

***Town of Haxtun, Colorado***

**Financial Statements**

**For the Year ended December 31, 2018**

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## **Independent Auditors' Report**

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

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, 2018, 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, 2018, 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 9, 2019

## 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, 2018.

### 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 2018 by \$5,453,287 (net position). Of this amount \$929,152 or 17% 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 \$312,386.

### 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's 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 \$5,453,287 at the close of 2018.

## Net Position

Combined net position of the Town of Haxtun as of December 31, 2018 and 2017 are shown in Table 1 below.

**Table 1**  
**NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 737,503	\$ 617,279	\$ 991,270	\$ 767,873	\$ 1,728,773	\$ 1,385,152
Capital assets, net	2,830,504	2,964,377	1,967,459	1,922,830	4,797,963	4,887,207
Total assets	3,568,007	3,581,656	2,958,729	2,690,703	6,526,736	6,272,359
Deferred outflows of resources	62,762	67,944	-	-	62,762	67,944
Total assets and deferred outflows of resources	<u>\$ 3,630,769</u>	<u>\$ 3,649,600</u>	<u>\$ 2,958,729</u>	<u>\$ 2,690,703</u>	<u>\$ 6,589,498</u>	<u>\$ 6,340,303</u>
Long-term debt outstanding	\$ 639,945	\$ 719,614	\$ 148,620	\$ 164,282	\$ 788,565	\$ 883,896
Other liabilities	7,517	11,488	146,953	147,956	154,470	159,444
Total liabilities	647,462	731,102	295,573	312,238	943,035	1,043,340
Deferred inflows of resources	193,176	156,062	-	-	193,176	156,062
Net position:						
Net investment in capital assets	2,320,693	2,384,416	1,822,295	1,762,053	4,142,988	4,146,469
Restricted	381,147	323,462	-	-	381,147	323,462
Unrestricted	88,291	54,558	840,861	616,412	929,152	670,970
Total net position	2,790,131	2,762,436	2,663,156	2,378,465	5,453,287	5,140,901
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,630,769</u>	<u>\$ 3,649,600</u>	<u>\$ 2,958,729</u>	<u>\$ 2,690,703</u>	<u>\$ 6,589,498</u>	<u>\$ 6,340,303</u>

The largest portion of the Town of Haxtun's net position, 76%, 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, 7%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 17%, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2018, 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 \$2,420,850 was more than program expenses of \$2,108,464 for an increase in net position of \$312,386.

Table 2 shows the summarized revenues and expenses for 2018 and 2017.

**Table 2**  
**CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program revenues						
Charges for services	\$ 44,844	\$ 40,936	\$ 1,622,009	\$ 1,578,351	\$ 1,666,853	\$ 1,619,287
Operating grants and contributions	126,844	86,811	-	-	126,844	86,811
General revenues						
Property taxes	153,815	150,512	-	-	153,815	150,512
Sales and use taxes	359,613	263,264	-	-	359,613	263,264
Specific ownership taxes	15,805	16,635	-	-	15,805	16,635
Other taxes	11,817	7,993	-	-	11,817	7,993
Interest earnings	7,130	3,241	146	133	7,276	3,374
Miscellaneous	36,446	30,892	39,381	18,932	75,827	49,824
Sale of assets	3,000	5,858	-	-	3,000	5,858
Transfers	275,000	315,000	(275,000)	(315,000)	-	-
Total revenues	1,034,314	921,142	1,386,536	1,282,416	2,420,850	2,203,558
Program expenses						
General government	172,356	155,359	-	-	172,356	155,359
Public safety	318,094	299,528	-	-	318,094	299,528
Public works	271,381	233,632	-	-	271,381	233,632
Culture and recreation	219,740	209,886	-	-	219,740	209,886
Interest and fiscal charges	25,048	27,660	-	-	25,048	27,660
Electric services	-	-	713,714	738,511	713,714	738,511
Water services	-	-	142,391	129,006	142,391	129,006
Sanitation services	-	-	151,162	153,963	151,162	153,963
Sewer services	-	-	94,578	86,879	94,578	86,879
Total expenses	1,006,619	926,065	1,101,845	1,108,359	2,108,464	2,034,424
Change in net position	27,695	(4,923)	284,691	174,057	312,386	169,134
Net position at beginning of year	2,762,436	2,767,359	2,378,465	2,204,408	5,140,901	4,971,767
Net position at end of year	\$ 2,790,131	\$ 2,762,436	\$ 2,663,156	\$ 2,378,465	\$ 5,453,287	\$ 5,140,901

**Governmental Activities**

Revenue for the Town's governmental activities totaled \$1,034,314 for 2018. Tax revenue produced 52% 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	
	2018	2017	2018	2017
General government	\$ 172,356	\$ 155,359	\$ 114,960	\$ 133,085
Public safety	318,094	299,528	317,090	293,525
Public works	271,381	233,632	201,497	173,103
Culture and recreation	219,740	209,886	176,336	170,945
Interest and fiscal charges	25,048	27,660	25,048	27,660

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 \$2,663,156 in 2018. Business-type activities include electric, water, sewer and sanitation services.

**Table 4  
BUSINESS-TYPE ACTIVITIES**

	Total cost of services		Net cost of services	
	2018	2017	2018	2017
Electric services	\$ 713,714	\$ 738,511	\$ (392,699)	\$ (338,679)
Water services	142,391	129,006	(56,071)	(54,536)
Sanitation services	151,162	153,963	(27,021)	(26,828)
Sewer services	94,578	86,879	(44,373)	(49,949)

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 \$537,197. The general, community center and other governmental funds reported fund balances of \$206,553, \$288,967, and \$41,677, respectively.

**General Fund Budgetary Highlights**

The actual charges to appropriations (expenditures) were \$86,675 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 \$71,671 more than the final budgeted amounts primarily due to an increase in the year's sales tax and other tax receipts.

**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, 2018, amounts to \$4,797,963 (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**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017
Land and land improvements	\$ 320,875	\$ 338,010	\$ 31,900	\$ 31,900	\$ 352,775	\$ 369,910
Buildings and improvements	1,492,889	1,552,037	2,673	2,925	1,495,562	1,554,962
Machinery and equipment	211,727	244,668	57,527	40,740	269,254	285,408
Infrastructure	805,013	829,662	-	-	805,013	829,662
Systems	-	-	1,875,359	1,847,265	1,875,359	1,847,265
<b>Total</b>	<b>\$ 2,830,504</b>	<b>\$ 2,964,377</b>	<b>\$ 1,967,459</b>	<b>\$ 1,922,830</b>	<b>\$ 4,797,963</b>	<b>\$ 4,887,207</b>

**Long-term debt.** The Town had \$788,565 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 2018, the Town continued working on an electric rebuild project by the CHS Grainland elevator. The Town continued street repairs, with a major rebuild of West Chase Street. The Community Center received restroom updates. We painted the trim on the 100 year old Town Hall, and the front of the Haxtun Public Library. We restored the 100 year old Town Clock with donations from citizens. We also purchased a 2001 IHC Utility Truck and a Trencher.

The 2018 utility rates including Electric, Water, Sanitation and Sewer remain stable, with a slight increase in the Water Rates to help with major expenses to the Iris Well and the Water Tower.

In 2018, the citizens voted for a 1% increase in sales tax to help fund the recreation programs, the swimming pool, and the library. The council decreased the dollar amount of the transfers out of the Enterprise Funds to the General Fund and the Library.

In 2019, the Town is going to continue electrical upgrades, continue street repairs, purchase a new truck for the superintendent, repair water wells and the water tower, 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, 2018**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 456,398	\$ 751,186	\$ 1,207,584
Cash with county treasurer	3,246		3,246
Receivables	245,171	171,967	417,138
Inventory		68,117	68,117
Net pension asset	32,688		32,688
Capital assets, net of depreciation	2,830,504	1,967,459	4,797,963
<b>Total assets</b>	<b>3,568,007</b>	<b>2,958,729</b>	<b>6,526,736</b>
<b>Deferred outflows of resources</b>			
Pension deferrals	62,762		62,762
<b>Total assets and deferred outflows of resources</b>	<b>\$ 3,630,769</b>	<b>\$ 2,958,729</b>	<b>\$ 6,589,498</b>
<b>Liabilities</b>			
Accounts payable	\$ 5,652	\$ 59,655	\$ 65,307
Accrued interest payable	1,865	454	2,319
Customer deposits		86,844	86,844
<b>Noncurrent liabilities</b>			
Due within one year	68,820	15,907	84,727
Due in more than one year	571,125	132,713	703,838
<b>Total liabilities</b>	<b>647,462</b>	<b>295,573</b>	<b>943,035</b>
<b>Deferred inflows of resources</b>			
Deferred property tax revenues	161,966		161,966
Pension deferrals	31,210		31,210
<b>Total deferred inflows of resources</b>	<b>193,176</b>	<b>-</b>	<b>193,176</b>
<b>Net position</b>			
Net investment in capital assets	2,320,693	1,822,295	4,142,988
<b>Restricted for:</b>			
Emergencies	29,000		29,000
Pensions	32,688		32,688
Culture and recreation	319,459		319,459
Unrestricted	88,291	840,861	929,152
<b>Total net position</b>	<b>2,790,131</b>	<b>2,663,156</b>	<b>5,453,287</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 3,630,769</b>	<b>\$ 2,958,729</b>	<b>\$ 6,589,498</b>

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, 2018**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 172,356	\$ 16,757	\$ 40,639	
Public safety	318,094		1,004	
Public works	271,381		69,884	
Culture and recreation	219,740	28,087	15,317	
Interest and fiscal charges	25,048			
Total governmental activities	1,006,619	44,844	126,844	\$ -
Business-type activities				
Electric services	713,714	1,106,413		
Water services	142,391	198,462		
Sanitation services	151,162	178,183		
Sewer services	94,578	138,951		
Total business-type activities	1,101,845	1,622,009	-	-
Total	\$ 2,108,464	\$ 1,666,853	\$ 126,844	\$ -

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
\$ (114,960)		\$ (114,960)
(317,090)		(317,090)
(201,497)		(201,497)
(176,336)		(176,336)
(25,048)		(25,048)
(834,931)	\$ -	(834,931)
	392,699	392,699
	56,071	56,071
	27,021	27,021
	44,373	44,373
-	520,164	520,164
(834,931)	520,164	(314,767)
153,815		153,815
359,613		359,613
15,805		15,805
11,384		11,384
433		433
7,130	146	7,276
36,446	39,381	75,827
3,000		3,000
275,000	(275,000)	-
862,626	(235,473)	627,153
27,695	284,691	312,386
2,762,436	2,378,465	5,140,901
<u>\$ 2,790,131</u>	<u>\$ 2,663,156</u>	<u>\$ 5,453,287</u>

**TOWN OF HAXTUN, COLORADO**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

	General Fund	Community Center Fund	Other Governmental Funds	Total
<b>Assets</b>				
Cash and investments	\$ 138,321	\$ 281,227	\$ 36,850	\$ 456,398
Cash with county treasurer	3,163		83	3,246
Property taxes receivable	149,009		12,957	161,966
Accounts receivable	69,827	8,032	5,346	83,205
<b>Total assets</b>	<b>\$ 360,320</b>	<b>\$ 289,259</b>	<b>\$ 55,236</b>	<b>\$ 704,815</b>
<b>Liabilities</b>				
Accounts payable	\$ 4,758	\$ 292	\$ 602	\$ 5,652
<b>Total liabilities</b>	<b>4,758</b>	<b>292</b>	<b>602</b>	<b>5,652</b>
<b>Deferred inflows of resources</b>				
Deferred property tax revenues	149,009		12,957	161,966
<b>Total deferred inflows of resources</b>	<b>149,009</b>	<b>-</b>	<b>12,957</b>	<b>161,966</b>
<b>Fund balance</b>				
Restricted for emergencies	29,000			29,000
Restricted for culture and recreation		288,967	30,492	319,459
Committed to library purposes			11,185	11,185
Unassigned	177,553			177,553
<b>Total fund balance</b>	<b>206,553</b>	<b>288,967</b>	<b>41,677</b>	<b>537,197</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 360,320</b>	<b>\$ 289,259</b>	<b>\$ 55,236</b>	<b>\$ 704,815</b>

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, 2018**

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

Total fund balance - governmental funds	\$ 537,197
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	2,830,504
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.	(1,865)
Net pension assets and deferrals used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	95,450
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>(671,155)</u>
Net position of the governmental activities	<u><u>\$ 2,790,131</u></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, 2018**

	General Fund	Community Center Fund	Other Governmental Funds	Total
<b>Revenues</b>				
Taxes	\$ 457,279	\$ 51,399	\$ 32,961	\$ 541,639
Licenses and permits	4,167			4,167
Intergovernmental	86,507		9,710	96,217
Fines and forfeitures	7,481			7,481
Charges for services	29,371	3,825		33,196
Miscellaneous	67,479	3,509	2,626	73,614
<b>Total revenues</b>	<b>652,284</b>	<b>58,733</b>	<b>45,297</b>	<b>756,314</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	155,813			155,813
Public safety	293,380			293,380
Public works	208,939			208,939
Culture and recreation	117,756	36,807	38,463	193,026
<b>Debt service</b>				
Principal retirement	70,150			70,150
Interest and fiscal charges	25,476			25,476
<b>Total expenditures</b>	<b>871,514</b>	<b>36,807</b>	<b>38,463</b>	<b>946,784</b>
Excess of revenues over (under) expenditures	(219,230)	21,926	6,834	(190,470)
<b>Other financing sources</b>				
Transfers in	275,000			275,000
Sale of assets	3,000			3,000
<b>Total other financing sources</b>	<b>278,000</b>	<b>-</b>	<b>-</b>	<b>278,000</b>
Net change in fund balance	58,770	21,926	6,834	87,530
Fund balance at beginning of year	147,783	267,041	34,843	449,667
Fund balance at end of year	<u>\$ 206,553</u>	<u>\$ 288,967</u>	<u>\$ 41,677</u>	<u>\$ 537,197</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, 2018**

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

Net change in fund balance - governmental funds	\$ 87,530
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.	(133,873)
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).	3,888
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>70,150</u>
Change in net position of governmental activities	<u><u>\$ 27,695</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, 2018**

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
<b>Assets</b>				
<b>Current assets</b>				
Cash and investments	\$ 225,710	\$ 167,116	\$ 95,061	\$ 263,299
Accounts receivable	124,284	18,648	15,905	13,130
Inventory	55,851	9,877	709	1,680
<b>Total current assets</b>	<b>405,845</b>	<b>195,641</b>	<b>111,675</b>	<b>278,109</b>
<b>Capital assets, net of depreciation</b>	<b>1,019,250</b>	<b>269,683</b>	<b>10,969</b>	<b>667,557</b>
<b>Total assets</b>	<b>\$ 1,425,095</b>	<b>\$ 465,324</b>	<b>\$ 122,644</b>	<b>\$ 945,666</b>

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

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Total

\$ 751,186  
171,967  
68,117  
991,270  
  
1,967,459  
  
\$ 2,958,729

(continued)

**TOWN OF HAXTUN, COLORADO**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2018**

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 56,483	\$ 751	\$ 2,135	\$ 286
Accrued interest payable				454
Customer deposits	86,844			
Current portion of long-term debt				15,907
Total current liabilities	143,327	751	2,135	16,647
Long-term liabilities				
Accrued compensated absences	865	819	710	1,062
Long-term debt				129,257
Total long-term liabilities	865	819	710	130,319
Total liabilities	144,192	1,570	2,845	146,966
<b>Net position</b>				
Net investment in capital assets	1,019,250	269,683	10,969	522,393
Unrestricted	261,653	194,071	108,830	276,307
Total net position	1,280,903	463,754	119,799	798,700
Total liabilities and net position	\$ 1,425,095	\$ 465,324	\$ 122,644	\$ 945,666

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

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Total

\$ 59,655  
454  
86,844  
15,907  
162,860  
  
3,456  
129,257  
132,713  
295,573  
  
1,822,295  
840,861  
2,663,156  
  
\$ 2,958,729

**TOWN OF HAXTUN, COLORADO**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2018**

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Operating revenues				
Charges for services	\$ 1,044,320	\$ 198,462	\$ 178,183	\$ 138,951
Penalties	10,793			
Reimbursements	51,300			
Total operating revenues	1,106,413	198,462	178,183	138,951
Operating expenses				
Salaries	54,549	42,541	67,478	38,574
Employee benefits	27,562	21,961	33,203	19,386
Supplies	8,523	1,201	1,204	984
Repairs and maintenance	41,948	18,735	11,097	1,285
Insurance	3,774	4,200	6,255	3,686
Utilities	1,277	23,794	341	1,052
Audit and legal	2,557	2,557	2,558	2,557
Fuel and oil	2,885	1,647	3,364	125
Power purchased	530,674			
Water assessment fee		3,506		
Dump expense			19,993	
Miscellaneous	6,059	5,689	984	3,479
Depreciation and amortization	33,906	16,560	4,685	20,557
Total operating expenses	713,714	142,391	151,162	91,685
Operating income	392,699	56,071	27,021	47,266

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

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Total

\$ 1,559,916  
10,793  
51,300

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1,622,009

203,142  
102,112  
11,912  
73,065  
17,915  
26,464  
10,229  
8,021  
530,674  
3,506  
19,993  
16,211  
75,708

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1,098,952

523,057

(continued)

**TOWN OF HAXTUN, COLORADO**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2018**

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Nonoperating revenues (expenses)				
Interest on investments	29	29	25	63
Miscellaneous revenues	35,936	2,835	610	
Interest and fiscal charges				(2,893)
Total nonoperating revenues (expenses)	35,965	2,864	635	(2,830)
Income before transfers	428,664	58,935	27,656	44,436
Transfers out	(275,000)			
Change in net position	153,664	58,935	27,656	44,436
Net position at beginning of year	1,127,239	404,819	92,143	754,264
Net position at end of year	<u>\$ 1,280,903</u>	<u>\$ 463,754</u>	<u>\$ 119,799</u>	<u>\$ 798,700</u>

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

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Total

146  
39,381  
(2,893)

36,634

559,691

(275,000)

284,691

2,378,465

\$ 2,663,156

**TOWN OF HAXTUN, COLORADO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2018**

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Cash flows from operating activities				
Receipts from customers	\$ 1,105,531	\$ 194,502	\$ 177,900	\$ 137,501
Payments to suppliers	(630,117)	(86,527)	(78,790)	(32,168)
Payments to employees	(54,672)	(42,518)	(67,457)	(38,544)
Net cash provided by operating activities	420,742	65,457	31,653	66,789
Cash flows from noncapital financing activities				
Miscellaneous revenues	35,936	2,835	610	
Transfers	(275,000)			
Net cash provided (used) by noncapital financing activities	(239,064)	2,835	610	-
Cash flows from capital and related financing activities				
Purchase of capital assets	(120,337)			
Principal paid on capital debt				(15,614)
Interest and fiscal charges				(2,941)
Net cash used by capital and related financing activities	(120,337)	-	-	(18,555)
Cash flows from investing activities				
Interest on investments	29	29	25	63
Net cash provided by investing activities	29	29	25	63
Net increase in cash and cash equivalents	61,370	68,321	32,288	48,297
Cash and cash equivalents at beginning of year	164,340	98,795	62,773	215,002
Cash and cash equivalents at end of year	\$ 225,710	\$ 167,116	\$ 95,061	\$ 263,299

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

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Total

\$ 1,615,434  
(827,602)  
(203,191)

584,641

39,381  
(275,000)

(235,619)

(120,337)  
(15,614)  
(2,941)

(138,892)

146

146

210,276

540,910

\$ 751,186

(continued)

**TOWN OF HAXTUN, COLORADO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2018**

(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	\$ 392,699	\$ 56,071	\$ 27,021	\$ 47,266
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	33,906	16,560	4,685	20,557
Change in assets and liabilities				
Cash with county treasurer	716			
Accounts receivable	(3,569)	(3,960)	(283)	(1,450)
Inventory	(1,532)	(3,450)	129	279
Accounts payable	(3,326)	213	80	107
Accrued compensated absences	(123)	23	21	30
Customer deposits	1,971			
Net cash provided by operating activities	<u>\$ 420,742</u>	<u>\$ 65,457</u>	<u>\$ 31,653</u>	<u>\$ 66,789</u>

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

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Total

\$ 523,057

75,708

716

(9,262)

(4,574)

(2,926)

(49)

1,971

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\$ 584,641

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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**

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**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 \$1,111,843, of which \$250,000 was insured and \$861,843 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 collateralized

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

**Note B – Cash and investments (Continued)**

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, 2018, the Town had invested \$75,481 in COLOTRUST PLUS+ and \$29,192 in COLOTRUST PRIME, 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:

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Investment in Colotrust	\$ <u>104,673</u>	\$ <u>104,673</u>	\$ <u>-</u>	\$ <u>-</u>

**Note C – Interfund transactions**

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Electric Fund	\$ <u>275,000</u>

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.

**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	\$ 161,966	\$ -	\$ 161,966
Other accounts	<u>83,205</u>	<u>171,967</u>	<u>255,172</u>
Total	<u>\$ 245,171</u>	<u>\$ 171,967</u>	<u>\$ 417,138</u>

Property taxes are levied on December 15<sup>th</sup> and attach as a lien on property the following January 1<sup>st</sup>. They are payable in full by April 30<sup>th</sup> or are due in two equal installments on February 28<sup>th</sup> and June 15<sup>th</sup>. 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>
<b>Governmental activities</b>				
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	2,379,374	-	-	2,379,374
Infrastructure	985,958	-	-	985,958
Equipment and furniture	<u>562,056</u>	<u>5,153</u>	<u>(1,700)</u>	<u>565,509</u>
Total capital assets, being depreciated	<u>4,349,126</u>	<u>5,153</u>	<u>(1,700)</u>	<u>4,352,579</u>
Total capital assets	4,389,066	5,153	(1,700)	4,392,519

**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	(123,668)	(17,135)	-	(140,803)
Buildings	(827,337)	(59,148)	-	(886,485)
Infrastructure	(156,296)	(24,649)	-	(180,945)
Equipment and furniture	<u>(317,388)</u>	<u>(38,094)</u>	1,700	<u>(353,782)</u>
Total accumulated depreciation	<u>(1,424,689)</u>	<u>(139,026)</u>	1,700	<u>(1,562,015)</u>
Governmental activities capital assets, net	<u>\$ 2,964,377</u>	<u>\$ (133,873)</u>	<u>\$ -</u>	<u>\$ 2,830,504</u>
<b>Business-type activities</b>				
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	3,820,655	88,337	-	3,908,992
Equipment	<u>332,672</u>	<u>32,000</u>	-	<u>364,672</u>
Total capital assets, being depreciated	<u>4,221,645</u>	<u>120,337</u>	-	<u>4,341,982</u>
Total capital assets	4,253,545	120,337	-	4,373,882
Less accumulated depreciation:				
Buildings	(65,393)	(252)	-	(65,645)
Systems	(1,973,390)	(60,243)	-	(2,033,633)
Equipment	<u>(291,932)</u>	<u>(15,213)</u>	-	<u>(307,145)</u>
Total accumulated depreciation	<u>(2,330,715)</u>	<u>(75,708)</u>	-	<u>(2,406,423)</u>
Business-type activities capital assets, net	<u>\$ 1,922,830</u>	<u>\$ 44,629</u>	<u>\$ -</u>	<u>\$ 1,967,459</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:

<b>Governmental activities</b>	
General government	\$ 15,393
Public safety	29,324
Public works	62,442
Culture and recreation	<u>31,867</u>
Total governmental activities	<u>\$ 139,026</u>
<b>Business-type activities</b>	
Electric	\$ 33,906
Water	16,560
Sanitation	4,685
Sewer	<u>20,557</u>
Total business-type activities	<u>\$ 75,708</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>
<b>Governmental Activities</b>					
Bond payable	\$ 472,472	\$ -	\$ (50,087)	\$ 422,385	\$ 48,115
Capital lease	107,489	-	(20,063)	87,426	20,705
Net pension liability	137,101	-	(10,669)	126,432	-
Compensated absences	<u>2,552</u>	<u>1,150</u>	<u>-</u>	<u>3,702</u>	<u>-</u>
Total	<u>\$ 719,614</u>	<u>\$ 1,150</u>	<u>\$ (80,819)</u>	<u>\$ 639,945</u>	<u>\$ 68,820</u>

The long-term liabilities 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.

\$ 422,385

**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>
2019	\$ 48,115	\$ 17,998	\$ 66,113
2020	55,008	17,115	72,123
2021	57,765	14,358	72,123
2022	60,660	11,463	72,123
2023	63,700	8,423	72,123
2024-2025	<u>137,137</u>	<u>7,109</u>	<u>144,246</u>
Total	<u>\$ 422,385</u>	<u>\$ 76,466</u>	<u>\$ 498,851</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>
2019	\$ 23,502
2020	23,502
2021	23,502
2022	<u>24,055</u>
Total minimum lease payments	94,561
Less amount representing interest	<u>(7,135)</u>
Present value of future net minimum lease payments	<u>\$ 87,426</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>
<b>Business-type activities</b>					
Notes payable	\$ 160,777	\$ -	\$ (15,613)	\$ 145,164	\$ 15,907
Compensated absences	<u>3,505</u>	<u>-</u>	<u>(49)</u>	<u>3,456</u>	<u>-</u>
Total	<u>\$ 164,282</u>	<u>\$ -</u>	<u>\$ (15,662)</u>	<u>\$ 148,620</u>	<u>\$ 15,907</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 1<sup>st</sup> and November 1<sup>st</sup> 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 \$25,776 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>
2019	\$ 15,907	\$ 2,648	\$ 18,555
2020	16,207	2,348	18,555
2021	16,512	2,043	18,555
2022	16,824	1,731	18,555
2023	17,140	1,415	18,555
2024-2027	<u>62,574</u>	<u>2,368</u>	<u>64,942</u>
Total	<u>\$ 145,164</u>	<u>\$ 12,553</u>	<u>\$ 157,717</u>

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

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**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 \$76,403. 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 5, 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.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

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**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 comprehensive annual financial report that can be obtained on FPPA's website at [www.fppaco.org](http://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 or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 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.* 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 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent in 2017. 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**

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**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 21.5 percent of base salary in 2017. 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 4.75 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.75 percent in 2017. 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 \$5,684.

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

At December 31, 2018 the Town reported an asset of \$16,113 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2018. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2017, the Town's proportion was .0112 percent, which was a decrease of .0005 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Town recognized pension expense (income) of \$(5,608). At December 31, 2018, 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	\$ 8,172	\$ 12,958
Changes in assumptions or other inputs	2,710	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,515	194
Contributions subsequent to measurement date	5,684	-
Difference between expected and actual experience	<u>11,851</u>	<u>200</u>
Totals	<u>\$ 29,932</u>	<u>\$ 13,352</u>

\$5,684 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 liability in the year ended December 31, 2018. 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>
2019	\$ 2,523
2020	2,244
2021	(351)
2022	(1,252)
2023	1,987
2024	1,987
2025	1,896
2026	1,274
2027	<u>588</u>
Totals	<u>\$ 10,896</u>

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

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**Note H – Pension Plans (Continued)**

*Actuarial assumptions.* The collective total pension liability as of December 31, 2017 is based upon the January 1, 2018 actuarial valuation, which was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2018
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 (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017, 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	37%	8.33%
Equity Long/Short	9%	7.15%
Illiquid Alternatives	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Managed Futures	4%	6.85%
Cash	<u>2%</u>	2.26%
Totals	<u>100.0%</u>	

*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 3.31% (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**

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**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 <u>(6.50%)</u>	Current Discount <u>(7.50)</u>	1% Increase <u>(8.50)</u>
Proportionate share of the net pension liability (asset)	\$ <u>17,542</u>	\$ <u>(16,113)</u>	\$ <u>(44,059)</u>

*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**

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**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](http://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 December 31, 2017, 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, 2018 included \$4,243 from the State of Colorado matching funds and \$4,714 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, 2018 the Town reported a net pension asset of \$16,575. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2017.

For the year ended December 31, 2018, the Town recognized pension expense (income) of \$8,448. At December 31, 2018, 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	\$ 6,374	\$ 9,440
Changes in assumptions or other inputs	2,897	-
Contributions subsequent to measurement date	4,714	-
Difference between expected and actual experience	<u>287</u>	<u>1,387</u>
Totals	<u>\$ 14,272</u>	<u>\$ 10,827</u>

\$4,714 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, 2018. 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>
2019	\$ 1,466
2020	900
2021	(1,278)
2022	<u>(2,357)</u>
Totals	<u>\$ (1,269)</u>

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

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**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, 2017, 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>
Cash	2%	2.26%
Fixed Income	15%	3.00%
Managed Futures	4%	6.85%
Absolute Return	9%	6.46%
Long Short	9%	7.15%
Global Public Equity	37%	8.33%
Private Capital	<u>24%</u>	9.70%
Totals	<u>100.00%</u>	

*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 3.31% (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)**

Changes in the net pension liability

	<u>Increase (Decrease)</u>		
	Total Pension Liability <u>(a)</u>	Plan Fiduciary Position <u>(b)</u>	Net Pension Liability <u>(a)-(b)</u>
Balances at beginning of year	\$ 168,194	\$ 172,744	\$ (4,550)
Changes for the year			
Service cost	1,128	-	1,128
Interest on total pension liability	12,210	-	12,210
Benefit changes	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions – employer	-	7,028	(7,028)
Contributions – state of colorado	-	4,297	(4,297)
Net investment income	-	24,347	(24,347)
Benefit and refund payments	(12,126)	(12,126)	-
Administrative expenses	-	<u>(10,309)</u>	<u>10,309</u>
Net changes	<u>1,212</u>	<u>13,237</u>	<u>(12,025)</u>
Balances at end of year	<u>\$ 169,406</u>	<u>\$ 185,981</u>	<u>\$ (16,575)</u>

*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 <u>(6.50%)</u>	Current Discount <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Net pension liability (asset)	\$ <u>1,607</u>	\$ <u>(16,575)</u>	\$ <u>(31,786)</u>

*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.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

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**Note H – Pension Plans (Continued)**

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 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](http://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.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

**Note H – Pension Plans (Continued)**

*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, 2018 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, 2018 the Town reported a net pension liability of \$126,432. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018.

For the year ended December 31, 2018, the Town recognized pension expense (income) of \$16,353. At December 31, 2018, 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	\$ 5,154	\$ 7,031
Contributions subsequent to measurement date	<u>13,404</u>	<u>-</u>
Totals	<u>\$ 18,558</u>	<u>\$ 7,031</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, 2018. 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>
2019	\$ 603
2020	459
2021	(1,180)
2022	<u>(1,759)</u>
Totals	<u>\$ (1,877)</u>

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

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**Note H – Pension Plans (Continued)**

*Actuarial assumptions.* The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	January 1, 2018
Actuarial cost method	Entry age normal
Amortization method	Level dollar open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.50%
Retirement age	Any remaining actives are assumed to retire immediately

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, 2018 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, 2018, are summarized in the following table.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

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**Note H – Pension Plans (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	2%	2.26%
Fixed Income	15%	3.00%
Managed Futures	4%	6.85%
Absolute Return	9%	6.46%
Long Short	9%	7.15%
Global Public Equity	37%	8.33%
Private Capital	<u>24%</u>	9.70%
Totals	<u>100.00%</u>	

*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 long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31% (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)**

Changes in the net pension liability

	<u>Increase (Decrease)</u>		
	Total Pension Liability <u>(a)</u>	Plan Fiduciary Position <u>(b)</u>	Net Pension Liability <u>(a)-(b)</u>
Balances at beginning of year	\$ 264,867	\$ 131,993	\$ 132,874
Changes for the year			
Service cost	-	-	-
Interest on total pension liability	19,030	-	19,030
Benefit changes	-	-	-
Differences between expected and actual experience	5,565	-	5,565
Changes of assumptions	-	-	-
Contributions – employer	-	13,404	(13,404)
Net investment income	-	18,322	(18,322)
Benefit and refund payments	(22,665)	(22,665)	-
Administrative expenses	-	(689)	689
Net changes	<u>1,930</u>	<u>8,372</u>	<u>(6,442)</u>
Balances at end of year	<u>\$ 266,797</u>	<u>\$ 140,365</u>	<u>\$ 126,432</u>

*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 <u>(6.50%)</u>	Current Discount <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Net pension liability	<u>\$ 149,734</u>	<u>\$ 126,432</u>	<u>\$ 106,184</u>

*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**

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**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 \$8,927, and the Town recognized pension expense of \$8,927.

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 \$29,000 for the emergency reserve.

### **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 Liability/(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) <sup>1</sup>**  
**Fire & Police Statewide Defined Benefit Plan**  
**December 31, 2018**

	2018	2017	2016	2015
Town's proportion of the net pension liability/(asset)	0.0112%	0.0117%	0.0125%	0.0125%
Town's proportionate share of the net pension liability/(asset)	\$ (16,113)	\$ (4,227)	\$ (220)	\$ (14,142)
Town's covered payroll	\$ 65,508	\$ 59,862	\$ 60,613	\$ 56,350
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	24.6%	7.1%	0.4%	25.1%
Plan fiduciary net position as a percentage of the total pension liability	106.30%	98.21%	100.10%	106.80%

\* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

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

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2014

0.0098%

\$ (8,764)

\$ 42,575

20.6%

105.80%

**TOWN OF HAXTUN, COLORADO**  
**Schedule of Town Contributions <sup>1</sup>**  
**Fire & Police Statewide Defined Benefit Plan**  
**December 31, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 5,684	\$ 5,241	\$ 4,789	\$ 4,849
Contributions in relation to the contractually required contribution	<u>(5,684)</u>	<u>(5,241)</u>	<u>(4,789)</u>	<u>(4,849)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 71,050	\$ 65,508	\$ 59,862	\$ 60,613
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%

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

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<u>2014</u>	<u>2013</u>
\$ 4,508	\$ 3,406
<u>(4,508)</u>	<u>(3,406)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 56,350	\$ 42,575
8.00%	8.00%

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

	2018	2017	2016	2015
<b>Total pension liability</b>				
Service cost	\$ 1,128	\$ 1,126	\$ 1,126	\$ 1,174
Interest on the total pension liability	12,210	11,974	11,979	11,819
Differences between expected and actual experience	-	(2,467)	-	2,152
Assumption changes	-	5,152	-	-
Benefit payments	(12,126)	(13,150)	(13,200)	(12,762)
Net change in total pension liability	1,212	2,635	(95)	2,383
Total pension liability - beginning	168,194	165,559	165,654	163,271
Total pension liability - ending (a)	<u>\$ 169,406</u>	<u>\$ 168,194</u>	<u>\$ 165,559</u>	<u>\$ 165,654</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 7,028	\$ 2,460	\$ 6,583	\$ 4,714
Net investment income	24,347	8,776	3,049	10,784
Benefit payments	(12,126)	(13,150)	(13,200)	(12,762)
Pension plan administrative expenses	(10,309)	(539)	(1,565)	(634)
State of Colorado supplemental discretionary payment	4,297	5,263	4,243	4,243
Net change in plan fiduciary net position	13,237	2,810	(890)	6,345
Plan fiduciary net position - beginning	172,744	169,934	170,824	164,479
Plan fiduciary net position - ending (b)	<u>\$ 185,981</u>	<u>\$ 172,744</u>	<u>\$ 169,934</u>	<u>\$ 170,824</u>
<b>Town's net pension liability/(asset) - ending (a) - (b)</b>	<u>\$ (16,575)</u>	<u>\$ (4,550)</u>	<u>\$ (4,375)</u>	<u>\$ (5,170)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	109.78%	102.71%	102.64%	103.12%
<b>Covered payroll</b>	N/A	N/A	N/A	N/A
<b>Town's net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A

\* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

<sup>1</sup> 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 <sup>1</sup>**  
**Haxtun Volunteer Fire Department Pension Fund**  
**Last 10 Fiscal Years**

Year Ended 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)
2018	\$ -	\$ 8,957	\$ (8,957)	N/A	N/A
2017	60	11,325	(11,265)	N/A	N/A
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.

<sup>1</sup> 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 <sup>1</sup>**  
**Town of Haxtun Old Hire Police Pension Fund**  
**Last 10 Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	19,030	19,268	18,196	18,432
Benefit changes	-	-	-	-
Difference between expected and actual experience	5,565	-	4,942	-
Assumption changes	-	-	13,153	-
Benefit payments	<u>(22,665)</u>	<u>(22,221)</u>	<u>(21,785)</u>	<u>(21,358)</u>
Net change in total pension liability	1,930	(2,953)	14,506	(2,926)
Total pension liability - beginning	<u>264,867</u>	<u>267,820</u>	<u>253,314</u>	<u>256,240</u>
Total pension liability - ending (a)	<u>\$ 266,797</u>	<u>\$ 264,867</u>	<u>\$ 267,820</u>	<u>\$ 253,314</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 13,404	\$ 9,342	\$ 9,342	\$ 8,892
Contributions - employee	-	-	-	-
Net investment income	18,322	7,056	2,595	10,379
Benefit payments	(22,665)	(22,221)	(21,785)	(21,358)
Pension plan administrative expenses	<u>(689)</u>	<u>(2,087)</u>	<u>(577)</u>	<u>(3,123)</u>
Net change in plan fiduciary net position	8,372	(7,910)	(10,425)	(5,210)
Plan fiduciary net position - beginning	<u>131,993</u>	<u>139,903</u>	<u>150,328</u>	<u>155,538</u>
Plan fiduciary net position - ending (b)	<u>\$ 140,365</u>	<u>\$ 131,993</u>	<u>\$ 139,903</u>	<u>\$ 150,328</u>
<b>Town's net pension liability/(asset) - ending (a) - (b)</b>	<u>\$ 126,432</u>	<u>\$ 132,874</u>	<u>\$ 127,917</u>	<u>\$ 102,986</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	52.61%	49.83%	52.24%	59.34%
<b>Covered payroll</b>	N/A	N/A	N/A	N/A
<b>Town's net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A

\* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

<sup>1</sup> 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 <sup>1</sup>**  
**Town of Haxtun Old Hire Police Pension Fund**  
**Last 10 Fiscal Years**

Year Ended 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)
2018	\$ 13,404	\$ 13,404	\$ -	N/A	N/A
2017	13,404	13,404	-	N/A	N/A
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.

<sup>1</sup> 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, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 450,162	\$ 450,162	\$ 457,279	\$ 7,117
Licenses and permits	3,000	3,000	4,167	1,167
Intergovernmental	57,500	57,500	86,507	29,007
Fines and forfeitures	9,300	9,300	7,481	(1,819)
Charges for services	23,600	23,600	29,371	5,771
Miscellaneous	40,050	40,050	67,479	27,429
Total revenues	583,612	583,612	652,284	68,672
Expenditures				
Current				
General government	143,120	143,120	155,813	(12,693)
Public safety	345,190	345,190	293,380	51,810
Public works	233,200	233,200	208,939	24,261
Culture and recreation	128,075	128,075	117,756	10,319
Debt service				
Principal retirement	70,150	70,150	70,150	-
Interest and fiscal charges	25,552	25,552	25,476	76
Total expenditures	945,287	945,287	871,514	73,773
Excess of revenues over (under) expenditures	(361,675)	(361,675)	(219,230)	142,445
Other financing sources				
Transfers in	275,000	275,000	275,000	-
Sale of assets			3,000	3,000
Total other financing sources	275,000	275,000	278,000	3,000
Net change in fund balance	\$ (86,675)	\$ (86,675)	58,770	\$ 145,445
Fund balance at beginning of year			147,783	
Fund balance at end of year			\$ 206,553	

**TOWN OF HAXTUN, COLORADO**  
**Community Center Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Sales tax	\$ 50,000	\$ 50,000	\$ 51,399	\$ 1,399
Rent income	4,000	4,000	3,825	(175)
Grants and contributions	1,000	1,000	3,265	2,265
Miscellaneous	650	650	244	(406)
Total revenues	55,650	55,650	58,733	3,083
Expenditures				
Current				
Salaries	9,500	9,500	7,681	1,819
Employee benefits	2,000	2,000	991	1,009
Insurance and bonds	2,400	2,400	3,516	(1,116)
Repairs and maintenance	2,500	2,500	5,009	(2,509)
County clerk fee	350	350	259	91
Utilities	12,700	12,700	9,662	3,038
Audit and legal	1,100	1,100	1,101	(1)
Supplies	5,000	5,000	7,011	(2,011)
Miscellaneous	2,000	2,000	1,577	423
Capital outlay	22,000	22,000		22,000
Total expenditures	59,550	59,550	36,807	22,743
Net change in fund balance	\$ (3,900)	\$ (3,900)	21,926	\$ 25,826
Fund balance at beginning of year			267,041	
Fund balance at end of year			\$ 288,967	

**TOWN OF HAXTUN, COLORADO**  
**Notes to the Required Supplementary Information**

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**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 15<sup>th</sup> 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 15<sup>th</sup>, 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**

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**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](http://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, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Taxes				
Property taxes	\$ 149,562	\$ 149,562	\$ 141,510	\$ (8,052)
Specific ownership taxes	16,000	16,000	15,805	(195)
Penalties and interest on taxes	600	600	550	(50)
Franchise taxes	8,000	8,000	11,384	3,384
Sales taxes	275,000	275,000	287,597	12,597
Severance taxes	1,000	1,000	433	(567)
Total taxes	450,162	450,162	457,279	7,117
Licenses and permits	3,000	3,000	4,167	1,167
Intergovernmental				
Motor vehicle assessments	4,500	4,500	4,850	350
Cigarette taxes	1,000	1,000	993	(7)
Highway users tax	39,000	39,000	50,202	11,202
Road and bridge	13,000	13,000	14,832	1,832
Mineral lease			314	314
Payment in lieu of taxes			15,316	15,316
Total intergovernmental	57,500	57,500	86,507	29,007
Fines and forfeitures	9,300	9,300	7,481	(1,819)
Charges for services				
Rabies control	4,600	4,600	5,109	509
Swimming pool	9,000	9,000	9,505	505
Concession stand	10,000	10,000	14,757	4,757
Total charges for services	23,600	23,600	29,371	5,771
Miscellaneous				
Interest on investments	2,000	2,000	7,045	5,045
Refunds and reimbursements	27,700	27,700	26,055	(1,645)
Grants and donations	5,350	5,350	26,013	20,663
Miscellaneous	5,000	5,000	8,366	3,366
Total miscellaneous	40,050	40,050	67,479	27,429
Total revenues	\$ 583,612	\$ 583,612	\$ 652,284	\$ 68,672

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**TOWN OF HAXTUN, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
General government				
Salaries	\$ 48,120	\$ 48,120	\$ 49,273	\$ (1,153)
Employee benefits	17,500	17,500	13,087	4,413
Supplies	8,000	8,000	8,089	(89)
Maintenance	500	500	173	327
Utilities	8,000	8,000	6,122	1,878
Travel	2,500	2,500	3,043	(543)
Insurance	6,500	6,500	9,810	(3,310)
Reporting and publishing	1,500	1,500	2,345	(845)
Audit and legal	6,500	6,500	17,976	(11,476)
Dues	12,000	12,000	8,242	3,758
County treasurer fees	5,000	5,000	3,137	1,863
Miscellaneous	22,000	22,000	24,802	(2,802)
Capital outlay	5,000	5,000	9,714	(4,714)
Total general government	143,120	143,120	155,813	(12,693)
Public safety				
Police				
Salaries	156,000	156,000	149,032	6,968
Employee benefits	73,000	73,000	70,420	2,580
Life and disability insurance	4,000	4,000	3,834	166
Drug education	5,000	5,000	247	4,753
Pension contribution	20,000	20,000	5,684	14,316
Maintenance	3,000	3,000	1,495	1,505
Fuel and oil	6,500	6,500	5,797	703
Insurance	19,200	19,200	8,847	10,353
Utilities	8,000	8,000	7,147	853
Supplies	8,500	8,500	6,852	1,648
Travel and training	4,000	4,000	3,703	297
Miscellaneous	11,100	11,100	3,704	7,396
Audit and legal	2,000	2,000	1,538	462
Total police	320,300	320,300	268,300	52,000

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fire				
Salaries	500	500	528	(28)
Employee benefits	350	350	310	40
Firemen's allotment	240	240	240	-
Pension contribution	2,400	2,400	2,400	-
Maintenance	1,500	1,500	5,705	(4,205)
Insurance	6,500	6,500	7,330	(830)
Utilities	7,050	7,050	6,533	517
Supplies	3,500	3,500	1,684	1,816
Miscellaneous	2,850	2,850	350	2,500
Total fire	24,890	24,890	25,080	(190)
Total public safety	345,190	345,190	293,380	51,810
Public works				
Highways and streets				
Salaries	66,500	66,500	81,021	(14,521)
Employee benefits	31,500	31,500	29,825	1,675
Utilities	19,200	19,200	17,927	1,273
Maintenance and supplies	78,500	78,500	58,043	20,457
Fuel and oil	10,000	10,000	7,700	2,300
Insurance	7,500	7,500	4,759	2,741
Miscellaneous	4,500	4,500	1,410	3,090
Capital outlay	5,000	5,000		5,000
Total highways and streets	222,700	222,700	200,685	22,015
Airport				
Salaries	2,500	2,500	378	2,122
Employee benefits	900	900	159	741
Maintenance and supplies			97	(97)
Fuel and oil	200	200		200
Insurance	2,500	2,500	4,510	(2,010)
Miscellaneous	400	400	298	102
Capital outlay	4,000	4,000	2,812	1,188
Total airport	10,500	10,500	8,254	2,246
Total public works	10,500	10,500	8,254	2,246

(continued)

**TOWN OF HAXTUN, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended December 31, 2018**

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Culture and recreation				
Recreation programs				
Salaries	34,600	34,600	40,424	(5,824)
Employee benefits	5,200	5,200	4,386	814
Utilities	11,850	11,850	18,386	(6,536)
Maintenance and supplies	18,300	18,300	15,642	2,658
Insurance	5,200	5,200	8,083	(2,883)
Miscellaneous	9,300	9,300	4,797	4,503
Total recreation programs	84,450	84,450	91,718	(7,268)
Parks				
Salaries	11,500	11,500	7,251	4,249
Employee benefits	4,650	4,650	2,794	1,856
Utilities	2,800	2,800	2,411	389
Maintenance and supplies	14,000	14,000	4,659	9,341
Fuel and oil	1,500	1,500	398	1,102
Insurance	3,000	3,000	3,472	(472)
Miscellaneous	1,000	1,000	266	734
Total parks	38,450	38,450	21,251	17,199
Fishing lake				
Salaries	1,200	1,200	817	383
Employee benefits	425	425	299	126
Utilities	800	800	656	144
Maintenance and supplies	600	600	15	585
Fuel and oil	150	150		150
Insurance	2,000	2,000	3,000	(1,000)
Total fishing lake	5,175	5,175	4,787	388
Total culture and recreation	128,075	128,075	117,756	10,319
Debt service				
Principal retirement	70,150	70,150	70,150	-
Interest and fiscal charges	25,552	25,552	25,476	76
Total debt service	95,702	95,702	95,626	76
Total expenditures	\$ 945,287	\$ 945,287	\$ 871,514	\$ 73,773

**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, 2018**

	Conservation Trust Fund	Library Fund	Total
<b>Assets</b>			
Cash and investments	\$ 30,492	\$ 6,358	\$ 36,850
Cash with county treasurer		83	83
Property taxes receivable		12,957	12,957
Accounts receivable		5,346	5,346
	<u>30,492</u>	<u>24,744</u>	<u>55,236</u>
Total assets	<u>\$ 30,492</u>	<u>\$ 24,744</u>	<u>\$ 55,236</u>
<b>Liabilities</b>			
Accounts payable		\$ 602	\$ 602
	<u>-</u>	<u>602</u>	<u>602</u>
Total liabilities	<u>\$ -</u>	<u>602</u>	<u>602</u>
<b>Deferred inflows of resources</b>			
Deferred property tax revenues		12,957	12,957
	<u>-</u>	<u>12,957</u>	<u>12,957</u>
Total deferred inflows of resources	<u>-</u>	<u>12,957</u>	<u>12,957</u>
<b>Fund balance</b>			
Restricted for culture and recreation	30,492		30,492
Committed to library purposes		11,185	11,185
	<u>30,492</u>	<u>11,185</u>	<u>41,677</u>
Total fund balance	<u>30,492</u>	<u>11,185</u>	<u>41,677</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 30,492</u>	<u>\$ 24,744</u>	<u>\$ 55,236</u>

**TOWN OF HAXTUN, COLORADO**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2018**

	<u>Conservation Trust Fund</u>	<u>Library Fund</u>	<u>Total</u>
Revenues			
Taxes		\$ 32,961	\$ 32,961
Intergovernmental revenue	\$ 9,710		9,710
Earnings on investments	77		77
Miscellaneous		2,549	2,549
Total revenues	<u>9,787</u>	<u>35,510</u>	<u>45,297</u>
Expenditures			
Current			
Culture and recreation	<u>4,166</u>	<u>34,297</u>	<u>38,463</u>
Total expenditures	<u>4,166</u>	<u>34,297</u>	<u>38,463</u>
Net change in fund balance	5,621	1,213	6,834
Fund balance at beginning of year	<u>24,871</u>	<u>9,972</u>	<u>34,843</u>
Fund balance at end of year	<u><u>\$ 30,492</u></u>	<u><u>\$ 11,185</u></u>	<u><u>\$ 41,677</u></u>

**TOWN OF HAXTUN, COLORADO**  
**Conservation Trust Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 9,710	\$ (290)
Interest on investments	50	50	77	27
Total revenues	10,050	10,050	9,787	(263)
Expenditures				
Current				
Culture and recreation	10,000	10,000	4,166	5,834
Total expenditures	10,000	10,000	4,166	5,834
Net change in fund balance	\$ 50	\$ 50	5,621	\$ 5,571
Fund balance at beginning of year			24,871	
Fund balance at end of year			\$ 30,492	

**TOWN OF HAXTUN, COLORADO**  
**Library Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property tax	\$ 12,304	\$ 12,304	\$ 12,305	\$ 1
Delinquent taxes and interest			39	39
Sales taxes	15,000	15,000	20,617	5,617
Interest on investments	30	30	8	(22)
Grants and contributions	3,500	3,500	2,342	(1,158)
Miscellaneous			199	199
<b>Total revenues</b>	<b>30,834</b>	<b>30,834</b>	<b>35,510</b>	<b>4,676</b>
<b>Expenditures</b>				
<b>Current</b>				
Salaries	17,100	17,100	15,776	1,324
Employee benefits	1,400	1,400	1,247	153
Books	5,450	5,450	6,904	(1,454)
Insurance and bonds	2,200	2,200	3,119	(919)
Repairs and maintenance	300	300	539	(239)
County treasurer fee	250	250	247	3
Utilities	5,365	5,365	4,385	980
Supplies	2,100	2,100	645	1,455
Audit	950	950	950	-
Miscellaneous	600	600	485	115
<b>Total expenditures</b>	<b>35,715</b>	<b>35,715</b>	<b>34,297</b>	<b>1,418</b>
<b>Net change in fund balance</b>	<b>\$ (4,881)</b>	<b>\$ (4,881)</b>	<b>1,213</b>	<b>\$ 6,094</b>
Fund balance at beginning of year			9,972	
Fund balance at end of year			<b>\$ 11,185</b>	

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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, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 997,200	\$ 997,200	\$ 1,044,320	\$ 47,120
Penalties	11,000	11,000	10,793	(207)
Reimbursements	51,300	51,300	51,300	-
Total operating revenues	1,059,500	1,059,500	1,106,413	46,913
Operating expenses				
Salaries	60,000	60,000	54,549	5,451
Employee benefits	33,700	33,700	27,562	6,138
Supplies	9,500	9,500	8,523	977
Repairs and maintenance	170,000	170,000	41,948	128,052
Insurance	10,000	10,000	3,774	6,226
Utilities	1,950	1,950	1,277	673
Audit and legal	2,500	2,500	2,557	(57)
Fuel and oil	15,000	15,000	2,885	12,115
Power purchased	650,000	650,000	530,674	119,326
Miscellaneous	6,500	6,500	6,059	441
Depreciation	34,000	34,000	33,906	94
Capital outlay	40,000	40,000	120,337	(80,337)
Total operating expenses	1,033,150	1,033,150	834,051	199,099
Operating income	26,350	26,350	272,362	246,012
Nonoperating revenues				
Interest on investments	20	20	29	9
Miscellaneous	6,000	6,000	35,936	29,936
Total nonoperating revenues	6,020	6,020	35,965	29,945
Net income before transfers	32,370	32,370	308,327	275,957

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Transfers out	<u>(275,000)</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Change in net position	<u>\$ (242,630)</u>	<u>\$ (242,630)</u>	33,327	<u>\$ 275,957</u>
Adjustments to GAAP Basis				
Add capital outlay			<u>120,337</u>	
Change in net position - GAAP Basis			153,664	
Net position at beginning of year			<u>1,127,239</u>	
Net position at end of year			<u>\$ 1,280,903</u>	

**TOWN OF HAXTUN, COLORADO**  
**Water Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 190,000	\$ 190,000	\$ 198,462	\$ 8,462
Operating expenses				
Salaries	45,000	45,000	42,541	2,459
Employee benefits	26,500	26,500	21,961	4,539
Supplies	4,000	4,000	1,201	2,799
Repairs and maintenance	25,000	25,000	18,735	6,265
Insurance	6,000	6,000	4,200	1,800
Utilities	40,500	40,500	23,794	16,706
Audit and legal	2,500	2,500	2,557	(57)
Fuel and oil	1,000	1,000	1,647	(647)
Water assessment fee	3,000	3,000	3,506	(506)
Miscellaneous	8,800	8,800	5,689	3,111
Depreciation	15,000	15,000	16,560	(1,560)
Capital outlay	5,000	5,000		5,000
Total operating expenses	182,300	182,300	142,391	39,909
Operating income	7,700	7,700	56,071	48,371
Nonoperating revenues				
Interest on investments	20	20	29	9
Miscellaneous	3,900	3,900	2,835	1,065
Total nonoperating revenues	3,920	3,920	2,864	(1,056)
Change in net position	\$ 11,620	\$ 11,620	58,935	\$ 47,315
Net position at beginning of year			404,819	
Net position at end of year			\$ 463,754	

**TOWN OF HAXTUN, COLORADO**  
**Sanitation Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 179,000	\$ 179,000	\$ 178,183	\$ (817)
Operating expenses				
Salaries	70,500	70,500	67,478	3,022
Employee benefits	38,400	38,400	33,203	5,197
Supplies	4,000	4,000	1,204	2,796
Repairs and maintenance	14,000	14,000	11,097	2,903
Insurance	7,150	7,150	6,255	895
Utilities	700	700	341	359
Audit and legal	2,000	2,000	2,558	(558)
Fuel and oil	5,000	5,000	3,364	1,636
Dump expense	24,000	24,000	19,993	4,007
Miscellaneous	2,300	2,300	984	1,316
Depreciation	3,500	3,500	4,685	(1,185)
Capital outlay	5,000	5,000		5,000
Total operating expenses	176,550	176,550	151,162	25,388
Operating income	2,450	2,450	27,021	24,571
Nonoperating revenues				
Interest on investments	20	20	25	5
Miscellaneous	500	500	610	110
Total nonoperating revenues	520	520	635	115
Change in net position	\$ 2,970	\$ 2,970	27,656	\$ 24,686
Net position at beginning of year			92,143	
Net position at end of year			\$ 119,799	

**TOWN OF HAXTUN, COLORADO**  
**Sewer Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 135,050	\$ 135,050	\$ 138,951	\$ 3,901
Operating expenses				
Salaries	39,500	39,500	38,574	926
Employee benefits	21,200	21,200	19,386	1,814
Supplies	5,000	5,000	984	4,016
Repairs and maintenance	4,000	4,000	1,285	2,715
Insurance	5,000	5,000	3,686	1,314
Utilities	2,600	2,600	1,052	1,548
Audit and legal	2,000	2,000	2,557	(557)
Fuel and oil	500	500	125	375
Miscellaneous	4,750	4,750	3,479	1,271
Depreciation and amortization	22,000	22,000	20,557	1,443
Capital outlay	5,000	5,000		5,000
Total operating expenses	111,550	111,550	91,685	19,865
Operating income	23,500	23,500	47,266	23,766
Nonoperating revenues (expenses)				
Interest on investments	20	20	63	43
Principal paid on long-term debt	(15,613)	(15,613)	(15,614)	(1)
Interest and fiscal charges	(2,942)	(2,942)	(2,893)	49
Total nonoperating revenues (expenses)	(18,535)	(18,535)	(18,444)	91
Change in net position	\$ 4,965	\$ 4,965	28,822	\$ 23,857
Adjustments to GAAP Basis				
Add principal on long-term debt			15,614	
Change in net position - GAAP Basis			44,436	
Net position at beginning of year			754,264	
Net position at end of year			\$ 798,700	

**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.

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Town of Haxtun
		YEAR ENDING : 2,018
This Information From The Records Of (example - City of _ or County of _) Town of Haxtun	Prepared By: Phone:	Karie L. Wilson 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**

ITEM	AMOUNT
<b>A. Receipts from local sources:</b>	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	118,974
3. Other local imposts (from page 2)	133,417
4. Miscellaneous local receipts (from page 2)	6,091
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	258,482
<b>B. Private Contributions</b>	
<b>C. Receipts from State government (from page 2)</b>	
	55,052
<b>D. Receipts from Federal Government (from page 2)</b>	
	0
<b>E. Total receipts (A.7 + B + C + D)</b>	313,534

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	39,072
2. Maintenance:	13,697
3. Road and street services:	
a. Traffic control operations	0
b. Snow and ice removal	0
c. Other	4,029
d. Total (a. through c.)	4,029
4. General administration & miscellaneous	35,581
5. Highway law enforcement and safety	149,032
6. Total (1 through 5)	241,411
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	22,036
b. Redemption	50,087
c. Total (a. + b.)	72,123
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	72,123
<b>C. Payments to State for highways</b>	
<b>D. Payments to toll facilities</b>	
<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	313,534

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	472,472	0	50,087	422,385
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	472			472

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	313,534	313,534	0	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
12/18

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	1,457
b. Other local imposts:		b. Traffic Fines & Penalties	4,634
1. Sales Taxes	102,780	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	30,637	g. Other Misc. Receipts	
6. Total (1. through 5.)	133,417	h. Other	
c. Total (a. + b.)	133,417	i. Total (a. through h.)	6,091
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	50,202	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	4,850	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.)	4,850	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	55,052	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements			0
(3). System Preservation		39,072	39,072
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	39,072	39,072
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	39,072	39,072
			(Carry forward to page 1)

Notes and Comments: