

***Town of Haxtun, Colorado***

**Financial Statements**

**For the Year ended December 31, 2020**

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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, 2020, 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, 2020, 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  
May 6, 2021

## 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, 2020.

### FINANCIAL HIGHLIGHTS

- The Town of Haxtun remains in good financial condition.
- The assets and deferred outflows of resources of the Town of Haxtun exceeded its liabilities and deferred inflows of resources at the close of 2020 by \$6,352,680 (net position). Of this amount \$1,298,949 or 21% 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 \$344,856.

### 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 and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$6,352,680 at the close of 2020.

## Net Position

Combined net position of the Town of Haxtun as of December 31, 2020 and 2019 are shown in Table 1 below.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 1,141,550	\$ 874,101	\$ 1,140,326	\$ 1,077,346	\$ 2,281,876	\$ 1,951,447
Capital assets, net	2,883,033	2,726,167	2,187,060	2,126,813	5,070,093	4,852,980
Total assets	4,024,583	3,600,268	3,327,386	3,204,159	7,351,969	6,804,427
Deferred outflows of resources	62,404	109,929	-	-	62,404	109,929
Total assets and deferred outflows of resources	\$ 4,086,987	\$ 3,710,197	\$ 3,327,386	\$ 3,204,159	\$ 7,414,373	\$ 6,914,356
Long-term debt outstanding	\$ 527,903	\$ 526,278	\$ 116,009	\$ 132,130	\$ 643,912	\$ 658,408
Other liabilities	34,460	8,817	189,388	212,407	223,848	221,224
Total liabilities	562,363	535,095	305,397	344,537	867,760	879,632
Deferred inflows of resources	193,933	189,267	-	-	193,933	189,267
Net position:						
Net investment in capital assets	2,568,478	2,356,379	2,074,010	1,997,556	4,642,488	4,353,935
Restricted	411,243	367,922	-	-	411,243	367,922
Unrestricted	350,970	261,534	947,979	862,066	1,298,949	1,123,600
Total net position	3,330,691	2,985,835	3,021,989	2,859,622	6,352,680	5,845,457
Total liabilities, deferred inflows of resources and net position	\$ 4,086,987	\$ 3,710,197	\$ 3,327,386	\$ 3,204,159	\$ 7,341,373	\$ 6,914,356

The largest portion of the Town of Haxtun's net position, 73%, 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, 20%, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2020, 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 \$2,645,180 was more than program expenses of \$2,137,957 for an increase in net position of \$507,223.

Table 2 shows the summarized revenues and expenses for 2020 and 2019.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues						
Charges for services	\$ 29,268	\$ 45,755	\$ 1,556,920	\$ 1,588,734	\$ 1,586,188	\$ 1,634,489
Operating grants and contributions	74,994	134,554	-	-	74,994	134,554
Capital grants and contributions	80,983	-	-	-	80,983	-
General revenues						
Property taxes	165,925	162,780	-	-	165,925	162,780
Sales and use taxes	550,856	434,714	-	-	550,856	434,714
Specific ownership taxes	17,796	18,782	-	-	17,796	18,782
Other taxes	7,950	11,226	-	-	7,950	11,226
Interest earnings	6,708	10,483	17	175	6,725	10,658
Miscellaneous	125,313	33,653	21,060	40,109	146,373	73,762
Sale of assets	-	10,000	7,390	-	7,390	10,000
Transfers	275,000	342,817	(275,000)	(342,817)	-	-
Total revenues	1,334,793	1,204,764	1,310,387	1,286,201	2,645,180	2,490,965
Program expenses						
General government	147,564	139,858	-	-	147,564	139,858
Public safety	412,116	344,878	-	-	412,116	344,878
Public works	200,994	274,949	-	-	200,994	274,949
Culture and recreation	212,373	227,821	-	-	212,373	227,821
Interest and fiscal charges	16,890	21,554	-	-	16,890	21,554
Electric services	-	-	730,151	695,923	730,151	695,923
Water services	-	-	163,363	143,551	163,363	143,551
Sanitation services	-	-	157,420	155,051	157,420	155,051
Sewer services	-	-	97,086	95,210	97,086	95,210
Total expenses	989,937	1,009,060	1,148,020	1,089,735	2,137,957	2,098,795
Change in net position	344,856	195,704	162,367	196,466	507,223	392,170
Net position at beginning of year	2,985,835	2,790,131	2,859,622	2,663,156	5,845,457	5,453,287
Net position at end of year	\$ 3,330,691	\$ 2,985,835	\$ 3,021,989	\$ 2,859,622	\$ 6,352,680	\$ 5,845,457

**Governmental Activities**

Revenue for the Town's governmental activities totaled \$1,334,793 for 2020. Tax revenue produced 56% 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	
	2020	2019	2020	2019
General government	\$ 147,564	\$ 139,858	\$ 128,923	\$ 97,097
Public safety	412,116	344,878	411,585	341,831
Public works	200,994	274,949	107,603	203,242
Culture and recreation	212,373	227,821	139,691	165,027

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 \$3,021,989 in 2020. Business-type activities include electric, water, sewer and sanitation services.

**Table 4  
BUSINESS-TYPE ACTIVITIES**

	<u>Total cost of services</u>		<u>Net cost of services</u>	
	2020	2019	2020	2019
Electric services	\$ 730,151	\$ 695,923	\$ (293,904)	\$ (365,393)
Water services	163,363	143,551	(55,634)	(72,078)
Sanitation services	157,420	155,051	(22,913)	(23,834)
Sewer services	97,086	95,210	(36,449)	(37,694)

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 \$924,848. The general, community center and other governmental funds reported fund balances of \$534,033, \$332,252, and \$58,563, respectively.

**General Fund Budgetary Highlights**

The actual charges to appropriations (expenditures) were \$170,652 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 \$253,768 more than the final budgeted amounts primarily due to an increase in the year’s sales tax, other tax receipts and reimbursement from our insurance company for storm damage.

**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, 2020, amounts to \$5,070,093 (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>	
	2020	2019	2020	2019	2020	2019
Land and land improvements	\$ 323,024	\$ 303,740	\$ 31,900	\$ 31,900	\$ 354,924	\$ 335,640
Buildings and improvements	1,384,064	1,459,080	2,171	2,422	1,386,235	1,461,502
Machinery and equipment	292,952	182,983	87,929	66,036	380,881	249,019
Infrastructure	882,993	780,364	-	-	882,993	780,364
Systems	-	-	2,065,060	2,026,455	2,065,060	2,026,455
Total	<u>\$ 2,883,033</u>	<u>\$ 2,726,167</u>	<u>\$ 2,187,060</u>	<u>\$ 2,126,813</u>	<u>\$ 5,070,093</u>	<u>\$ 4,852,980</u>

**Long-term debt.** The Town had \$434,551 in debt outstanding at year-end consisting of outstanding notes, bonds and accrued compensated absences. The debt incumbency is attributed to the wastewater lagoon improvement project and the main street improvement bond.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

The Town of Haxtun remains in a solid viable financial condition. During 2020, the Town continued working on an electric rebuild project. The Town also continued street repairs, with repaving two streets and some curb and gutter work. The ball park fence was partially replaced. The Community Center received new wood laminate flooring in the kitchen, hallway, and restrooms and a new sidewalk. Our little town also survived severe damage from a wind storm last June. Many community members homes and town owned property including trees, signage and electrical lines were damaged. The Town also purchased a used street sweeper and a bucket truck. The Town also received a grant from CDOT to crack seal the airport runway.

The 2020 and 2021 utility rates including Electric, Water, Sanitation and Sewer remain stable, with no increases in rates.

COVID-19 also hit our small community. Some businesses closed their doors for a time, but sales tax revenue remained stable, with citizens shopping at home, and ordering products online. With CARES Act funds, we purchased easy to sanitize aluminum park benches and street barricades.

In 2021, the Town is going to continue the electrical project upgrades and street repairs, repairs to water wells, resume the water feature in the park project, and other necessary maintenance. The Haxtun Hospital District purchased the empty lot property located behind the Town Hall and Library. They also purchased the Truck Barn, Lean-To, and the Town Shop buildings. The hospital plans to build a new clinic at the “Od Smith Hardware” site on South Colorado Avenue. The Town will build a new shop building just West of the city limits where the current Quonset is located.

**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.

*Fund financial statements.* The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary 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, 2020**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 850,335	\$ 924,523	\$ 1,774,858
Cash with county treasurer	1,944		1,944
Receivables	283,432	144,631	428,063
Inventory		71,172	71,172
Net pension asset	5,839		5,839
Capital assets, net of depreciation	2,883,033	2,187,060	5,070,093
<b>Total assets</b>	<b>4,024,583</b>	<b>3,327,386</b>	<b>7,351,969</b>
<b>Deferred outflows of resources</b>			
Pension deferrals	62,404		62,404
<b>Total assets and deferred outflows of resources</b>	<b>\$ 4,086,987</b>	<b>\$ 3,327,386</b>	<b>\$ 7,414,373</b>
<b>Liabilities</b>			
Accounts payable	\$ 34,460	\$ 96,951	\$ 131,411
Accrued interest payable		353	353
Customer deposits		92,084	92,084
<b>Noncurrent liabilities</b>			
Due within one year	53,058	16,512	69,570
Due in more than one year	265,484	99,497	364,981
Net pension liability	209,361		209,361
<b>Total liabilities</b>	<b>562,363</b>	<b>305,397</b>	<b>867,760</b>
<b>Deferred inflows of resources</b>			
Deferred property tax revenues	176,403		176,403
Pension deferrals	17,530		17,530
<b>Total deferred inflows of resources</b>	<b>193,933</b>	<b>-</b>	<b>193,933</b>
<b>Net position</b>			
Net investment in capital assets	2,568,478	2,074,010	4,642,488
<b>Restricted for:</b>			
Emergencies	30,000		30,000
Culture and recreation	375,404		375,404
Pensions	5,839		5,839
Unrestricted	350,970	947,979	1,298,949
<b>Total net position</b>	<b>3,330,691</b>	<b>3,021,989</b>	<b>6,352,680</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 4,086,987</b>	<b>\$ 3,327,386</b>	<b>\$ 7,414,373</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, 2020**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 147,564	\$ 18,570	\$ 71	
Public safety	412,116			\$ 531
Public works	200,994		60,199	33,192
Culture and recreation	212,373	10,698	14,724	47,260
Interest and fiscal charges	16,890			
Total governmental activities	989,937	29,268	74,994	80,983
Business-type activities				
Electric services	730,151	1,024,055		
Water services	163,363	218,997		
Sanitation services	157,420	180,333		
Sewer services	97,086	133,535		
Total business-type activities	1,148,020	1,556,920	-	-
Total	\$ 2,137,957	\$ 1,586,188	\$ 74,994	\$ 80,983

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

Gain on disposal 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.

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Net (Expenses) Revenues and  
Changes in Net Position

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Governmental Activities	Business-type Activities	Total
\$ (128,923)		\$ (128,923)
(411,585)		(411,585)
(107,603)		(107,603)
(139,691)		(139,691)
(16,890)		(16,890)
(804,692)	\$ -	(804,692)
	293,904	293,904
	55,634	55,634
	22,913	22,913
	36,449	36,449
-	408,900	408,900
(804,692)	408,900	(395,792)
165,925		165,925
550,856		550,856
17,796		17,796
7,677		7,677
273		273
6,708	17	6,725
125,313	21,060	146,373
	7,390	7,390
275,000	(275,000)	-
1,149,548	(246,533)	903,015
344,856	162,367	507,223
2,985,835	2,859,622	5,845,457
\$ 3,330,691	\$ 3,021,989	\$ 6,352,680

**TOWN OF HAXTUN, COLORADO**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	General Fund	Community Center Fund	Other Governmental Funds	Total
<b>Assets</b>				
Cash and investments	\$ 480,970	\$ 320,660	\$ 48,705	\$ 850,335
Cash with county treasurer	1,924		20	1,944
Property taxes receivable	162,291		14,112	176,403
Accounts receivable	85,379	11,752	9,898	107,029
<b>Total assets</b>	<b>\$ 730,564</b>	<b>\$ 332,412</b>	<b>\$ 72,735</b>	<b>\$ 1,135,711</b>
<b>Liabilities</b>				
Accounts payable	\$ 34,240	\$ 160	\$ 60	\$ 34,460
<b>Total liabilities</b>	<b>34,240</b>	<b>160</b>	<b>60</b>	<b>34,460</b>
<b>Deferred inflows of resources</b>				
Deferred property tax revenues	162,291		14,112	176,403
<b>Total deferred inflows of resources</b>	<b>162,291</b>	<b>-</b>	<b>14,112</b>	<b>176,403</b>
<b>Fund balance</b>				
Restricted for emergencies	30,000			30,000
Restricted for culture and recreation		332,252	43,152	375,404
Committed to library purposes			15,411	15,411
Unassigned	504,033			504,033
<b>Total fund balance</b>	<b>534,033</b>	<b>332,252</b>	<b>58,563</b>	<b>924,848</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 730,564</b>	<b>\$ 332,412</b>	<b>\$ 72,735</b>	<b>\$ 1,135,711</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, 2020**

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

Total fund balance - governmental funds	\$ 924,848
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	2,883,033
Net pension assets and deferrals used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	68,243
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>(545,433)</u>
Net position of the governmental activities	<u>\$ 3,330,691</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, 2020**

	General Fund	Community Center Fund	Other Governmental Funds	Total
<b>Revenues</b>				
Taxes	\$ 633,078	\$ 81,566	\$ 28,555	\$ 743,199
Licenses and permits	3,268			3,268
Intergovernmental	61,294	795	13,929	76,018
Fines and forfeitures	7,194			7,194
Charges for services	16,931	1,875		18,806
Miscellaneous	208,150		3,158	211,308
<b>Total revenues</b>	<b>929,915</b>	<b>84,236</b>	<b>45,642</b>	<b>1,059,793</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	130,837			130,837
Public safety	293,661			293,661
Public works	388,504			388,504
Culture and recreation	135,073	55,229	33,794	224,096
<b>Debt service</b>				
Principal retirement	55,233			55,233
Interest and fiscal charges	16,890			16,890
<b>Total expenditures</b>	<b>1,020,198</b>	<b>55,229</b>	<b>33,794</b>	<b>1,109,221</b>
Excess of revenues over (under) expenditures	(90,283)	29,007	11,848	(49,428)
<b>Other financing sources</b>				
Transfers in	275,000			275,000
<b>Net change in fund balance</b>	<b>184,717</b>	<b>29,007</b>	<b>11,848</b>	<b>225,572</b>
Fund balance at beginning of year	349,316	303,245	46,715	699,276
Fund balance at end of year	<u>\$ 534,033</u>	<u>\$ 332,252</u>	<u>\$ 58,563</u>	<u>\$ 924,848</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, 2020**

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

Net change in fund balance - governmental funds \$ 225,572

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 capital outlays exceeded depreciation in the current period. 156,867

In the statement of activities, certain expenses related to the net pension liability and related deferred inflows and outflows of resources and compensated absences 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). (92,816)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long-term debt liability in the statement of net position. 55,233

Change in net position of governmental activities \$ 344,856

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

**TOWN OF HAXTUN, COLORADO**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2020**

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
<b>Assets</b>				
Current assets				
Cash and investments	\$ 249,988	\$ 232,160	\$ 122,411	\$ 319,964
Accounts receivable	96,952	18,167	16,493	13,019
Inventory	61,343	7,710	572	1,547
Total current assets	408,283	258,037	139,476	334,530
Capital assets, net of depreciation	1,172,570	367,292	19,366	627,832
Total assets	<u>\$ 1,580,853</u>	<u>\$ 625,329</u>	<u>\$ 158,842</u>	<u>\$ 962,362</u>

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

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Total

\$ 924,523  
144,631  
71,172

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1,140,326

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2,187,060

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\$ 3,327,386

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(continued)

**TOWN OF HAXTUN, COLORADO**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2020**

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Liabilities				
Current liabilities				
Accounts payable	\$ 51,078	\$ 43,622	\$ 2,035	\$ 216
Accrued interest payable				353
Customer deposits	92,084			
Current portion of long-term debt				16,512
Total current liabilities	143,162	43,622	2,035	17,081
Long-term liabilities				
Accrued compensated absences	1,079		753	1,127
Long-term debt				96,538
Total long-term liabilities	1,079	-	753	97,665
Total liabilities	144,241	43,622	2,788	114,746
Net position				
Net investment in capital assets	1,172,570	367,292	19,366	514,782
Unrestricted	264,042	214,415	136,688	332,834
Total net position	1,436,612	581,707	156,054	847,616
Total liabilities and net position	\$ 1,580,853	\$ 625,329	\$ 158,842	\$ 962,362

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

---

<u>Total</u>	
\$	96,951
	353
	92,084
	<u>16,512</u>
	205,900
	2,959
	<u>96,538</u>
	<u>99,497</u>
	305,397
	2,074,010
	<u>947,979</u>
	<u>3,021,989</u>
\$	<u><u>3,327,386</u></u>

**TOWN OF HAXTUN, COLORADO**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Operating revenues				
Charges for services	\$ 1,014,764	\$ 218,997	\$ 180,333	\$ 133,535
Penalties	9,291			
Total operating revenues	1,024,055	218,997	180,333	133,535
Operating expenses				
Salaries	58,752	49,013	73,892	38,869
Employee benefits	32,882	27,783	36,686	22,290
Supplies	15,064	2,562	1,768	2,094
Repairs and maintenance	52,414	26,124	6,365	1,680
Insurance	6,687	5,480	8,038	5,056
Utilities	1,249	19,466	325	891
Audit and legal	2,268	2,670	2,180	2,180
Fuel and oil	2,287	674	21	
Power purchased	509,549			
Water assessment fee		1,968		
Dump expense			22,498	
Miscellaneous	5,228	5,896	762	2,561
Depreciation and amortization	43,771	21,727	4,885	19,168
Total operating expenses	730,151	163,363	157,420	94,789
Operating income	293,904	55,634	22,913	38,746

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

---

<u>Total</u>
\$ 1,547,629
9,291
1,556,920
220,526
119,641
21,488
86,583
25,261
21,931
9,298
2,982
509,549
1,968
22,498
14,447
89,551
1,145,723
411,197

(continued)

**TOWN OF HAXTUN, COLORADO**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Nonoperating revenues (expenses)				
Interest on investments	5	1	5	6
Gain on disposal of assets	7,390			
Miscellaneous revenues	18,164	2,800	96	
Interest and fiscal charges				(2,297)
Total nonoperating revenues (expenses)	25,559	2,801	101	(2,291)
Income before transfers	319,463	58,435	23,014	36,455
Transfers out	(275,000)			
Change in net position	44,463	58,435	23,014	36,455
Net position at beginning of year	1,392,149	523,272	133,040	811,161
Net position at end of year	<u>\$ 1,436,612</u>	<u>\$ 581,707</u>	<u>\$ 156,054</u>	<u>\$ 847,616</u>

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

---

Total

17  
7,390  
21,060  
(2,297)

26,170

437,367

(275,000)

162,367

2,859,622

\$ 3,021,989

**TOWN OF HAXTUN, COLORADO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Cash flows from operating activities				
Receipts from customers	\$ 1,042,492	\$ 218,849	\$ 180,255	\$ 133,195
Payments to suppliers	(624,904)	(118,314)	(78,940)	(37,354)
Payments to employees	(58,721)	(49,013)	(73,869)	(38,837)
Net cash provided by operating activities	358,867	51,522	27,446	57,004
Cash flows from noncapital financing activities				
Miscellaneous revenues	18,164	2,800	96	
Transfers	(275,000)			
Net cash provided (used) by noncapital financing activities	(256,836)	2,800	96	-
Cash flows from capital and related financing activities				
Proceeds from sale of assets	7,390			
Purchase of capital assets	(131,832)		(17,967)	
Principal paid on capital debt				(16,207)
Interest and fiscal charges				(2,348)
Net cash used by capital and related financing activities	(124,442)	-	(17,967)	(18,555)

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

---

<u>Total</u>
\$ 1,574,791
(859,512)
<u>(220,440)</u>
494,839
21,060
<u>(275,000)</u>
(253,940)
7,390
(149,799)
(16,207)
<u>(2,348)</u>
(160,964)

(continued)

**TOWN OF HAXTUN, COLORADO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Cash flows from investing activities				
Interest on investments	5	1	5	6
Net cash provided by investing activities	5	1	5	6
Net change in cash and cash equivalents	(22,406)	54,323	9,580	38,455
Cash and cash equivalents at beginning of year	272,394	177,837	112,831	281,509
Cash and cash equivalents at end of year	<u>\$ 249,988</u>	<u>\$ 232,160</u>	<u>\$ 122,411</u>	<u>\$ 319,964</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 293,904	\$ 55,634	\$ 22,913	\$ 38,746
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	43,771	21,727	4,885	19,168
Change in assets and liabilities				
Accounts receivable	14,272	(148)	(78)	(340)
Inventory	1,058	2,183	(122)	148
Accounts payable	1,666	(27,874)	(175)	(750)
Accrued compensated absences	31		23	32
Customer deposits	4,165			
Net cash provided by operating activities	<u>\$ 358,867</u>	<u>\$ 51,522</u>	<u>\$ 27,446</u>	<u>\$ 57,004</u>

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

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Total

17

17

79,952

844,571

\$ 924,523

\$ 411,197

89,551

13,706

3,267

(27,133)

86

4,165

\$ 494,839

**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 \$1,673,941, of which \$250,000 was insured and \$1,423,941 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**

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**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, 2020, the Town had invested \$77,828 in COLOTRUST PLUS+ and \$29,940 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 Colostrust	<u>\$ 107,768</u>	<u>\$ 107,768</u>	<u>\$ -</u>	<u>\$ -</u>

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The Town has no investment policy that would further limit its investment choices. At year-end, the Town’s investment in Colostrust was rated AAAM by Standard and Poor’s.

**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, Sanitation and Sewer) to provide support for various departments within the General Fund.

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

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**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	\$ 176,403	\$ -	\$ 176,403
Other accounts	<u>107,029</u>	<u>144,631</u>	<u>251,660</u>
Total	<u>\$ 283,432</u>	<u>\$ 144,631</u>	<u>\$ 428,063</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	36,880	-	458,618
Buildings and improvements	2,405,587	25,308	-	2,430,895
Infrastructure	985,958	128,559	-	1,114,517
Equipment and furniture	<u>572,459</u>	<u>109,960</u>	-	<u>682,419</u>
Total capital assets, being depreciated	<u>4,385,742</u>	<u>300,707</u>	-	<u>4,686,449</u>
Total capital assets	4,425,682	300,707	-	4,726,389

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

**Note E – Capital assets (Continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Less accumulated depreciation:				
Land improvements	(157,938)	(17,596)	-	(175,534)
Buildings and improvements	(985,264)	(61,567)	-	(1,046,831)
Infrastructure	(205,594)	(25,930)	-	(231,524)
Equipment and furniture	<u>(350,720)</u>	<u>(38,747)</u>	-	<u>(389,467)</u>
Total accumulated depreciation	<u>(1,699,516)</u>	<u>(143,840)</u>	-	<u>(1,843,356)</u>
Governmental activities capital assets, net	<u>\$ 2,726,166</u>	<u>\$ 156,867</u>	<u>\$ -</u>	<u>\$ 2,883,033</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	68,319	-	-	68,319
Systems	4,123,816	106,832	-	4,230,648
Equipment	<u>391,176</u>	<u>42,967</u>	<u>(38,500)</u>	<u>395,643</u>
Total capital assets, being depreciated	<u>4,583,311</u>	<u>149,799</u>	<u>(38,500)</u>	<u>4,694,610</u>
Total capital assets	4,615,211	149,799	(38,500)	4,726,510
Less accumulated depreciation:				
Buildings	(65,897)	(251)	-	(66,148)
Systems	(2,097,361)	(68,227)	-	(2,165,588)
Equipment	<u>(325,141)</u>	<u>(21,073)</u>	<u>38,500</u>	<u>(307,714)</u>
Total accumulated depreciation	<u>(2,488,399)</u>	<u>(89,551)</u>	<u>38,500</u>	<u>(2,539,450)</u>
Business-type activities capital assets, net	<u>\$ 2,126,812</u>	<u>\$ 60,248</u>	<u>\$ -</u>	<u>\$ 2,187,060</u>

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

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**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		27,368
Public works		67,203
Culture and recreation		<u>33,876</u>
Total governmental activities		<u>\$ 143,840</u>
<b>Business-type activities</b>		
Electric		\$ 43,771
Water		21,727
Sanitation		4,885
Sewer		<u>19,168</u>
Total business-type activities		<u>\$ 89,551</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>					
Bonds payable	\$ 369,788	\$ -	\$ (55,233)	\$ 314,555	\$ 53,058
Compensated absences	<u>2,891</u>	<u>1,096</u>	<u>-</u>	<u>3,987</u>	<u>-</u>
Total	<u>\$ 372,679</u>	<u>\$ 1,096</u>	<u>\$ (55,233)</u>	<u>\$ 318,542</u>	<u>\$ 53,058</u>
<b>Business-type activities</b>					
Notes from direct borrowings	\$ 129,257	\$ -	\$ (16,207)	\$ 113,050	\$ 16,512
Compensated absences	<u>2,873</u>	<u>86</u>	<u>-</u>	<u>2,959</u>	<u>-</u>
Total	<u>\$ 132,130</u>	<u>\$ 86</u>	<u>\$ (16,207)</u>	<u>\$ 116,009</u>	<u>\$ 16,512</u>

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

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**Note F – Long-term debt (Continued)**

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**

The Town issued \$750,000 general obligation bonds dated April 26, 2011, due in monthly installments of \$9,277 through 2025. The interest rate for the bonds is 4.9%.

**Notes payable**

The Town entered into a \$305,041 note agreement with the Colorado Water Resources and Power Development Authority (the Authority) dated November 1, 2007, due in semi-annual installments of \$9,277 through 2027. The interest rate for the agreement is 1.875%. The agreement provides for the disbursement of funds at the Town's request to facilitate the construction of a sanitary sewer relief line.

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 \$25,876, 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 Town's outstanding note from direct borrowings related to business-type activities of \$113,050 is secured with collateral of the net revenue from operation and use of the system as defined in the loan agreement. The outstanding note contains (1) a provision that in an event of default as defined in the loan agreement, the Authority shall have the right to take any action permitted or required pursuant to the loan agreement and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any duty, covenant, obligation, or agreement of the Town hereunder including, without limitation, appointment ex parte of a receiver of the system.

**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 Ending December 31,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Bonds</u>		<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 53,058	\$ 14,358	\$ 16,512	\$ 2,042
2022	60,660	11,463	16,824	1,731
2023	63,700	8,423	17,140	1,415
2024	66,892	5,231	17,463	1,092
2025	70,245	1,878	17,792	763
2026-2027	-	-	27,319	514
Totals	<u>\$ 314,555</u>	<u>\$ 41,353</u>	<u>\$ 113,050</u>	<u>\$ 7,557</u>

**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 \$83,597. 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.

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

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**Note H – Pension Plans**

The Town is covered under four separate pension plans. The Town’s General Fund has been used in prior years to liquidate any net pension obligation. The assets under these plans are not considered property of the Town and are held by a third party administrator for the exclusive benefit of the plan participants and their beneficiaries. The Town has little administrative involvement and does not perform the investing functions for the plans. Therefore, these assets are not included as part of the financial statements of the Town.

Below is a summary of the deferred inflows/outflows, net pension assets and liabilities, and pension expense for the defined benefit plans.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Expense</u>
SWDB	\$ 39,484	\$ 10,391	\$ -	\$ 5,839	\$ 6,351
Volunteer – Fire	9,415	5,984	2,341	-	16,341
Old Hire - Fire	<u>13,505</u>	<u>1,155</u>	<u>207,020</u>	<u>-</u>	<u>92,084</u>
Total	<u>\$ 62,404</u>	<u>\$ 17,530</u>	<u>\$ 209,361</u>	<u>\$ 5,839</u>	<u>\$ 114,776</u>

The Town’s four retirement plans and related disclosures are as follows:

**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**

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors. The Fire & Police Pension Association of Colorado issues a publicly available financial report that can be obtained at [www.fppaco.org](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. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings 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 covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits adjustments paid to retired members are evaluated annually 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 for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. 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' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

*Contributions.* Through December 31, 2020, 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. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

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

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

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 pensionable earnings. Employer contributions are 8 percent in 2019 and 2020. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2019, members of the SWDB plan and their employers are contributing at the rate of 10.5 percent and 8 percent, respectively, of pensionable earnings for a total contribution rate of 18.5 percent.

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 22.5 percent and 23.0 percent of pensionable earnings in 2019 and 2020, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.25 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.25 percent in 2019 and 9.50 percent in 2020. Per the 2014 member election, members of the affiliate social security group had their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4 percent in 2019 and 2020. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the Plan from the Town were \$4,838.

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

At December 31, 2020 the Town reported as asset of \$5,839 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. 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, 2019, the Town's proportion was .0103 percent, which was an increase of .0001 percent from its proportion measured as of December 31, 2018.

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

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

For the year ended December 31, 2020, the Town recognized pension expense of \$6,351. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 9,752
Changes in assumptions and other inputs	11,289	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,834	500
Difference between expected and actual experience	20,523	139
Contributions subsequent to measurement date	<u>4,838</u>	<u>-</u>
Totals	<u>\$ 39,484</u>	<u>\$ 10,391</u>

\$10,089 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2021	\$ 2,416
2022	1,515
2023	4,755
2024	939
2025	4,753
2026	4,132
2027	3,445
2028	1,972
2029	<u>328</u>
Totals	<u>\$ 24,255</u>

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

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

*Actuarial assumptions.* The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ended December 31, 2019. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2020	January 1, 2019
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of payroll, open
Amortization period	N/A	30 years
Long-term investment rate of return*	7.0%	7.0%
Projected salary increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments (COLA)	0%	0%
* Includes inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions effective for actuarial valuations prior to January 1, 2020 were used in the determination of the actuarially determined contributions for December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 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, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	38%	7.00%
Equity Long/Short	8%	6.00%
Private Markets	25%	9.20%
Fixed Income	15%	5.20%
Absolute Return	8%	5.50%
Managed Futures	4%	5.00%
Cash	<u>2%</u>	2.52%
Total	<u><u>100%</u></u>	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.75 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

*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 7.00 percent, 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>(6.00%)</u>	Current Discount <u>(7.00)</u>	1% Increase <u>(8.00)</u>
Proportionate share of the net pension liability (asset)	\$ 35,406	\$ (5,839)	\$ (40,047)

*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 year-end, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>30</u>
Total	<u>50</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, 2020 included \$4,243 from the State of Colorado matching funds and \$4,714 from the Town.

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

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**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, 2020 the Town reported a net pension liability of \$2,341. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

For the year ended December 31, 2020, the Town recognized pension expense of \$16,341. At December 31, 2020, 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	\$ -	\$ 5,677
Changes in assumptions and other inputs	4,601	-
Difference between expected and actual experience	100	307
Contributions subsequent to measurement date	<u>4,714</u>	<u>-</u>
Totals	<u>\$ 9,415</u>	<u>\$ 5,984</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 a reduction in the net pension liability in the subsequent year. 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>
2021	\$ 576
2022	(506)
2023	1,060
2024	<u>(2,413)</u>
Totals	<u>\$ (1,283)</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, 2019 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 fair value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	<b>Pre-retirement:</b> 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. <b>Post-retirement:</b> 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. <b>Disabled:</b> 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

\* Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of a regularly scheduled experience study in 2018. The primary changes were:

- Reduced the investment rate of return from 7.5 percent to 7.0 percent.
- Revised the mortality tables.

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	2.00%	2.52%
Fixed Income	15.00%	5.20%
Managed Futures	4.00%	5.00%
Absolute Return	8.00%	5.50%
Long Short	8.00%	6.00%
Global Equity	38.00%	7.00%
Private Markets	<u>25.00%</u>	9.20%
Total	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the 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.

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

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

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (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 7.00%.

Changes in the net pension liability/(asset)

	<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	\$ 178,653	\$ 173,109	\$ 5,544
Changes for the year			
Service cost	1,212	-	1,212
Interest on total pension liability	12,120	-	12,120
Benefit changes	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions – employer	-	4,714	(4,714)
Contributions – state of Colorado	-	-	-
Net investment income	-	23,524	(23,524)
Benefit and refund payments	(12,435)	(12,435)	-
Administrative expenses	-	(11,703)	11,703
Net changes	<u>897</u>	<u>4,100</u>	<u>(3,203)</u>
Balances at end of year	<u>\$ 179,550</u>	<u>\$ 177,209</u>	<u>\$ 2,341</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 Town’s net pension liability/(asset) calculated using a Single Discount Rate of 7.00%, 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>(6.00%)</u>	Current Discount <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Net pension liability (asset)	<u>\$ 22,293</u>	<u>\$ 2,341</u>	<u>\$ (14,318)</u>

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

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

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

Payables to the pension plan

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

**Town of Haxtun Old Hire Police Pension Fund**

Summary of significant accounting policies

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

General information about the pension plan

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

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

Inactive plan members or beneficiaries currently receiving benefits	1
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>-</u>
Total	<u><u>1</u></u>

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

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

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

*Contributions.* The authority for establishing and amending the plan’s funding policy is governed by Title 31, Article 30.5 of the CRS, as amended. The Town contributed \$13,505 to the plan in accordance with actuarially determined requirements based on the January 1, 2020 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, 2020 the Town reported a net pension liability of \$207,020. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

For the year ended December 31, 2020, the Town recognized pension expense of \$92,084. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 1,155
Contributions subsequent to measurement date	<u>13,505</u>	<u>-</u>
Totals	<u>\$ 13,505</u>	<u>\$ 1,155</u>

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

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

\$13,505 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31, _____	Amount
2021	\$ (229)
2022	(806)
2023	949
2024	<u>(1,069)</u>
Totals	<u>\$ (1,155)</u>

*Actuarial assumptions.* The total pension liability in the January 1, 2020 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 fair value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	4.50%
Retirement age	Any remaining actives are assumed to retire immediately
Mortality	<b>Post-retirement:</b> 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. <b>Disabled (pre-1980):</b> Post-retirement rates set forward three years.

\* Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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, 2019, are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	10.0%	3.2%
Fixed Income	80.0%	5.0%
Managed Futures	0.0%	4.7%
Absolute Return	0.0%	5.0%
Long Short	0.0%	6.5%
Global Equity	10.0%	7.7%
Private Capital	<u>0.0%</u>	9.5%
Total	<u>100.0%</u>	

The discount rate used to measure the total pension liability was 4.50 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.

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

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

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 2.75% (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 4.50%.

Changes in the net pension liability

	Increase (Decrease)		
	Total Pension Liability <u>(a)</u>	Plan Fiduciary Position <u>(b)</u>	Net Pension Liability <u>(a)-(b)</u>
Balances at beginning of year	\$ 262,836	\$ 127,641	\$ 135,195
Changes for the year			
Service cost	-	-	-
Interest on total pension liability	18,844	-	18,844
Benefit changes	-	-	-
Differences between expected and actual experience	6,537	-	6,537
Changes of assumptions	73,284	-	73,284
Contributions – employer	-	13,505	(13,505)
Net investment income	-	14,503	(14,503)
Benefit and refund payments	(23,581)	(23,581)	-
Administrative expenses	-	(1,168)	1,168
Net changes	<u>75,084</u>	<u>3,259</u>	<u>7,1825</u>
Balances at end of year	<u>\$ 337,920</u>	<u>\$ 130,900</u>	<u>\$ 207,020</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 4.50%, 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>(3.50%)</u>	Current Discount <u>(4.50%)</u>	1% Increase <u>(5.50%)</u>
Net pension liability	<u>\$ 239,986</u>	<u>\$ 207,020</u>	<u>\$ 178,607</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 \$8,822, and the Town recognized pension expense of \$8,925.

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 \$30,000 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, 2020**

	2020	2019	2018	2017
Town's proportion of the net pension liability/(asset)	0.0103%	0.0102%	0.0112%	0.0117%
Town's proportionate share of the net pension liability/(asset)	\$ (5,839)	\$ 12,860	\$ (16,113)	\$ (4,227)
Town's covered payroll	\$ 65,816	\$ 71,050	\$ 65,508	\$ 59,862
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	8.9%	-18.1%	24.6%	7.1%
Plan fiduciary net position as a percentage of the total pension liability	101.90%	95.20%	106.30%	98.21%

\* 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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<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0125%	0.0125%	0.0098%
\$ (220)	\$ (14,142)	\$ (8,764)
\$ 60,613	\$ 56,350	\$ 42,575
0.4%	25.1%	20.6%
100.10%	106.80%	105.80%

**TOWN OF HAXTUN, COLORADO**  
**Schedule of Town Contributions <sup>1</sup>**  
**Fire & Police Statewide Defined Benefit Plan**  
**December 31, 2020**

	2020	2019	2018	2017
Contractually required contribution	\$ 4,838	\$ 6,088	\$ 5,684	\$ 5,241
Contributions in relation to the contractually required contribution	(4,838)	(6,088)	(5,684)	(5,241)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 50,931	\$ 65,816	\$ 71,050	\$ 65,508
Contributions as a percentage of covered payroll	9.50%	9.25%	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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 4,789	\$ 4,849	\$ 4,508	\$ 3,406
<u>(4,789)</u>	<u>(4,849)</u>	<u>(4,508)</u>	<u>(3,406)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 59,862	\$ 60,613	\$ 56,350	\$ 42,575
8.00%	8.00%	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**

	2020	2019	2018	2017
<b>Total pension liability</b>				
Service cost	\$ 1,212	\$ 1,128	\$ 1,128	\$ 1,126
Interest on the total pension liability	12,120	12,324	12,210	11,974
Differences between expected and actual experience	-	180	-	(2,467)
Assumption changes	-	7,115	-	5,152
Benefit payments	(12,435)	(11,500)	(12,126)	(13,150)
Net change in total pension liability	897	9,247	1,212	2,635
Total pension liability - beginning	178,653	169,406	168,194	165,559
Total pension liability - ending (a)	<u>\$ 179,550</u>	<u>\$ 178,653</u>	<u>\$ 169,406</u>	<u>\$ 168,194</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 4,714	\$ 4,714	\$ 7,028	\$ 2,460
Net investment income	23,524	211	24,347	8,776
Benefit payments	(12,435)	(11,500)	(12,126)	(13,150)
Pension plan administrative expenses	(11,703)	(10,540)	(10,309)	(539)
State of Colorado supplemental discretionary payment	-	4,243	4,297	5,263
Net change in plan fiduciary net position	4,100	(12,872)	13,237	2,810
Plan fiduciary net position - beginning	173,109	185,981	172,744	169,934
Plan fiduciary net position - ending (b)	<u>\$ 177,209</u>	<u>\$ 173,109</u>	<u>\$ 185,981</u>	<u>\$ 172,744</u>
<b>Town's net pension liability/(asset) - ending (a) - (b)</b>	<u>\$ 2,341</u>	<u>\$ 5,544</u>	<u>\$ (16,575)</u>	<u>\$ (4,550)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	98.70%	96.90%	109.78%	102.71%
<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.

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<u>2016</u>	<u>2015</u>
\$ 1,126	\$ 1,174
11,979	11,819
-	2,152
-	-
<u>(13,200)</u>	<u>(12,762)</u>
(95)	2,383
<u>165,654</u>	<u>163,271</u>
<u>\$ 165,559</u>	<u>\$ 165,654</u>

\$ 6,583	\$ 4,714
3,049	10,784
(13,200)	(12,762)
(1,565)	(634)
<u>4,243</u>	<u>4,243</u>
(890)	6,345
<u>170,824</u>	<u>164,479</u>
<u>\$ 169,934</u>	<u>\$ 170,824</u>

<u>\$ (4,375)</u>	<u>\$ (5,170)</u>
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102.64%	103.12%
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N/A	N/A
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N/A

**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)
2020	\$ -	\$ 8,957	\$ (8,957)	N/A	N/A
2019	-	4,714	(4,714)	N/A	N/A
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.

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**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**

	2020	2019	2018	2017
<b>Total pension liability</b>				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	18,844	19,158	19,030	19,268
Benefit changes	-	-	-	-
Difference between expected and actual experience	6,537	-	5,565	-
Assumption changes	73,284	-	-	-
Benefit payments	(23,581)	(23,119)	(22,665)	(22,221)
Net change in total pension liability	75,084	(3,961)	1,930	(2,953)
Total pension liability - beginning	262,836	266,797	264,867	267,820
Total pension liability - ending (a)	<u>\$ 337,920</u>	<u>\$ 262,836</u>	<u>\$ 266,797</u>	<u>\$ 264,867</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 13,505	\$ 13,404	\$ 13,404	\$ 9,342
Contributions - employee	-	-	-	-
Net investment income	14,503	(38)	18,322	7,056
Benefit payments	(23,581)	(23,119)	(22,665)	(22,221)
Pension plan administrative expenses	(1,168)	(2,971)	(689)	(2,087)
Net change in plan fiduciary net position	3,259	(12,724)	8,372	(7,910)
Plan fiduciary net position - beginning	127,641	140,365	131,993	139,903
Plan fiduciary net position - ending (b)	<u>\$ 130,900</u>	<u>\$ 127,641</u>	<u>\$ 140,365</u>	<u>\$ 131,993</u>
<b>Town's net pension liability/(asset) - ending (a) - (b)</b>	<u>\$ 207,020</u>	<u>\$ 135,195</u>	<u>\$ 126,432</u>	<u>\$ 132,874</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	38.74%	48.56%	52.61%	49.83%
<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.

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<u>2016</u>	<u>2015</u>
\$ -	\$ -
18,196	18,432
-	-
4,942	-
13,153	-
<u>(21,785)</u>	<u>(21,358)</u>
14,506	(2,926)
<u>253,314</u>	<u>256,240</u>
<u>\$ 267,820</u>	<u>\$ 253,314</u>

\$ 9,342	\$ 8,892
-	-
2,595	10,379
(21,785)	(21,358)
<u>(577)</u>	<u>(3,123)</u>
(10,425)	(5,210)
<u>150,328</u>	<u>155,538</u>
<u>\$ 139,903</u>	<u>\$ 150,328</u>

<u>\$ 127,917</u>	<u>\$ 102,986</u>
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52.24%	59.34%
--------	--------

N/A	N/A
-----	-----

N/A	N/A
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**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)
2020	\$ 13,505	\$ 13,505	\$ -	N/A	N/A
2019	13,505	13,505	-	N/A	N/A
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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 470,329	\$ 470,329	\$ 633,078	\$ 162,749
Licenses and permits	4,500	4,500	3,268	(1,232)
Intergovernmental	81,676	81,676	61,294	(20,382)
Fines and forfeitures	7,200	7,200	7,194	(6)
Charges for services	24,000	24,000	16,931	(7,069)
Miscellaneous	88,442	88,442	208,150	119,708
Total revenues	676,147	676,147	929,915	253,768
Expenditures				
Current				
General government	154,575	154,575	130,837	23,738
Public safety	317,490	317,490	293,661	23,829
Public works	343,995	459,200	388,504	70,696
Culture and recreation	166,385	187,385	135,073	52,312
Debt service				
Principal retirement	55,233	55,233	55,233	-
Interest and fiscal charges	16,967	16,967	16,890	77
Total expenditures	1,054,645	1,190,850	1,020,198	170,652
Excess of revenues over (under) expenditures	(378,498)	(514,703)	(90,283)	424,420
Other financing sources				
Transfers in	275,000	275,000	275,000	-
Net change in fund balance	\$ (103,498)	\$ (239,703)	184,717	\$ 424,420
Fund balance at beginning of year			349,316	
Fund balance at end of year			\$ 534,033	

**TOWN OF HAXTUN, COLORADO**  
**Community Center Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Sales tax	\$ 50,000	\$ 50,000	\$ 81,566	\$ 31,566
Rent income	4,000	4,000	1,875	(2,125)
Grants and contributions	1,000	1,000	795	(205)
Miscellaneous	650	650		(650)
Total revenues	55,650	55,650	84,236	28,586
Expenditures				
Current				
Salaries	9,000	9,000	2,369	6,631
Employee benefits	1,500	1,500	1,505	(5)
Insurance and bonds	4,200	4,200	4,907	(707)
Repairs and maintenance	2,500	2,500	4,198	(1,698)
County clerk fee	375	375	545	(170)
Utilities	11,480	11,480	8,303	3,177
Audit and legal	1,200	1,200	1,200	-
Supplies	3,000	3,000	1,429	1,571
Miscellaneous	2,000	2,000	1,631	369
Capital outlay	48,000	48,000	29,142	18,858
Total expenditures	83,255	83,255	55,229	28,026
Net change in fund balance	\$ (27,605)	\$ (27,605)	29,007	\$ 56,612
Fund balance at beginning of year			303,245	
Fund balance at end of year			\$ 332,252	

**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.

**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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Taxes</b>				
Property taxes	\$ 160,729	\$ 160,729	\$ 152,651	\$ (8,078)
Specific ownership taxes	15,500	15,500	17,796	2,296
Penalties and interest on taxes	600	600	623	23
Franchise taxes	7,500	7,500	7,677	177
Sales taxes	285,000	285,000	454,058	169,058
Severance taxes	1,000	1,000	273	(727)
<b>Total taxes</b>	<b>470,329</b>	<b>470,329</b>	<b>633,078</b>	<b>162,749</b>
Licenses and permits	4,500	4,500	3,268	(1,232)
<b>Intergovernmental</b>				
Motor vehicle assessments	4,500	4,500	5,317	817
Cigarette taxes	700	700	1,024	324
Highway users tax	42,000	42,000	38,457	(3,543)
Road and bridge	14,000	14,000	16,425	2,425
Mineral lease			71	71
Payment in lieu of taxes	20,476	20,476		(20,476)
<b>Total intergovernmental</b>	<b>81,676</b>	<b>81,676</b>	<b>61,294</b>	<b>(20,382)</b>
Fines and forfeitures	7,200	7,200	7,194	(6)
<b>Charges for services</b>				
Rabies control	5,000	5,000	8,108	3,108
Swimming pool	9,000	9,000		(9,000)
Concession stand	10,000	10,000	8,823	(1,177)
<b>Total charges for services</b>	<b>24,000</b>	<b>24,000</b>	<b>16,931</b>	<b>(7,069)</b>
<b>Miscellaneous</b>				
Interest on investments	5,000	5,000	6,662	1,662
Refunds and reimbursements	36,250	36,250	109,755	73,505
Grants and donations	37,192	37,192	80,983	43,791
Miscellaneous	10,000	10,000	10,750	750
<b>Total miscellaneous</b>	<b>88,442</b>	<b>88,442</b>	<b>208,150</b>	<b>119,708</b>
<b>Total revenues</b>	<b>\$ 676,147</b>	<b>\$ 676,147</b>	<b>\$ 929,915</b>	<b>\$ 253,768</b>

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**TOWN OF HAXTUN, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
General government				
Salaries	\$ 50,620	\$ 50,620	\$ 48,748	\$ 1,872
Employee benefits	14,700	14,700	14,682	18
Supplies	7,000	7,000	4,458	2,542
Maintenance	500	500	54	446
Utilities	7,000	7,000	6,814	186
Travel	3,000	3,000	424	2,576
Insurance	10,500	10,500	5,433	5,067
Reporting and publishing	2,000	2,000	2,026	(26)
Audit and legal	6,500	6,500	7,240	(740)
Dues	8,250	8,250	6,774	1,476
County treasurer fees	3,500	3,500	3,394	106
Miscellaneous	41,005	41,005	30,790	10,215
Total general government	154,575	154,575	130,837	23,738
Public safety				
Police				
Salaries	158,000	158,000	148,463	9,537
Employee benefits	73,000	73,000	62,926	10,074
Life and disability insurance	4,000	4,000	3,387	613
Drug education	2,500	2,500	737	1,763
Pension contribution	7,000	7,000	4,838	2,162
Maintenance	2,500	2,500	1,315	1,185
Fuel and oil	6,000	6,000	3,052	2,948
Insurance	9,000	9,000	9,122	(122)
Utilities	8,000	8,000	7,668	332
Supplies	6,500	6,500	17,001	(10,501)
Travel and training	4,000	4,000	2,820	1,180
Miscellaneous	10,600	10,600	9,246	1,354
Audit and legal	1,000	1,000	1,478	(478)
Total police	292,100	292,100	272,053	20,047

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fire				
Salaries	500	500	435	65
Employee benefits	350	350	300	50
Firemen's allotment	240	240	240	-
Pension contribution	2,400	2,400	2,400	-
Maintenance	2,000	2,000	1,087	913
Insurance	6,500	6,500	9,943	(3,443)
Utilities	7,050	7,050	5,999	1,051
Supplies	3,500	3,500	813	2,687
Miscellaneous	2,850	2,850	391	2,459
Total fire	25,390	25,390	21,608	3,782
Total public safety	317,490	317,490	293,661	23,829
Public works				
Highways and streets				
Salaries	69,000	69,000	43,967	25,033
Employee benefits	28,700	28,700	20,564	8,136
Utilities	18,600	18,600	14,005	4,595
Maintenance and supplies	163,000	203,205	174,058	29,147
Fuel and oil	8,000	8,000	6,748	1,252
Insurance	8,500	8,500	9,691	(1,191)
Miscellaneous	4,250	4,250	1,232	3,018
Capital outlay		75,000	75,000	-
Total highways and streets	300,050	415,255	345,265	69,990
Airport				
Salaries	500	500	1,122	(622)
Employee benefits	190	190	630	(440)
Maintenance and supplies	2,000	2,000	222	1,778
Fuel and oil	200	200		200
Insurance	3,775	3,775	4,087	(312)
Miscellaneous	400	400	298	102
Capital outlay	36,880	36,880	36,880	-
Total airport	43,945	43,945	43,239	706
Total public works	343,995	459,200	388,504	70,696

(continued)

**TOWN OF HAXTUN, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended December 31, 2020**

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Culture and recreation				
Recreation programs				
Salaries	44,000	44,000	16,466	27,534
Employee benefits	5,100	5,100	2,948	2,152
Utilities	19,755	19,755	6,332	13,423
Maintenance and supplies	35,500	35,500	26,920	8,580
Insurance	10,000	10,000	7,616	2,384
Miscellaneous	6,450	6,450	4,400	2,050
Capital outlay	2,750	2,750	6,615	(3,865)
Total recreation programs	123,555	123,555	71,297	52,258
Parks				
Salaries	9,900	9,900	12,874	(2,974)
Employee benefits	3,650	3,650	5,014	(1,364)
Utilities	2,800	2,800	5,421	(2,621)
Maintenance and supplies	12,500	12,500	18,252	(5,752)
Fuel and oil	750	750	351	399
Insurance	3,600	3,600	4,441	(841)
Miscellaneous	1,000	1,000	1,300	(300)
Capital outlay	2,750	23,750	12,336	11,414
Total parks	36,950	57,950	59,989	(2,039)
Fishing lake				
Salaries	1,000	1,000	1,018	(18)
Employee benefits	330	330	552	(222)
Utilities	800	800	728	72
Maintenance and supplies	600	600	12	588
Fuel and oil	150	150		150
Insurance	3,000	3,000	1,477	1,523
Total fishing lake	5,880	5,880	3,787	2,093
Total culture and recreation	166,385	187,385	135,073	52,312

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	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Debt service				
Principal retirement	55,233	55,233	55,233	-
Interest and fiscal charges	16,967	16,967	16,890	77
Total debt service	72,200	72,200	72,123	77
Total expenditures	\$ 1,054,645	\$ 1,190,850	\$ 1,020,198	\$ 170,652

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

The Town reports the following nonmajor governmental funds:

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

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

**TOWN OF HAXTUN, COLORADO**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**December 31, 2020**

	Conservation Trust Fund	Library Fund	Total
<b>Assets</b>			
Cash and investments	\$ 43,152	\$ 5,553	\$ 48,705
Cash with county treasurer		20	20
Property taxes receivable		14,112	14,112
Accounts receivable		9,898	9,898
	<u>43,152</u>	<u>29,583</u>	<u>72,735</u>
Total assets	<u>\$ 43,152</u>	<u>\$ 29,583</u>	<u>\$ 72,735</u>
<b>Liabilities</b>			
Accounts payable		\$ 60	\$ 60
	<u>-</u>	<u>60</u>	<u>60</u>
Total liabilities	\$ -	60	60
<b>Deferred inflows of resources</b>			
Deferred property tax revenues		14,112	14,112
	<u>-</u>	<u>14,112</u>	<u>14,112</u>
Total deferred inflows of resources	-	14,112	14,112
<b>Fund balance</b>			
Restricted for culture and recreation	43,152		43,152
Committed to library purposes		15,411	15,411
	<u>43,152</u>	<u>15,411</u>	<u>58,563</u>
Total fund balance	43,152	15,411	58,563
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 43,152</u>	<u>\$ 29,583</u>	<u>\$ 72,735</u>

**TOWN OF HAXTUN, COLORADO**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2020**

	Conservation Trust Fund	Library Fund	Total
Revenues			
Taxes		\$ 28,555	\$ 28,555
Intergovernmental revenue	\$ 9,429	4,500	13,929
Earnings on investments	46		46
Miscellaneous		3,112	3,112
Total revenues	9,475	36,167	45,642
Expenditures			
Current			
Culture and recreation		33,794	33,794
Total expenditures	-	33,794	33,794
Net change in fund balance	9,475	2,373	11,848
Fund balance at beginning of year	33,677	13,038	46,715
Fund balance at end of year	\$ 43,152	\$ 15,411	\$ 58,563

**TOWN OF HAXTUN, COLORADO**  
**Conservation Trust Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ 9,600	\$ 9,600	\$ 9,429	\$ (171)
Interest on investments	75	75	46	(29)
Total revenues	9,675	9,675	9,475	(200)
Expenditures				
Current				
Culture and recreation	10,000	10,000		10,000
Total expenditures	10,000	10,000	-	10,000
Net change in fund balance	<u>\$ (325)</u>	<u>\$ (325)</u>	9,475	<u>\$ 9,800</u>
Fund balance at beginning of year			<u>33,677</u>	
Fund balance at end of year			<u>\$ 43,152</u>	

**TOWN OF HAXTUN, COLORADO**  
**Library Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property tax	\$ 13,929	\$ 13,929	\$ 13,274	\$ (655)
Delinquent taxes and interest			49	49
Sales taxes	15,000	15,000	15,232	232
Interest on investments	30	30		(30)
Grants and contributions	3,500	3,500	4,500	1,000
Miscellaneous			3,112	3,112
Total revenues	32,459	32,459	36,167	3,708
Expenditures				
Current				
Salaries	16,700	16,700	14,175	2,525
Employee benefits	1,250	1,250	1,182	68
Books	5,500	5,500	7,378	(1,878)
Insurance and bonds	3,000	3,000	1,139	1,861
Repairs and maintenance	1,700	1,700	950	750
County treasurer and clerk fees	475	475	382	93
Utilities	5,500	5,500	3,927	1,573
Supplies	750	750	3,366	(2,616)
Audit	1,000	1,000	1,000	-
Miscellaneous	200	200	295	(95)
Total expenditures	36,075	36,075	33,794	2,281
Net change in fund balance	\$ (3,616)	\$ (3,616)	2,373	\$ 5,989
Fund balance at beginning of year			13,038	
Fund balance at end of year			\$ 15,411	

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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, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 1,022,200	\$ 1,022,200	\$ 1,014,764	\$ (7,436)
Penalties	11,000	11,000	9,291	(1,709)
Total operating revenues	1,033,200	1,033,200	1,024,055	(9,145)
Operating expenses				
Salaries	54,500	54,500	58,752	(4,252)
Employee benefits	29,400	29,400	32,882	(3,482)
Supplies	3,500	3,500	15,064	(11,564)
Repairs and maintenance	155,000	155,000	52,414	102,586
Insurance	6,000	6,000	6,687	(687)
Utilities	1,500	1,500	1,249	251
Audit and legal	2,600	2,600	2,268	332
Fuel and oil	3,000	3,000	2,287	713
Power purchased	600,000	600,000	509,549	90,451
Miscellaneous	7,375	7,375	5,228	2,147
Depreciation	34,000	34,000	43,771	(9,771)
Capital outlay	40,000	40,000	131,832	(91,832)
Total operating expenses	936,875	936,875	861,983	74,892
Operating income	96,325	96,325	162,072	65,747
Nonoperating revenues				
Interest on investments	30	30	5	(25)
Gain on disposal of assets			7,390	7,390
Miscellaneous	2,500	2,500	18,164	15,664
Total nonoperating revenues	2,530	2,530	25,559	23,029
Net income before transfers	98,855	98,855	187,631	88,776

	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>\$ (176,145)</u>	<u>\$ (176,145)</u>	<u>(87,369)</u>	<u>\$ 88,776</u>
Adjustments to GAAP Basis				
Add capital outlay			<u>131,832</u>	
Change in net position - GAAP Basis			44,463	
Net position at beginning of year			<u>1,392,149</u>	
Net position at end of year			<u>\$ 1,436,612</u>	

**TOWN OF HAXTUN, COLORADO**  
**Water Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 221,000	\$ 221,000	\$ 218,997	\$ (2,003)
Operating expenses				
Salaries	44,500	44,500	49,013	(4,513)
Employee benefits	24,200	24,200	27,783	(3,583)
Supplies	4,000	4,000	2,562	1,438
Repairs and maintenance	11,500	11,500	26,124	(14,624)
Insurance	5,200	5,200	5,480	(280)
Utilities	25,400	25,400	19,466	5,934
Audit and legal	2,600	2,600	2,670	(70)
Fuel and oil	2,000	2,000	674	1,326
Water assessment fee	3,510	3,510	1,968	1,542
Miscellaneous	8,800	8,800	5,896	2,904
Depreciation	15,000	15,000	21,727	(6,727)
Capital outlay	70,000	70,000		70,000
Total operating expenses	216,710	216,710	163,363	53,347
Operating income	4,290	4,290	55,634	51,344
Nonoperating revenues				
Interest on investments	30	30	1	(29)
Miscellaneous	3,900	3,900	2,800	1,100
Total nonoperating revenues	3,930	3,930	2,801	(1,129)
Change in net position	\$ 8,220	\$ 8,220	58,435	\$ 50,215
Net position at beginning of year			523,272	
Net position at end of year			\$ 581,707	

**TOWN OF HAXTUN, COLORADO**  
**Sanitation Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 179,000	\$ 179,000	\$ 180,333	\$ 1,333
Operating expenses				
Salaries	79,000	79,000	73,892	5,108
Employee benefits	39,900	39,900	36,686	3,214
Supplies	3,500	3,500	1,768	1,732
Repairs and maintenance	11,500	29,500	6,365	23,135
Insurance	7,150	7,150	8,038	(888)
Utilities	650	650	325	325
Audit and legal	2,750	2,750	2,180	570
Fuel and oil	5,000	5,000	21	4,979
Dump expense	24,000	24,000	22,498	1,502
Miscellaneous	800	800	762	38
Depreciation	3,500	3,500	4,885	(1,385)
Capital outlay	5,000	5,000	17,967	(12,967)
Total operating expenses	182,750	200,750	175,387	25,363
Operating income (loss)	(3,750)	(21,750)	4,946	26,696
Nonoperating revenues				
Interest on investments	20	20	5	(15)
Miscellaneous	600	600	96	(504)
Total nonoperating revenues	620	620	101	(519)
Change in net position	\$ (3,130)	\$ (21,130)	5,047	\$ 26,177
Adjustments to GAAP Basis				
Add capital outlay			17,967	
Change in net position - GAAP Basis			23,014	
Net position at beginning of year			133,040	
Net position at end of year			\$ 156,054	

**TOWN OF HAXTUN, COLORADO**  
**Sewer Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 133,000	\$ 133,000	\$ 133,535	\$ 535
Operating expenses				
Salaries	40,400	40,400	38,869	1,531
Employee benefits	21,700	21,700	22,290	(590)
Supplies	4,000	4,000	2,094	1,906
Repairs and maintenance	4,000	4,000	1,680	2,320
Insurance	5,000	5,000	5,056	(56)
Utilities	2,600	2,600	891	1,709
Audit and legal	3,000	3,000	2,180	820
Fuel and oil	500	500		500
Miscellaneous	3,750	3,750	2,561	1,189
Depreciation and amortization	22,000	22,000	19,168	2,832
Capital outlay	5,000	5,000		5,000
Total operating expenses	111,950	111,950	94,789	17,161
Operating income	21,050	21,050	38,746	17,696
Nonoperating revenues (expenses)				
Interest on investments	75	75	6	(69)
Principal paid on long-term debt	(16,207)	(16,207)	(16,207)	-
Interest and fiscal charges	(2,348)	(2,348)	(2,297)	51
Total nonoperating revenues (expenses)	(18,480)	(18,480)	(18,498)	(18)
Change in net position	\$ 2,570	\$ 2,570	20,248	\$ 17,678
Adjustments to GAAP Basis				
Add principal on long-term debt			16,207	
Change in net position - GAAP Basis			36,455	
Net position at beginning of year			811,161	
Net position at end of year			\$ 847,616	

**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: Haxtun
	YEAR ENDING : December 2020
This Information From The Records Of (example - City of _ or County of _) Haxtun CO	Prepared By: Karie L Wilson Phone: 970-774-6104

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

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

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

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	182,969
3. Other local imposts (from page 2)	193,364
4. Miscellaneous local receipts (from page 2)	4,454
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)	380,787
<b>B. Private Contributions</b>	
<b>C. Receipts from State government</b> (from page 2)	43,774
<b>D. Receipts from Federal Government</b> (from page 2)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	424,561

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

ITEM	AMOUNT
<b>A. Local highway disbursements:</b>	
1. Capital outlay (from page 2)	159,382
2. Maintenance:	12,077
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	1,136
d. Total (a. through c.)	1,136
4. General administration & miscellaneous	31,380
5. Highway law enforcement and safety	148,463
6. Total (1 through 5)	352,438
<b>B. Debt service on local obligations:</b>	
1. Bonds:	
a. Interest	16,890
b. Redemption	55,233
c. Total (a. + b.)	72,123
2. Notes:	
a. Interest	0
b. Redemption	0
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>	424,561

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	369,788		55,233	314,555
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>	0		0	0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		424,561	424,561		0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2020

**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	492
b. Other local imposts:		b. Traffic Fines & Penalties	3,962
1. Sales Taxes	159,142	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	34,222	g. Other Misc. Receipts	
6. Total (1. through 5.)	193,364	h. Other	
c. Total (a. + b.)	193,364	i. Total (a. through h.)	4,454
	(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	38,457	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	5,317	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.)	5,317	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	43,774	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
(2). Capacity Improvements			0
(3). System Preservation	0	159,382	159,382
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	159,382	159,382
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	159,382	159,382
			(Carry forward to page 1)

Notes and Comments: