400
Capital outlay	15,000	15,000	185	14,815
Total airport	21,500	21,500	6,029	15,471
Total public works	276,400	276,400	178,273	98,127
Culture and recreation				
Recreation programs				
Salaries	32,000	32,000	33,184	(1,184)
Employee benefits	7,250	7,250	4,879	2,371
Utilities	11,250	11,250	14,058	(2,808)
Maintenance and supplies	22,800	22,800	12,067	10,733
Insurance	2,800	2,800	7,162	(4,362)
Miscellaneous	8,300	8,300	11,754	(3,454)
Total recreation programs	84,400	84,400	83,104	1,296
Parks				
Salaries	11,500	11,500	9,661	1,839
Employee benefits	4,650	4,650	3,506	1,144
Utilities	2,800	2,800	2,362	438
Maintenance and supplies	8,000	8,000	5,615	2,385
Fuel and oil	1,500	1,500	568	932
Insurance	1,600	1,600	3,128	(1,528)
Miscellaneous	1,000	1,000	3,585	(2,585)
Capital outlay	6,000	6,000		6,000
Total parks	37,050	37,050	28,425	8,625

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fishing lake				
Salaries	1,200	1,200	699	501
Employee benefits	425	425	277	148
Utilities	800	800	718	82
Maintenance and supplies	800	800		800
Fuel and oil	150	150		150
Insurance	1,200	1,200	2,619	(1,419)
Total fishing lake	4,575	4,575	4,313	262
Total culture and recreation	126,025	126,025	115,842	10,183
Debt service				
Principal retirement	66,686	66,686	66,686	-
Interest and fiscal charges	5,514	5,514	28,940	(23,426)
Total debt service	72,200	72,200	95,626	(23,426)
Total expenditures	\$ 956,685	\$ 956,685	\$ 812,871	\$ 143,814

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**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The Town reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Conservation Trust Fund – This fund was established to account for state lottery proceeds and allowable expenditures.
- Library Fund – This fund was established to account for the town owned and operated public library.

TOWN OF HAXTUN, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2017

	Conservation Trust Fund	Library Fund	Total
Assets			
Cash and investments	\$ 24,871	\$ 10,434	\$ 35,305
Cash with county treasurer		161	161
Property taxes receivable		12,309	12,309
Total assets	\$ 24,871	\$ 22,904	\$ 47,775
Liabilities			
Accounts payable		\$ 623	\$ 623
Total liabilities	\$ -	623	623
Deferred inflows of resources			
Deferred property tax revenues		12,309	12,309
Total deferred inflows of resources	-	12,309	12,309
Fund balance			
Restricted for culture and recreation	24,871		24,871
Committed to library purposes		9,972	9,972
Total fund balance	24,871	9,972	34,843
Total liabilities, deferred inflows of resources and fund balance	\$ 24,871	\$ 22,904	\$ 47,775

TOWN OF HAXTUN, COLORADO
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2017

	Conservation Trust Fund	Library Fund	Total
Revenues			
Taxes		\$ 12,096	\$ 12,096
Intergovernmental revenue	\$ 9,642		9,642
Earnings on investments	72	42	114
Miscellaneous		4,330	4,330
	<u>9,714</u>	<u>16,468</u>	<u>26,182</u>
Expenditures			
Current			
Culture and recreation	10,000	34,453	44,453
	<u>10,000</u>	<u>34,453</u>	<u>44,453</u>
Excess of revenues over (under) expenditures	(286)	(17,985)	(18,271)
Other financing sources			
Transfers in		15,000	15,000
		<u>15,000</u>	<u>15,000</u>
Net change in fund balance	(286)	(2,985)	(3,271)
Fund balance at beginning of year	25,157	12,957	38,114
	<u>25,157</u>	<u>12,957</u>	<u>38,114</u>
Fund balance at end of year	<u>\$ 24,871</u>	<u>\$ 9,972</u>	<u>\$ 34,843</u>

TOWN OF HAXTUN, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 9,642	\$ (358)
Interest on investments	50	50	72	22
Total revenues	10,050	10,050	9,714	(336)
Expenditures				
Current				
Culture and recreation	10,000	10,000	10,000	-
Total expenditures	10,000	10,000	10,000	-
Net change in fund balance	\$ 50	\$ 50	(286)	\$ (336)
Fund balance at beginning of year			25,157	
Fund balance at end of year			\$ 24,871	

TOWN OF HAXTUN, COLORADO
Library Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property tax	\$ 11,933	\$ 11,933	\$ 12,041	\$ 108
Delinquent taxes and interest			55	55
Interest on investments	30	30	42	12
Grants and contributions	3,500	3,500	4,260	760
Miscellaneous			70	70
Total revenues	15,463	15,463	16,468	1,005
Expenditures				
Current				
Salaries	17,100	17,100	17,852	(752)
Employee benefits	1,350	1,350	1,411	(61)
Books	5,450	5,450	6,630	(1,180)
Insurance and bonds	2,200	2,200	2,695	(495)
Repairs and maintenance	300	300	154	146
County treasurer fee	250	250	239	11
Utilities	5,365	5,365	3,473	1,892
Supplies	2,100	2,100	553	1,547
Audit	950	950	1,082	(132)
Miscellaneous	600	600	364	236
Total expenditures	35,665	35,665	34,453	1,212
Excess of revenues over (under) expenditures	(20,202)	(20,202)	(17,985)	2,217
Other financing sources				
Transfers in	15,000	15,000	15,000	-
Net change in fund balance	\$ (5,202)	\$ (5,202)	(2,985)	\$ 2,217
Fund balance at beginning of year			12,957	
Fund balance at end of year			\$ 9,972	

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Budgetary Comparison Schedules – Proprietary Funds

The Town reports the following major proprietary funds:

Enterprise Funds – These funds are used to account for operations that provide services that are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

- Electric Fund – This fund was established to account for all operations of the electric utility service provided by the Town.
- Water Fund – This fund was established to account for all operations of the water utility service provided by the Town.
- Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the Town.
- Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the Town.

TOWN OF HAXTUN, COLORADO
Electric Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 1,016,000	\$ 1,016,000	\$ 1,014,380	\$ (1,620)
Penalties	13,500	13,500	11,510	(1,990)
Reimbursements	51,300	51,300	51,300	-
Total operating revenues	1,080,800	1,080,800	1,077,190	(3,610)
Operating expenses				
Salaries	60,000	60,000	51,260	8,740
Employee benefits	33,700	33,700	26,052	7,648
Supplies	9,500	9,500	9,553	(53)
Repairs and maintenance	180,000	180,000	42,469	137,531
Insurance	10,000	10,000	4,444	5,556
Utilities	1,950	1,950	1,227	723
Audit and legal	2,500	2,500	1,927	573
Fuel and oil	15,000	15,000	2,464	12,536
Power purchased	650,000	650,000	559,826	90,174
Miscellaneous	8,500	8,500	5,313	3,187
Depreciation	25,000	25,000	33,976	(8,976)
Capital outlay	20,000	20,000	109,149	(89,149)
Total operating expenses	1,016,150	1,016,150	847,660	168,490
Operating income	64,650	64,650	229,530	164,880
Nonoperating revenues				
Interest on investments	20	20	49	29
Miscellaneous	6,000	6,000	14,832	8,832
Total nonoperating revenues	6,020	6,020	14,881	8,861
Net income before transfers	70,670	70,670	244,411	173,741

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Transfers out	(325,000)	(325,000)	(250,000)	75,000
Change in net position	<u>\$ (254,330)</u>	<u>\$ (254,330)</u>	(5,589)	<u>\$ 248,741</u>
Adjustments to GAAP Basis				
Add capital outlay			<u>109,149</u>	
Change in net position - GAAP Basis			103,560	
Net position at beginning of year			<u>1,023,679</u>	
Net position at end of year			<u>\$ 1,127,239</u>	

TOWN OF HAXTUN, COLORADO
Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 188,000	\$ 188,000	\$ 183,542	\$ (4,458)
Operating expenses				
Salaries	52,000	52,000	40,108	11,892
Employee benefits	26,600	26,600	20,454	6,146
Supplies	4,500	4,500	3,755	745
Repairs and maintenance	65,000	65,000	4,733	60,267
Insurance	6,000	6,000	2,737	3,263
Utilities	28,000	28,000	29,335	(1,335)
Audit and legal	2,500	2,500	1,927	573
Fuel and oil	1,000	1,000	939	61
Water assessment fee	7,500	7,500	2,463	5,037
Miscellaneous	14,000	14,000	5,452	8,548
Depreciation	5,000	5,000	17,103	(12,103)
Capital outlay	5,000	5,000	12,999	(7,999)
Total operating expenses	217,100	217,100	142,005	75,095
Operating income (loss)	(29,100)	(29,100)	41,537	70,637
Nonoperating revenues				
Interest on investments	20	20	21	1
Miscellaneous	2,700	2,700	2,936	(236)
Total nonoperating revenues	2,720	2,720	2,957	237
Change in net position	\$ (26,380)	\$ (26,380)	44,494	\$ 70,874
Adjustments to GAAP Basis				
Add capital outlay			12,999	
Change in net position - GAAP Basis			57,493	
Net position at beginning of year			347,326	
Net position at end of year			\$ 404,819	

TOWN OF HAXTUN, COLORADO
Sanitation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 179,000	\$ 179,000	\$ 180,791	\$ 1,791
Operating expenses				
Salaries	70,000	70,000	71,252	(1,252)
Employee benefits	32,000	32,000	36,239	(4,239)
Supplies	4,000	4,000	4,879	(879)
Repairs and maintenance	14,000	14,000	5,392	8,608
Insurance	7,150	7,150	5,980	1,170
Utilities	700	700	416	284
Audit and legal	2,000	2,000	1,927	73
Fuel and oil	5,000	5,000	2,827	2,173
Dump expense	24,000	24,000	20,287	3,713
Miscellaneous	2,300	2,300	912	1,388
Depreciation	3,500	3,500	3,852	(352)
Capital outlay	5,000	5,000	6,250	(1,250)
Total operating expenses	169,650	169,650	160,213	9,437
Operating income	9,350	9,350	20,578	11,228
Nonoperating revenues				
Interest on investments	20	20	12	(8)
Miscellaneous	500	500	1,164	664
Total nonoperating revenues	520	520	1,176	656
Net income before transfers	9,870	9,870	21,754	11,884
Transfers out	(65,000)	(65,000)	(65,000)	-
Change in net position	\$ (55,130)	\$ (55,130)	(43,246)	\$ 11,884
Adjustments to GAAP Basis				
Add capital outlay			6,250	
Change in net position - GAAP Basis			(36,996)	
Net position at beginning of year			129,139	
Net position at end of year			\$ 92,143	

TOWN OF HAXTUN, COLORADO
Sewer Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 132,050	\$ 132,050	\$ 136,828	\$ 4,778
Operating expenses				
Salaries	39,500	39,500	33,061	6,439
Employee benefits	21,200	21,200	16,163	5,037
Supplies	5,000	5,000	4,660	340
Repairs and maintenance	6,500	6,500	890	5,610
Insurance	5,000	5,000	3,451	1,549
Utilities	2,600	2,600	1,752	848
Audit and legal	2,000	2,000	1,082	918
Fuel and oil	500	500	81	419
Miscellaneous	4,750	4,750	1,994	2,756
Depreciation and amortization	20,000	20,000	20,562	(562)
Capital outlay	5,000	5,000		5,000
Total operating expenses	112,050	112,050	83,696	28,354
Operating income	20,000	20,000	53,132	33,132
Nonoperating revenues (expenses)				
Interest on investments	20	20	51	31
Principal paid on long-term debt	(15,325)	(15,325)	(15,325)	-
Interest and fiscal charges	(3,230)	(3,230)	(3,183)	47
Total nonoperating revenues (expenses)	(18,535)	(18,535)	(18,457)	78
Change in net position	\$ 1,465	\$ 1,465	34,675	\$ 33,210
Adjustments to GAAP Basis				
Add principal on long-term debt			15,325	
Change in net position - GAAP Basis			50,000	
Net position at beginning of year			704,264	
Net position at end of year			\$ 754,264	

**Colorado Department of Highways
Local Highway Finance Report**

This calendar-year report of receipts and expenditures is required by the Colorado Department of Highways to maintain Statewide accountability for moneys used for highway and street purposes. To ensure data accuracy, House Bill 1008 mandates that this report be included in the Town's financial statements.

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Haxtun YEAR ENDING : December 2017
This Information From The Records Of (example - City of _ or County of _) Town of Haxtun	Prepared By: Karie L Wilson Phone: (970) 774-6104

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. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	39,749
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	98,041	b. Snow and ice removal	
3. Other local imposts (from page 2)	136,230	c. Other	3,016
4. Miscellaneous local receipts (from page 2)	7,434	d. Total (a. through c.)	3,016
5. Transfers from toll facilities		4. General administration & miscellaneous	28,036
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	144,909
a. Bonds - Original Issues		6. Total (1 through 5)	215,710
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	24,427
7. Total (1 through 6)	241,705	b. Redemption	47,696
B. Private Contributions		c. Total (a. + b.)	72,123
C. Receipts from State government (from page 2)	46,128	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	287,833	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	72,123
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	287,833

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	529,252	0	47,696	481,556
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Total	E. Reconciliation
	0	287,833	287,833	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2017

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	105,194	a. Interest on investments	770
b. Other local imposts:		b. Traffic Fines & Penalties	6,664
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	31,036	g. Other Misc. Receipts	
6. Total (1. through 5.)	31,036	h. Other	
c. Total (a. + b.)	136,230	i. Total (a. through h.)	7,434
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	41,282	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	4,846	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	4,846	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	46,128	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: