

Town of Haxtun, Colorado

Financial Statements

For the Year ended December 31, 2022

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Independent Auditors' Report

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing the audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and historical pension information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of

inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 taken as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
May 1, 2023

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, 2022.

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 2022 by \$7,604,784 (net position). Of this amount \$1,974,092 or 26% 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 \$883,222.

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 12 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 16 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 20 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 32 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 \$7,604,784 at the close of 2022.

Net Position

Combined net position of the Town of Haxtun as of December 31, 2022 and 2021 are shown in Table 1 below.

Table 1
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 1,751,661	\$ 1,486,941	\$ 1,173,983	\$ 1,228,467	\$ 2,925,644	\$ 2,715,408
Capital assets, net	4,639,257	2,989,878	1,962,871	2,357,072	6,602,128	5,346,950
Total assets	6,390,918	4,476,819	3,136,854	3,585,539	9,527,772	8,062,358
Deferred outflows of resources	70,693	79,836	-	-	70,693	79,836
Total assets and deferred outflows of resources	\$ 6,461,611	\$ 4,556,655	\$ 3,136,854	\$ 3,585,539	\$ 9,598,465	\$ 8,142,194
Long-term debt outstanding	\$ 1,457,623	\$ 459,098	\$ 83,962	\$ 99,603	\$ 1,541,585	\$ 558,701
Other liabilities	11,309	17,016	179,136	168,408	190,445	185,424
Total liabilities	1,468,932	476,114	263,098	268,011	1,732,030	744,125
Deferred inflows of resources	261,651	232,735	-	-	261,651	232,735
Net position:						
Net investment in capital assets	3,212,097	2,733,323	1,883,157	2,260,535	5,095,254	4,993,858
Restricted	535,438	478,584	-	-	535,438	478,584
Unrestricted	983,493	635,899	990,599	1,056,993	1,974,092	1,692,892
Total net position	4,731,028	3,847,806	2,873,756	3,317,528	7,604,784	7,165,334
Total liabilities, deferred inflows of resources and net position	\$ 6,461,611	\$ 4,556,655	\$ 3,136,854	\$ 3,585,539	\$ 9,598,465	\$ 8,142,194

The largest portion of the Town of Haxtun's net position, 67%, 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, 26%, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2022, 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 \$3,246,880 was more than program expenses of \$2,807,430 for an increase in net position of \$439,450.

Table 2 shows the summarized revenues and expenses for 2022 and 2021.

Table 2
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services	\$ 55,462	\$ 69,505	\$ 1,669,997	\$ 1,607,294	\$ 1,725,459	\$ 1,676,799
Operating grants and contributions	97,213	99,930	-	-	97,213	99,930
Capital grants and contributions	449,253	112,255	95,662	109,901	544,915	222,156
General revenues						
Property taxes	184,655	175,778	-	-	184,655	175,778
Sales and use taxes	602,719	559,608	-	-	602,719	559,608
Specific ownership taxes	19,255	19,279	-	-	19,255	19,279
Other taxes	8,216	7,920	-	-	8,216	7,920
Interest earnings	20,788	2,593	150	20	20,938	2,613
Miscellaneous	20,311	71,398	16,323	40,529	36,634	111,927
Sale of assets	6,876	196,329	-	-	6,876	196,329
Transfers	526,504	275,000	(526,504)	(275,000)	-	-
Total revenues	1,991,252	1,589,595	1,255,628	1,482,744	3,246,880	3,072,339
Program expenses						
General government	165,231	160,223	-	-	165,231	160,223
Public safety	178,356	327,241	-	-	178,356	327,241
Public works	495,303	326,673	-	-	495,303	326,673
Culture and recreation	228,822	244,221	-	-	228,822	244,221
Interest and fiscal charges	40,318	14,122	-	-	40,318	14,122
Electric services	-	-	1,266,156	703,857	1,266,156	703,857
Water services	-	-	167,324	216,869	167,324	216,869
Sanitation services	-	-	173,519	168,092	173,519	168,092
Sewer services	-	-	92,401	98,387	92,401	98,387
Total expenses	1,108,030	1,072,480	1,699,400	1,187,205	2,807,430	2,259,685
Change in net position	883,222	517,115	(443,772)	295,539	439,450	812,654
Net position at beginning of year	3,847,806	3,330,691	3,317,528	3,021,989	7,165,334	6,352,680
Net position at end of year	\$ 4,731,028	\$ 3,847,806	\$ 2,873,756	\$ 3,317,528	\$ 7,604,784	\$ 7,165,334

Governmental Activities

Revenue for the Town's governmental activities totaled \$1,991,252 for 2022. Tax revenue produced 41% 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	
	2022	2021	2022	2021
General government	\$ 165,231	\$ 160,223	\$ 145,924	\$ 118,812
Public safety	178,356	327,241	169,916	323,101
Public works	495,303	326,673	421,174	257,952
Culture and recreation	228,822	244,221	(271,230)	76,803

Table 3 presents the cost and revenue of each of the Town’s four 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 decreased to \$2,873,756 in 2022. Business-type activities include electric, water, sewer and sanitation services.

**Table 4
BUSINESS-TYPE ACTIVITIES**

	Total cost of services		Net cost of services	
	2022	2021	2022	2021
Electric services	\$ 1,266,156	\$ 703,857	\$ 162,363	\$ (372,007)
Water services	167,324	216,869	(157,618)	(108,456)
Sanitation services	173,519	168,092	(21,127)	(13,632)
Sewer services	92,401	98,387	(49,877)	(35,895)

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 \$1,468,208. The general, community center and other governmental funds reported fund balances of \$1,040,519, \$341,433, and \$86,256, respectively.

General Fund Budgetary Highlights

The actual charges to appropriations (expenditures) were \$52,436 more than the final budget amounts primarily due to the overall expenses being greater than anticipated at the time of budget adoption.

Additionally, resources available for appropriation (revenues) were \$501,301 more than the final budgeted amounts primarily due to an increase in the year’s sales tax, reimbursements and donations to the swimming pool project.

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, 2022, amounts to \$6,602,128 (net of accumulated depreciation). This amount includes a broad range of capital assets, including public works equipment, electric, water, sewer, sanitation and other infrastructure.

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

Table 5
CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and land improvements	\$ 286,660	\$ 304,717	\$ 31,900	\$ 31,900	\$ 318,560	\$ 336,617
Construction in progress	-	102,490	-	-	-	102,490
Buildings and improvements	1,725,149	1,357,815	1,668	1,919	1,726,817	1,359,734
Machinery and equipment	263,319	259,938	69,392	84,585	332,711	344,523
Infrastructure	2,364,129	964,918	-	-	2,364,129	964,918
Systems	-	-	1,859,911	2,238,668	1,859,911	2,238,668
Total	\$ 4,639,257	\$ 2,989,878	\$ 1,962,871	\$ 2,357,072	\$ 6,602,128	\$ 5,346,950

Long-term debt. The Town had \$1,514,719 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 2022, the Town continued working on electrical infrastructure. The Town has also continued street repairs, replacing roughly 42 blocks as part of our \$1.5 million project. The Town also received generous donations for our swimming pool project.

The 2022 utility rates including Electric, Water, Sanitation, and Sewer remain stable. The Sanitation rate was raised by \$3.00. The electric base rate was raised by \$3.00 and all-electric rates were raised by 5%. The new rates took effect in July of 2022.

Sales tax revenue has remained stable, with citizens shopping at home, and ordering products online. With remaining American Rescue Plan (ARP) funds, we replaced a water main along Walker Avenue. The funds left will be used in 2023 to repair well houses and a water main to remove lead and copper.

In 2023, the Town is going to continue the electrical infrastructure upgrades, major street projects, and other necessary maintenance. The Town was awarded \$923,400 from GOCO to complete the pool project, which will hopefully be completed by the end of summer 2023.

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 Kelsey Harms at the Town of Haxtun, 145 S Colorado Avenue, Haxtun, Colorado 80731.

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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, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 1,359,591	\$ 922,325	\$ 2,281,916
Cash with county treasurer	2,784		2,784
Receivables	303,160	159,076	462,236
Inventory		92,582	92,582
Net pension asset	86,126		86,126
Capital assets, net of depreciation	4,639,257	1,962,871	6,602,128
Total assets	6,390,918	3,136,854	9,527,772
Deferred outflows of resources			
Pension deferrals	70,693		70,693
Total assets and deferred outflows of resources	\$ 6,461,611	\$ 3,136,854	\$ 9,598,465
Liabilities			
Accounts payable	\$ 7,807	\$ 60,689	\$ 68,496
Accrued interest payable	3,502	249	3,751
Customer deposits		96,541	96,541
Deferred grant revenue		21,657	21,657
Noncurrent liabilities			
Due within one year	68,236	17,140	85,376
Due in more than one year	1,362,521	66,822	1,429,343
Net pension liability	26,866		26,866
Total liabilities	1,468,932	263,098	1,732,030
Deferred inflows of resources			
Deferred property tax revenues	189,520		189,520
Pension deferrals	72,131		72,131
Total deferred inflows of resources	261,651	-	261,651
Net position			
Net investment in capital assets	3,212,097	1,883,157	5,095,254
Restricted for:			
Emergencies	41,000		41,000
Culture and recreation	408,312		408,312
Pensions	86,126		86,126
Unrestricted	983,493	990,599	1,974,092
Total net position	4,731,028	2,873,756	7,604,784
Total liabilities, deferred inflows of resources and net position	\$ 6,461,611	\$ 3,136,854	\$ 9,598,465

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, 2022

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 165,231	\$ 13,482	\$ 5,825	
Public safety	178,356		8,440	
Public works	495,303	8,915	65,214	
Culture and recreation	228,822	33,065	17,734	\$ 449,253
Interest and fiscal charges	40,318			
Total governmental activities	1,108,030	55,462	97,213	449,253
Business-type activities				
Electric services	1,266,156	1,103,793		
Water services	167,324	229,280		95,662
Sanitation services	173,519	194,646		
Sewer services	92,401	142,278		
Total business-type activities	1,699,400	1,669,997	-	95,662
Total	\$ 2,807,430	\$ 1,725,459	\$ 97,213	\$ 544,915
General revenues and transfers				
Taxes				
Property taxes, levied for general purposes				
Sales and use taxes				
Specific ownership taxes				
Franchise 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.

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (145,924)		\$ (145,924)
(169,916)		(169,916)
(421,174)		(421,174)
271,230		271,230
(40,318)		(40,318)
(506,102)	\$ -	(506,102)
	(162,363)	(162,363)
	157,618	157,618
	21,127	21,127
	49,877	49,877
-	66,259	66,259
(506,102)	66,259	(439,843)
184,655		184,655
602,719		602,719
19,255		19,255
8,216		8,216
20,788	150	20,938
20,311	16,323	36,634
6,876		6,876
526,504	(526,504)	-
1,389,324	(510,031)	879,293
883,222	(443,772)	439,450
3,847,806	3,317,528	7,165,334
<u>\$ 4,731,028</u>	<u>\$ 2,873,756</u>	<u>\$ 7,604,784</u>

TOWN OF HAXTUN, COLORADO
Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Community Center Fund	Other Governmental Funds	Total
Assets				
Cash and investments	\$ 931,923	\$ 341,439	\$ 86,229	\$ 1,359,591
Cash with county treasurer	2,738		46	2,784
Property taxes receivable	174,358		15,162	189,520
Accounts receivable	113,640			113,640
Total assets	\$ 1,222,659	\$ 341,439	\$ 101,437	\$ 1,665,535
Liabilities				
Accounts payable	\$ 7,782	\$ 6	\$ 19	\$ 7,807
Total liabilities	7,782	6	19	7,807
Deferred inflows of resources				
Deferred property tax revenues	174,358		15,162	189,520
Total deferred inflows of resources	174,358	-	15,162	189,520
Fund balance				
Restricted for emergencies	41,000			41,000
Restricted for culture and recreation		341,433	66,879	408,312
Committed to library purposes			19,377	19,377
Unassigned	999,519			999,519
Total fund balance	1,040,519	341,433	86,256	1,468,208
Total liabilities, deferred inflows of resources and fund balance	\$ 1,222,659	\$ 341,439	\$ 101,437	\$ 1,665,535

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, 2022

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

Total fund balance - governmental funds	\$ 1,468,208
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	4,639,257
Net pension assets and deferrals used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	84,688
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(3,502)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(1,457,623)</u>
Net position of the governmental activities	<u><u>\$ 4,731,028</u></u>

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

TOWN OF HAXTUN, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Community Center Fund	Other Governmental Funds	Total
Revenues				
Taxes	\$ 785,134		\$ 30,127	\$ 815,261
Licenses and permits	7,209			7,209
Intergovernmental	71,891		12,534	84,425
Fines and forfeitures	1,051			1,051
Charges for services	42,387	\$ 4,815		47,202
Miscellaneous	497,267	700	4,757	502,724
Total revenues	1,404,939	5,515	47,418	1,457,872
Expenditures				
Current				
General government	154,968			154,968
Public safety	361,212			361,212
Public works	2,197,977			2,197,977
Culture and recreation	141,350	32,198	31,638	205,186
Debt service				
Principal retirement	329,395			329,395
Interest and fiscal charges	36,816			36,816
Total expenditures	3,221,718	32,198	31,638	3,285,554
Excess of revenues over (under) expenditures	(1,816,779)	(26,683)	15,780	(1,827,682)
Other financing sources (uses)				
Sale of assets	6,876			6,876
Proceeds from bond issuance	1,500,000			1,500,000
Transfers in	532,378			532,378
Transfers out	(5,874)			(5,874)
Total other financing sources (uses)	2,033,380	-	-	2,033,380
Net change in fund balance	216,601	(26,683)	15,780	205,698
Fund balance at beginning of year	823,918	368,116	70,476	1,262,510
Fund balance at end of year	<u>\$ 1,040,519</u>	<u>\$ 341,433</u>	<u>\$ 86,256</u>	<u>\$ 1,468,208</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, 2022

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

Net change in fund balance - governmental funds	\$ 205,698
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.	1,649,379
In the statement of activities, certain expenses related to the net pension liability and related deferred inflows and outflows of resources, compensated absences and accrued interest payable, are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially, the amounts actually paid).	198,750
The proceeds from the issuance of bonds are reported as a revenue in the governmental funds, however, they are reported as a long-term debt liability in the statement of activities.	(1,500,000)
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.	<u>329,395</u>
Change in net position of governmental activities	<u><u>\$ 883,222</u></u>

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

TOWN OF HAXTUN, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Assets				
Current assets				
Cash and investments	\$ 233,480	\$ 222,532	\$ 152,671	\$ 313,642
Accounts receivable	107,537	18,420	19,417	13,702
Inventory	74,072	15,974	1,116	1,420
Total current assets	415,089	256,926	173,204	328,764
Capital assets, net of depreciation	813,111	530,875	26,883	592,002
Total assets	<u>\$ 1,228,200</u>	<u>\$ 787,801</u>	<u>\$ 200,087</u>	<u>\$ 920,766</u>

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

Total

\$ 922,325
159,076
92,582

1,173,983

1,962,871

\$ 3,136,854

(continued)

TOWN OF HAXTUN, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2022

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Liabilities				
Current liabilities				
Accounts payable	\$ 56,641	\$ 2,166	\$ 1,706	\$ 176
Accrued interest payable				249
Customer deposits	96,541			
Deferred grant revenue		21,657		
Current portion of long-term debt				17,140
Total current liabilities	153,182	23,823	1,706	17,565
Long-term liabilities				
Accrued compensated absences	1,326	801	775	1,346
Long-term debt				62,574
Total long-term liabilities	1,326	801	775	63,920
Total liabilities	154,508	24,624	2,481	81,485
Net position				
Net investment in capital assets	813,111	530,875	26,883	512,288
Unrestricted	260,581	232,302	170,723	326,993
Total net position	1,073,692	763,177	197,606	839,281
Total liabilities and net position	\$ 1,228,200	\$ 787,801	\$ 200,087	\$ 920,766

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

Total

\$ 60,689
249
96,541
21,657

17,140

196,276

4,248
62,574

66,822

263,098

1,883,157
990,599

2,873,756

\$ 3,136,854

TOWN OF HAXTUN, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Operating revenues				
Charges for services	\$ 1,092,733	\$ 229,280	\$ 194,646	\$ 142,278
Penalties	11,060			
Total operating revenues	1,103,793	229,280	194,646	142,278
Operating expenses				
Salaries	57,513	55,920	86,549	41,590
Employee benefits	26,691	26,765	39,251	19,210
Supplies	1,867	1,806	1,531	1,530
Repairs and maintenance	52,151	12,994	6,664	1,331
Insurance	4,273	4,311	6,907	3,880
Utilities	1,295	28,612	275	907
Audit and legal	2,344	2,344	2,344	2,344
Fuel and oil	8,113	1,267	3,000	
Power purchased	546,178			
Water assessment fee		2,934		
Dump expense			22,267	
Miscellaneous	5,065	9,943	539	2,110
Depreciation	33,723	20,428	4,192	17,820
Total operating expenses	739,213	167,324	173,519	90,722
Operating income	364,580	61,956	21,127	51,556

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

<u>Total</u>
\$ 1,658,937
11,060
1,669,997
241,572
111,917
6,734
73,140
19,371
31,089
9,376
12,380
546,178
2,934
22,267
17,657
76,163
1,170,778
499,219

(continued)

TOWN OF HAXTUN, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Nonoperating revenues (expenses)				
Interest on investments	123	7	7	13
Loss on disposal of assets	(526,943)			
Federal grant revenue		95,662		
Miscellaneous revenues	12,148	3,698	477	
Interest and fiscal charges				(1,679)
Total nonoperating revenues (expenses)	(514,672)	99,367	484	(1,666)
Income (loss) before transfers	(150,092)	161,323	21,611	49,890
Transfers in			5,874	
Transfers out	(344,126)	(94,126)		(94,126)
Change in net position	(494,218)	67,197	27,485	(44,236)
Net position at beginning of year	1,567,910	695,980	170,121	883,517
Net position at end of year	<u>\$ 1,073,692</u>	<u>\$ 763,177</u>	<u>\$ 197,606</u>	<u>\$ 839,281</u>

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

<u>Total</u>
150
(526,943)
95,662
16,323
<u>(1,679)</u>
<u>(416,487)</u>
82,732
5,874
<u>(532,378)</u>
(443,772)
<u>3,317,528</u>
<u><u>\$ 2,873,756</u></u>

TOWN OF HAXTUN, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Cash flows from operating activities				
Receipts from customers	\$ 1,109,850	\$ 234,707	\$ 192,521	\$ 141,946
Payments to suppliers	(664,005)	(104,718)	(82,909)	(31,074)
Payments to employees	(57,082)	(55,334)	(86,558)	(41,416)
Net cash provided by operating activities	388,763	74,655	23,054	69,456
Cash flows from noncapital financing activities				
Miscellaneous revenues	12,148	3,698	477	
Transfers	(344,126)	(94,126)	5,874	(94,126)
Net cash provided (used) by noncapital financing activities	(331,978)	(90,428)	6,351	(94,126)
Cash flows from capital and related financing activities				
Federal grant revenue		113,610		
Purchase of capital assets	(118,243)	(95,662)		
Sale of capital assets	5,000			
Principal paid on capital debt				(16,823)
Interest and fiscal charges				(1,732)
Net cash provided (used) by capital and related financing activities	(113,243)	17,948	-	(18,555)

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

Total

\$ 1,679,024
(882,706)
(240,390)

555,928

16,323
(526,504)

(510,181)

113,610
(213,905)
5,000
(16,823)
(1,732)

(113,850)

(continued)

TOWN OF HAXTUN, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Cash flows from investing activities				
Interest on investments	123	7	7	13
Net cash provided by investing activities	123	7	7	13
Net change in cash and cash equivalents	(56,335)	2,182	29,412	(43,212)
Cash and cash equivalents at beginning of year	289,815	220,350	123,259	356,854
Cash and cash equivalents at end of year	\$ 233,480	\$ 222,532	\$ 152,671	\$ 313,642
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 364,580	\$ 61,956	\$ 21,127	\$ 51,556
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	33,723	20,428	4,192	17,820
Change in assets and liabilities				
Accounts receivable	1,994	5,427	(2,125)	(332)
Inventory	(8,906)	(10,497)	671	299
Accounts payable	(7,122)	(3,245)	(802)	(61)
Accrued compensated absences	431	586	(9)	174
Customer deposits	4,063			
Net cash provided by operating activities	\$ 388,763	\$ 74,655	\$ 23,054	\$ 69,456

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

Total

150

150

(67,953)

990,278

\$ 922,325

\$ 499,219

76,163
4,964
(18,433)
(11,230)
1,182
4,063

\$ 555,928

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies

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

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

A.1 – Reporting entity

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

A.2 – Fund accounting

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

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

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

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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

The following are the Town’s nonmajor governmental funds:

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

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

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

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

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

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

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

Note A.3 – Basis of presentation

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

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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

A.4 – Basis of accounting

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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

A.5 – Encumbrances

The Town does not utilize encumbrance accounting.

A.6 – Cash and cash equivalents

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

A.7 – Short-term interfund receivables/payables

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

A.8 – Receivables

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

A.9 – Inventories

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

A.10 – Capital assets

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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

A.11 – Compensated absences

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

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

A.12 – Accrued liabilities and long-term obligations

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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

A.13 – Net position

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

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

A.14 – Operating revenues and expenses

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

A.15 – Interfund transactions

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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.16 – Extraordinary and special items

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

A.17 – Fund balance

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

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

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

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

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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note B – Cash and investments

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

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of year-end, the Town had total deposits of \$2,118,903, of which \$250,000 was insured and \$1,868,903 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 Colotruster (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note B – Cash and investments (Continued)

by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of December 31, 2022, the Town had invested \$136,669 in COLOTRUST PLUS+ and \$30,366 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	\$ 167,035	\$ 167,035	\$ -	\$ -

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	\$ 344,126
General Fund	Water Fund	94,126
General Fund	Sewer Fund	94,126
Sanitation Fund	General Fund	5,874
Totals		<u>\$ 538,252</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

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	\$ 189,520	\$ -	\$ 189,520
Other accounts	<u>113,640</u>	<u>159,076</u>	<u>272,716</u>
Total	<u>\$ 303,160</u>	<u>\$ 159,076</u>	<u>\$ 462,236</u>

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

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 39,690	\$ -	\$ -	\$ 39,690
Construction in progress	<u>102,490</u>	<u>327,493</u>	<u>(429,983)</u>	<u>-</u>
Total capital assets, not being depreciated	142,180	327,493	(429,983)	39,690
Capital assets, being depreciated:				
Land improvements	458,618	-	-	458,618
Buildings and improvements	2,461,185	5,608	429,983	2,896,776
Infrastructure	1,225,317	1,432,829	-	2,658,146
Equipment and furniture	<u>669,510</u>	<u>50,265</u>	<u>(11,000)</u>	<u>708,775</u>
Total capital assets, being depreciated	<u>4,814,630</u>	<u>1,488,702</u>	<u>418,983</u>	<u>6,722,315</u>
Total capital assets	4,956,810	1,816,195	(11,000)	6,762,005

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	(193,591)	(18,057)	-	(211,648)
Buildings and improvements	(1,103,370)	(68,257)	-	(1,171,627)
Infrastructure	(260,399)	(33,618)	-	(294,017)
Equipment and furniture	<u>(409,572)</u>	<u>(46,884)</u>	<u>11,000</u>	<u>(445,456)</u>
Total accumulated depreciation	<u>(1,966,932)</u>	<u>(166,816)</u>	<u>11,000</u>	<u>(2,122,748)</u>
Governmental activities capital assets, net	<u>\$ 2,989,878</u>	<u>\$ 1,649,379</u>	<u>\$ -</u>	<u>\$ 4,639,257</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	<u>\$ 31,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,900</u>
Total capital assets, not being depreciated	31,900	-	-	31,900
Capital assets, being depreciated				
Buildings	68,319	-	-	68,319
Systems	4,475,639	213,905	(866,215)	3,823,329
Equipment	<u>411,263</u>	<u>-</u>	<u>-</u>	<u>411,263</u>
Total capital assets, being depreciated	<u>4,955,221</u>	<u>213,905</u>	<u>(866,215)</u>	<u>4,302,911</u>
Total capital assets	4,987,121	213,905	(866,215)	4,334,811
Less accumulated depreciation:				
Buildings	(66,400)	(251)	-	(66,651)
Systems	(2,236,971)	(60,719)	334,272	(1,963,418)
Equipment	<u>(326,678)</u>	<u>(15,193)</u>	<u>-</u>	<u>(341,871)</u>
Total accumulated depreciation	<u>(2,630,049)</u>	<u>(76,163)</u>	<u>334,272</u>	<u>(2,371,940)</u>
Business-type activities capital assets, net	<u>\$ 2,357,072</u>	<u>\$ 137,742</u>	<u>\$ (531,943)</u>	<u>\$ 1,962,871</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

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

Governmental activities		
General government		\$ 15,984
Public safety		28,691
Public works		92,897
Culture and recreation		<u>29,244</u>
Total governmental activities		<u>\$ 166,816</u>
Business-type activities		
Electric		\$ 33,723
Water		20,428
Sanitation		4,192
Sewer		<u>17,820</u>
Total business-type activities		<u>\$ 76,163</u>

Note F – Long-term debt

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental activities					
Bonds payable	\$ 256,555	\$ 1,500,000	\$ (329,395)	\$ 1,427,160	\$ 68,236
Compensated absences	<u>1,446</u>	<u>2,151</u>	<u>-</u>	<u>3,597</u>	<u>-</u>
Total	<u>\$ 258,001</u>	<u>\$ 1,502,151</u>	<u>\$ (329,395)</u>	<u>\$ 1,430,757</u>	<u>\$ 68,236</u>
Business-type activities					
Notes from direct borrowings	\$ 96,537	\$ -	\$ (16,823)	\$ 79,714	\$ 17,140
Compensated absences	<u>3,066</u>	<u>1,182</u>	<u>-</u>	<u>4,248</u>	<u>-</u>
Total	<u>\$ 99,603</u>	<u>\$ 1,182</u>	<u>\$ (16,823)</u>	<u>\$ 83,962</u>	<u>\$ 17,140</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

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 \$1,500,000 general obligation bonds dated January 25, 2022, due in quarterly installments of \$27,379 through 2039. The interest rate for the bonds is 2.945%.

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 \$52,358, 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 \$79,714 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>
2023	\$ 68,236	\$ 41,281	\$ 17,140	\$ 1,415
2024	70,268	39,249	17,463	1,092
2025	72,360	37,157	17,792	763
2026	74,515	35,002	18,127	428
2027	76,733	32,783	9,192	85
2028-2032	419,331	128,252	-	-
2033-2037	485,594	61,989	-	-
2038-2039	160,123	4,151	-	-
Totals	<u>\$ 1,427,160</u>	<u>\$ 379,864</u>	<u>\$ 79,714</u>	<u>\$ 3,783</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 affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty, general liability and workers compensation 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, property and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. The Town makes an annual contribution to CIRSA for its insurance coverage. For the year, the Town’s financial contribution to CIRSA was \$81,586. 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

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.

	Deferred Outflows	Deferred Inflows	Net Pension Liability	Net Pension Asset	Pension Expense
SWDB	\$ 37,764	\$ 30,592	\$ -	\$ 41,754	\$ (3,206)
Volunteer – Fire	14,571	41,539	-	44,372	(10,526)
Old Hire - Fire	18,358	-	26,866	-	(163,543)
Total	<u>\$ 70,693</u>	<u>\$ 72,131</u>	<u>\$ 26,866</u>	<u>\$ 86,126</u>	<u>\$ (177,275)</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

Note H – Pension Plans (Continued)

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).

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <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. 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

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 increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. 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 reflect the actual cost or reentry by department. 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 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. 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 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 during the year ended December 31, 2022 were \$5,917.

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

At December 31, 2022 the Town reported an asset of \$41,754 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022. 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, 2021, the Town's proportion was .0077 percent, which was an increase of .0002 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized pension expense of \$(3,206). At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 28,796
Changes in assumptions and other inputs	8,086	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	7,707	792
Difference between expected and actual experience	16,054	1,004
Contributions subsequent to measurement date	<u>5,917</u>	<u>-</u>
Totals	<u>\$ 37,764</u>	<u>\$ 30,592</u>

\$5,917 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>
2023	\$ (1,361)
2024	(5,177)
2025	(1,362)
2026	945
2027	4,261
2028	2,789
2029	1,144
2030	17
2031	<u>(1)</u>
Totals	<u>\$ 1,255</u>

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, 2021. The valuations used the following actuarial assumption and other inputs:

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2022	January 1, 2021
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, net*	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 impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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, 2021, are summarized in the following table:

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income – Rates	10%	4.01%
Fixed Income – Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	<u>2%</u>	2.32%
Total	<u>100%</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).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 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:

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

	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)	\$ <u>(5,758)</u>	\$ <u>(41,754)</u>	\$ <u>(71,574)</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

Payables to the pension plan

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

Haxtun Volunteer Fire Department Pension Fund

Summary of significant accounting policies

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

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 <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.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

Inactive plan members or beneficiaries currently receiving benefits	19
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>25</u>
Total	<u>44</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, 2022 included \$4,243 from the State of Colorado matching funds and \$4,714 from the Town.

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

At December 31, 2022 the Town reported a net pension asset of \$44,372. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

For the year ended December 31, 2022, the Town recognized pension expense of \$(10,526). At December 31, 2022, 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	\$ -	\$ 19,376
Changes in assumptions and other inputs	9,837	12,554
Difference between expected and actual experience	20	9,609
Contributions subsequent to measurement date	<u>4,714</u>	<u>-</u>
Totals	<u>\$ 14,571</u>	<u>\$ 41,539</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

\$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:

Year Ended <u>December 31,</u>	<u>Amount</u>
2023	\$ (8,199)
2024	(11,674)
2025	(8,949)
2026	<u>(2,860)</u>
Totals	<u>\$ (31,682)</u>

Actuarial assumptions. The total pension liability in the January 1, 2021 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	Pre-retirement: 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. Post-retirement: 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. Disabled: 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.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

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, 2021, 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%	2.32%
Fixed Income - Rates	10.00%	4.00%
Fixed Income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Long Short	8.00%	6.87%
Global Equity	39.00%	8.23%
Private Markets	<u>26.00%</u>	10.63%
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 1.84% (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	\$ 179,030	\$ 186,851	\$ (7,821)
Changes for the year			
Service cost	1,281	-	1,281
Interest on total pension liability	10,523	-	10,523
Benefit changes	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	(16,771)	-	(16,771)
Contributions – employer	-	4,714	(4,714)
Contributions – state of Colorado	-	8,486	(8,486)
Net investment income	-	27,156	(27,156)
Benefit and refund payments	(11,050)	(11,050)	-
Administrative expenses	-	(8,772)	8,772
Net changes	<u>(16,017)</u>	<u>20,534</u>	<u>(36,551)</u>
Balances at end of year	<u>\$ 163,013</u>	<u>\$ 207,385</u>	<u>\$ (44,372)</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>(26,842)</u>	\$ <u>(44,372)</u>	\$ <u>(59,560)</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

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 <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

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 \$16,499 to the plan in accordance with actuarially determined requirements based on the January 1, 2022 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, 2022 the Town reported a net pension liability of \$26,866. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

For the year ended December 31, 2022, the Town recognized pension expense of \$(163,543). At December 31, 2022, 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	\$ 1,859	\$ -
Contributions subsequent to measurement date	<u>16,499</u>	<u>-</u>
Totals	<u>\$ 18,358</u>	<u>\$ -</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

\$16,499 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
2023	\$ 1,255
2024	(762)
2025	304
2026	<u>1,062</u>
Totals	<u>\$ 1,859</u>

Actuarial assumptions. The total pension liability in the January 1, 2022 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	N/A
Remaining amortization period	N/A
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	Post-retirement: 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. Disabled (pre-1980): 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

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, 2021, 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%	0.1%
Fixed Income - Rates	70.0%	2.3%
Fixed Income - Credit	10.0%	3.5%
Absolute Return	0.0%	5.6%
Long Short	0.0%	6.9%
Global Public Equity	10.0%	7.8%
Private Capital	<u>0.0%</u>	10.5%
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 1.84% (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

	<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	\$ 328,538	\$ 127,440	\$ 201,098
Changes for the year			
Service cost	-	-	-
Interest on total pension liability	14,488	-	14,488
Benefit changes	-	-	-
Differences between expected and actual experience	(172,719)	-	(172,719)
Changes of assumptions	-	-	-
Contributions – employer	-	16,499	(16,499)
Net investment income	-	477	(477)
Benefit and refund payments	(13,289)	(13,289)	-
Administrative expenses	-	(975)	975
Net changes	<u>(171,520)</u>	<u>2,712</u>	<u>(174,232)</u>
Balances at end of year	<u>\$ 157,018</u>	<u>\$ 130,152</u>	<u>\$ 26,866</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>40,939</u>	\$ <u>26,866</u>	\$ <u>14,636</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

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 \$10,845, and the Town recognized pension expense of \$10,845.

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 \$41,000 for the emergency reserve.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note I - Commitments and contingencies (Continued)

Colorado Local Government Budget Laws

Expenditures in the General Fund exceeded their appropriation by \$52,436, which may be a violation of Colorado Local Government Budget Laws

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) ¹
Fire & Police Statewide Defined Benefit Plan
December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Town's proportion of the net pension liability/(asset)	0.0077%	0.0075%	0.0103%	0.0102%
Town's proportionate share of the net pension liability/(asset)	\$ (41,754)	\$ (16,346)	\$ (5,839)	\$ 12,860
Town's covered payroll	\$ 62,024	\$ 60,475	\$ 76,100	\$ 71,050
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	67.3%	27.0%	7.7%	-18.1%
Plan fiduciary net position as a percentage of the total pension liability	116.20%	106.70%	101.90%	95.20%

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

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0112%	0.0117%	0.0125%	0.0125%	0.0098%
\$ (16,113)	\$ (4,227)	\$ (220)	\$ (14,142)	\$ (8,764)
\$ 65,508	\$ 59,862	\$ 60,613	\$ 56,350	\$ 42,575
24.6%	7.1%	0.4%	25.1%	20.6%
106.30%	98.21%	100.10%	106.80%	105.80%

TOWN OF HAXTUN, COLORADO
Schedule of Town Contributions 1
Fire & Police Statewide Defined Benefit Plan
December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 5,917	\$ 5,272	\$ 4,838	\$ 6,088
Contributions in relation to the contractually required contribution	<u>(5,917)</u>	<u>(5,272)</u>	<u>(4,838)</u>	<u>(6,088)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 69,612	\$ 62,024	\$ 60,475	\$ 76,100
Contributions as a percentage of covered payroll	8.50%	8.50%	8.00%	8.00%

2018	2017	2016	2015	2014	2013
\$ 5,684	\$ 5,241	\$ 4,789	\$ 4,849	\$ 4,508	\$ 3,406
(5,684)	(5,241)	(4,789)	(4,849)	(4,508)	(3,406)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 71,050	\$ 65,508	\$ 59,862	\$ 60,613	\$ 56,350	\$ 42,575
8.00%	8.00%	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 ¹
Haxtun Volunteer Fire Department Pension Fund
Last 10 Fiscal Years

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 1,281	\$ 1,212	\$ 1,212	\$ 1,128
Interest on the total pension liability	10,523	12,170	12,120	12,324
Differences between expected and actual experience	-	(18,345)	-	180
Assumption changes	(16,771)	17,243	-	7,115
Benefit payments	(11,050)	(12,800)	(12,435)	(11,500)
Net change in total pension liability	(16,017)	(520)	897	9,247
Total pension liability - beginning	179,030	179,550	178,653	169,406
Total pension liability - ending (a)	<u>\$ 163,013</u>	<u>\$ 179,030</u>	<u>\$ 179,550</u>	<u>\$ 178,653</u>
Plan fiduciary net position				
Contributions - employer	\$ 4,714	\$ 4,714	\$ 4,714	\$ 4,714
Net investment income	27,156	21,584	23,524	211
Benefit payments	(11,050)	(12,800)	(12,435)	(11,500)
Pension plan administrative expenses	(8,772)	(8,099)	(11,703)	(10,540)
State of Colorado supplemental discretionary payment	8,486	4,243	-	4,243
Net change in plan fiduciary net position	20,534	9,642	4,100	(12,872)
Plan fiduciary net position - beginning	186,851	177,209	173,109	185,981
Plan fiduciary net position - ending (b)	<u>\$ 207,385</u>	<u>\$ 186,851</u>	<u>\$ 177,209</u>	<u>\$ 173,109</u>
Town's net pension liability/(asset) - ending (a) - (b)	<u>\$ (44,372)</u>	<u>\$ (7,821)</u>	<u>\$ 2,341</u>	<u>\$ 5,544</u>
Plan fiduciary net position as a percentage of the total pension liability	127.22%	104.37%	98.70%	96.90%
Covered payroll	N/A	N/A	N/A	N/A
Town's net pension liability as a percentage of covered payroll	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.

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

2018	2017	2016	2015
\$ 1,128	\$ 1,126	\$ 1,126	\$ 1,174
12,210	11,974	11,979	11,819
-	(2,467)	-	2,152
-	5,152	-	-
<u>(12,126)</u>	<u>(13,150)</u>	<u>(13,200)</u>	<u>(12,762)</u>
1,212	2,635	(95)	2,383
168,194	165,559	165,654	163,271
<u>\$ 169,406</u>	<u>\$ 168,194</u>	<u>\$ 165,559</u>	<u>\$ 165,654</u>
\$ 7,028	\$ 2,460	\$ 6,583	\$ 4,714
24,347	8,776	3,049	10,784
(12,126)	(13,150)	(13,200)	(12,762)
(10,309)	(539)	(1,565)	(634)
<u>4,297</u>	<u>5,263</u>	<u>4,243</u>	<u>4,243</u>
13,237	2,810	(890)	6,345
172,744	169,934	170,824	164,479
<u>\$ 185,981</u>	<u>\$ 172,744</u>	<u>\$ 169,934</u>	<u>\$ 170,824</u>
<u>\$ (16,575)</u>	<u>\$ (4,550)</u>	<u>\$ (4,375)</u>	<u>\$ (5,170)</u>
109.78%	102.71%	102.64%	103.12%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

TOWN OF HAXTUN, COLORADO
Schedule of Town Contributions ¹
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)
2022	\$ 9,508	\$ 8,957	\$ 551	N/A	N/A
2021	11,518	13,200	(1,682)	N/A	N/A
2020	11,518	8,957	2,561	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.

¹ 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 ¹

Town of Haxtun Old Hire Police Pension Fund

Last 10 Fiscal Years

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	14,488	14,671	18,844	19,158
Benefit changes	-	-	-	-
Difference between expected and actual experience	(172,719)	-	6,537	-
Assumption changes	-	-	73,284	-
Benefit payments	(13,289)	(24,053)	(23,581)	(23,119)
Net change in total pension liability	(171,520)	(9,382)	75,084	(3,961)
Total pension liability - beginning	328,538	337,920	262,836	266,797
Total pension liability - ending (a)	<u>\$ 157,018</u>	<u>\$ 328,538</u>	<u>\$ 337,920</u>	<u>\$ 262,836</u>
Plan fiduciary net position				
Contributions - employer	\$ 16,499	\$ 13,505	\$ 13,505	\$ 13,404
Contributions - employee	-	-	-	-
Net investment income	477	9,387	14,503	(38)
Benefit payments	(13,289)	(24,053)	(23,581)	(23,119)
Pension plan administrative expenses	(975)	(2,299)	(1,168)	(2,971)
Net change in plan fiduciary net position	2,712	(3,460)	3,259	(12,724)
Plan fiduciary net position - beginning	127,440	130,900	127,641	140,365
Plan fiduciary net position - ending (b)	<u>\$ 130,152</u>	<u>\$ 127,440</u>	<u>\$ 130,900</u>	<u>\$ 127,641</u>
Town's net pension liability/(asset) - ending (a) - (b)	<u>\$ 26,866</u>	<u>\$ 201,098</u>	<u>\$ 207,020</u>	<u>\$ 135,195</u>
Plan fiduciary net position as a percentage of the total pension liability	82.89%	38.79%	38.74%	48.56%
Covered payroll	N/A	N/A	N/A	N/A
Town's net pension liability as a percentage of covered payroll	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.

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

2018	2017	2016	2015
\$ -	\$ -	\$ -	\$ -
19,030	19,268	18,196	18,432
-	-	-	-
5,565	-	4,942	-
-	-	13,153	-
(22,665)	(22,221)	(21,785)	(21,358)
1,930	(2,953)	14,506	(2,926)
264,867	267,820	253,314	256,240
<u>\$ 266,797</u>	<u>\$ 264,867</u>	<u>\$ 267,820</u>	<u>\$ 253,314</u>
\$ 13,404	\$ 9,342	\$ 9,342	\$ 8,892
-	-	-	-
18,322	7,056	2,595	10,379
(22,665)	(22,221)	(21,785)	(21,358)
(689)	(2,087)	(577)	(3,123)
8,372	(7,910)	(10,425)	(5,210)
131,993	139,903	150,328	155,538
<u>\$ 140,365</u>	<u>\$ 131,993</u>	<u>\$ 139,903</u>	<u>\$ 150,328</u>
<u>\$ 126,432</u>	<u>\$ 132,874</u>	<u>\$ 127,917</u>	<u>\$ 102,986</u>
52.61%	49.83%	52.24%	59.34%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

TOWN OF HAXTUN, COLORADO
Schedule of Town Contributions ¹
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)
2022	\$ 16,499	\$ 16,499	\$ -	N/A	N/A
2021	16,499	16,499	-	N/A	N/A
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.

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

TOWN OF HAXTUN, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 592,191	\$ 592,191	\$ 785,134	\$ 192,943
Licenses and permits	4,500	4,500	7,209	2,709
Intergovernmental	65,612	65,612	71,891	6,279
Fines and forfeitures	7,000	7,000	1,051	(5,949)
Charges for services	26,000	26,000	42,387	16,387
Miscellaneous	225,025	225,025	497,267	272,242
Total revenues	920,328	920,328	1,404,939	484,611
Expenditures				
Current				
General government	204,269	204,269	154,968	49,301
Public safety	381,960	381,960	361,212	20,748
Public works	2,069,880	2,069,880	2,197,977	(128,097)
Culture and recreation	151,885	151,885	141,350	10,535
Debt service				
Principal retirement	329,395	329,395	329,395	-
Interest and fiscal charges	37,767	37,767	36,816	951
Total expenditures	3,175,156	3,175,156	3,221,718	(46,562)
Excess of revenues over (under) expenditures	(2,254,828)	(2,254,828)	(1,816,779)	438,049
Other financing sources (uses)				
Sale of assets			6,876	6,876
Proceeds from bond issuance	1,500,000	1,500,000	1,500,000	-
Transfers in	575,000	575,000	532,378	(42,622)
Transfers out			(5,874)	(5,874)
Total other financing sources (uses)	2,075,000	2,075,000	2,033,380	(41,620)
Net change in fund balance	\$ (179,828)	\$ (179,828)	216,601	\$ 396,429
Fund balance at beginning of year			823,918	
Fund balance at end of year			<u>\$ 1,040,519</u>	

TOWN OF HAXTUN, COLORADO
Community Center Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Rent income	\$ 3,500	\$ 3,500	\$ 4,815	\$ 1,315
Grants and contributions	600	600	700	100
Total revenues	4,100	4,100	5,515	1,415
Expenditures				
Current				
Salaries	3,000	3,000	2,292	708
Employee benefits	750	750	1,046	(296)
Insurance and bonds	5,100	5,100	4,631	469
Repairs and maintenance	5,000	5,000	6,025	(1,025)
County clerk fee	600	600		600
Utilities	10,480	10,480	10,302	178
Audit and legal	1,200	1,200	1,173	27
Supplies	1,500	1,500	3,256	(1,756)
Miscellaneous	1,500	1,500	3,473	(1,973)
Capital outlay		7,870		7,870
Total expenditures	29,130	37,000	32,198	4,802
Net change in fund balance	\$ (25,030)	\$ (32,900)	(26,683)	\$ 6,217
Fund balance at beginning of year			368,116	
Fund balance at end of year			\$ 341,433	

TOWN OF HAXTUN, COLORADO
Notes to the Required Supplementary Information

Note A – Budgetary data

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

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

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

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

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 <http://www.FPPAco.org>.

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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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Taxes				
Property taxes	\$ 177,591	\$ 177,591	\$ 169,883	\$ (7,708)
Specific ownership taxes	15,500	15,500	19,255	3,755
Penalties and interest on taxes	600	600	385	(215)
Franchise taxes	7,500	7,500	8,216	716
Sales taxes	390,000	390,000	587,395	197,395
Severance taxes	1,000	1,000		(1,000)
Total taxes	592,191	592,191	785,134	192,943
Licenses and permits	4,500	4,500	7,209	2,709
Intergovernmental				
Motor vehicle assessments	4,500	4,500	5,386	886
Cigarette taxes	700	700	852	152
Highway users tax	40,412	40,412	44,186	3,774
Road and bridge	15,000	15,000	15,642	642
Payment in lieu of taxes	5,000	5,000	5,825	825
Total intergovernmental	65,612	65,612	71,891	6,279
Fines and forfeitures	7,000	7,000	1,051	(5,949)
Charges for services				
Curb and gutter			8,915	8,915
Rabies control	7,000	7,000	5,222	(1,778)
Swimming pool	9,000	9,000	12,063	3,063
Concession stand	10,000	10,000	16,187	6,187
Total charges for services	26,000	26,000	42,387	16,387
Miscellaneous				
Interest on investments	6,000	6,000	20,715	14,715
Refunds and reimbursements	16,200	16,200	9,130	(7,070)
Grants and donations	192,700	192,700	457,693	264,993
Miscellaneous	10,125	10,125	9,729	(396)
Total miscellaneous	225,025	225,025	497,267	272,242
Total revenues	\$ 920,328	\$ 920,328	\$ 1,404,939	\$ 484,611

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TOWN OF HAXTUN, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
General government				
Salaries	\$ 57,620	\$ 57,620	\$ 33,222	\$ 24,398
Employee benefits	15,000	15,000	11,870	3,130
Supplies	33,500	33,500	11,658	21,842
Maintenance	3,500	3,500	2,624	876
Utilities	6,650	6,650	7,229	(579)
Travel	2,500	2,500	178	2,322
Insurance	7,500	7,500	11,218	(3,718)
Reporting and publishing	2,000	2,000	2,580	(580)
Audit and legal	5,000	5,000	21,454	(16,454)
Dues	8,250	8,250	8,359	(109)
County treasurer fees	6,250	6,250	3,689	2,561
Miscellaneous	48,999	48,999	33,014	15,985
Capital outlay	7,500	7,500	7,873	(373)
Total general government	204,269	204,269	154,968	49,301
Public safety				
Police				
Salaries	200,000	200,000	168,621	31,379
Employee benefits	73,000	73,000	58,800	14,200
Life and disability insurance	4,320	4,320	4,207	113
Drug education	2,500	2,500		2,500
Pension contribution	6,400	6,400	5,917	483
Maintenance	2,500	2,500	3,350	(850)
Fuel and oil	4,200	4,200	6,255	(2,055)
Insurance	10,000	10,000	12,996	(2,996)
Utilities	8,500	8,500	9,688	(1,188)
Supplies	15,500	15,500	50,690	(35,190)
Travel and training	4,000	4,000	5,246	(1,246)
Audit and legal	1,500	1,500	1,260	240
Miscellaneous	19,150	19,150	10,578	8,572
Total police	351,570	351,570	337,608	13,962

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fire				
Salaries	500	500	40	460
Employee benefits	350	350	28	322
Firemen's allotment	240	240		240
Pension contribution	3,650	3,650	2,400	1,250
Maintenance	1,250	1,250	1,531	(281)
Insurance	11,000	11,000	11,083	(83)
Utilities	7,050	7,050	8,099	(1,049)
Supplies	3,500	3,500	423	3,077
Miscellaneous	2,850	2,850		2,850
Total fire	30,390	30,390	23,604	6,786
Total public safety	381,960	381,960	361,212	20,748
Public works				
Highways and streets				
Salaries	69,000	69,000	71,411	(2,411)
Employee benefits	25,500	25,500	33,208	(7,708)
Utilities	15,800	15,800	15,828	(28)
Maintenance and supplies	219,000	219,000	233,535	(14,535)
Fuel and oil	9,000	9,000	9,759	(759)
Insurance	10,000	10,000	9,410	590
Miscellaneous	4,650	4,650	24,011	(19,361)
Capital outlay	1,710,000	1,710,000	1,795,571	(85,571)
Total highways and streets	2,062,950	2,062,950	2,192,733	(129,783)
Airport				
Salaries	1,000	1,000	1,343	(343)
Employee benefits	530	530	790	(260)
Maintenance and supplies	1,000	1,000		1,000
Insurance	4,000	4,000	2,813	1,187
Miscellaneous	400	400	298	102
Total airport	6,930	6,930	5,244	1,686
Total public works	2,069,880	2,069,880	2,197,977	(128,097)

(continued)

TOWN OF HAXTUN, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2022

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Culture and recreation				
Recreation programs				
Salaries	44,000	44,000	50,743	(6,743)
Employee benefits	6,850	6,850	6,371	479
Utilities	14,455	14,455	18,066	(3,611)
Maintenance and supplies	25,000	25,000	22,386	2,614
Insurance	8,750	8,750	2,240	6,510
Miscellaneous	5,550	5,550	7,693	(2,143)
Total recreation programs	104,605	104,605	107,499	(2,894)
Parks				
Salaries	10,000	10,000	10,810	(810)
Employee benefits	3,850	3,850	4,314	(464)
Utilities	5,500	5,500	3,619	1,881
Maintenance and supplies	15,500	15,500	10,566	4,934
Fuel and oil	800	800	845	(45)
Insurance	3,800	3,800	849	2,951
Miscellaneous	1,000	1,000	726	274
Total parks	40,450	40,450	31,729	8,721
Fishing lake				
Salaries	1,000	1,000	429	571
Employee benefits	530	530	230	300
Utilities	800	800	722	78
Maintenance and supplies	500	500		500
Fuel and oil	150	150		150
Insurance	3,750	3,750	741	3,009
Miscellaneous	100	100		100
Total fishing lake	6,830	6,830	2,122	4,708
Total culture and recreation	151,885	151,885	141,350	10,535

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Debt service				
Principal retirement	329,395	329,395	329,395	-
Interest and fiscal charges	37,767	37,767	36,816	951
Total debt service	367,162	367,162	366,211	951
Total expenditures	<u>\$ 3,175,156</u>	<u>\$ 3,175,156</u>	<u>\$ 3,221,718</u>	<u>\$ (46,562)</u>

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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, 2022

	Conservation Trust Fund	Library Fund	Total
Assets			
Cash and investments	\$ 66,879	\$ 19,350	\$ 86,229
Cash with county treasurer		46	46
Property taxes receivable		15,162	15,162
Total assets	\$ 66,879	\$ 34,558	\$ 101,437
Liabilities			
Accounts payable		\$ 19	\$ 19
Total liabilities	\$ -	19	19
Deferred inflows of resources			
Deferred property tax revenues		15,162	15,162
Total deferred inflows of resources	-	15,162	15,162
Fund balance			
Restricted for culture and recreation	66,879		66,879
Committed to library purposes		19,377	19,377
Total fund balance	66,879	19,377	86,256
Total liabilities, deferred inflows of resources and fund balance	\$ 66,879	\$ 34,558	\$ 101,437

TOWN OF HAXTUN, COLORADO
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2022

	Conservation Trust Fund	Library Fund	Total
Revenues			
Taxes		\$ 30,127	\$ 30,127
Intergovernmental revenue	\$ 12,534		12,534
Earnings on investments		29	29
Miscellaneous	44	4,684	4,728
	<u>12,578</u>	<u>34,840</u>	<u>47,418</u>
Total revenues			
	12,578	34,840	47,418
Expenditures			
Current			
Culture and recreation		31,638	31,638
	<u>-</u>	<u>31,638</u>	<u>31,638</u>
Total expenditures			
	-	31,638	31,638
Net change in fund balance	12,578	3,202	15,780
Fund balance at beginning of year	54,301	16,175	70,476
Fund balance at end of year	<u>\$ 66,879</u>	<u>\$ 19,377</u>	<u>\$ 86,256</u>

TOWN OF HAXTUN, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ 9,400	\$ 9,400	\$ 12,534	\$ 3,134
Interest on investments	60	60	44	(16)
Total revenues	9,460	9,460	12,578	3,118
Expenditures				
Current				
Culture and recreation				-
Total expenditures	-	-	-	-
Net change in fund balance	\$ 9,460	\$ 9,460	12,578	\$ 3,118
Fund balance at beginning of year			54,301	
Fund balance at end of year			\$ 66,879	

TOWN OF HAXTUN, COLORADO
Library Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property tax	\$ 15,357	\$ 15,357	\$ 14,772	\$ (585)
Delinquent taxes and interest			31	31
Sales taxes	15,000	15,000	15,324	324
Interest on investments	60	60	29	(31)
Grants and contributions	3,500	3,500	4,500	1,000
Miscellaneous			184	184
Total revenues	33,917	33,917	34,840	923
Expenditures				
Current				
Salaries	17,370	17,370	13,174	4,196
Employee benefits	1,400	1,400	1,151	249
Books	6,200	6,200	6,479	(279)
Insurance and bonds	3,000	3,000	3,590	(590)
Repairs and maintenance	300	300	327	(27)
County treasurer and clerk fees	450	450	388	62
Utilities	5,200	5,200	4,702	498
Supplies	750	750	254	496
Audit	1,000	1,000	1,173	(173)
Miscellaneous	150	150	400	(250)
Total expenditures	35,820	35,820	31,638	4,182
Net change in fund balance	\$ (1,903)	\$ (1,903)	3,202	\$ 5,105
Fund balance at beginning of year			16,175	
Fund balance at end of year			\$ 19,377	

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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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 1,039,700	\$ 1,039,700	\$ 1,092,733	\$ 53,033
Penalties	10,000	10,000	11,060	1,060
Total operating revenues	1,049,700	1,049,700	1,103,793	54,093
Operating expenses				
Salaries	61,000	61,000	57,513	3,487
Employee benefits	29,750	29,750	26,691	3,059
Supplies	4,500	4,500	1,867	2,633
Repairs and maintenance	182,000	182,000	52,151	129,849
Insurance	6,800	6,800	4,273	2,527
Utilities	1,800	1,800	1,295	505
Audit and legal	2,270	2,270	2,344	(74)
Fuel and oil	6,000	6,000	8,113	(2,113)
Power purchased	600,000	600,000	546,178	53,822
Miscellaneous	6,650	6,650	5,065	1,585
Depreciation	38,000	38,000	33,723	4,277
Capital outlay	10,000	10,000	118,243	(108,243)
Total operating expenses	948,770	948,770	857,456	91,314
Operating income	100,930	100,930	246,337	145,407
Nonoperating revenues				
Interest on investments	35	35	123	88
Loss on disposal of assets			(526,943)	(526,943)
Miscellaneous	6,200	6,200	12,148	5,948
Total nonoperating revenues	6,235	6,235	(514,672)	(520,907)
Net income (loss) before transfers	107,165	107,165	(268,335)	(375,500)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	<u>(344,126)</u>	<u>5,874</u>
Change in net position	<u>\$ (242,835)</u>	<u>\$ (242,835)</u>	<u>(612,461)</u>	<u>\$ (369,626)</u>
Adjustments to GAAP Basis				
Add capital outlay			<u>118,243</u>	
Change in net position - GAAP Basis			<u>(494,218)</u>	
Net position at beginning of year			<u>1,567,910</u>	
Net position at end of year			<u>\$ 1,073,692</u>	

TOWN OF HAXTUN, COLORADO
Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 223,500	\$ 223,500	\$ 229,280	\$ 5,780
Operating expenses				
Salaries	54,500	54,500	55,920	(1,420)
Employee benefits	29,700	29,700	26,765	2,935
Supplies	4,000	4,000	1,806	2,194
Repairs and maintenance	41,500	41,500	12,994	28,506
Insurance	5,700	5,700	4,311	1,389
Utilities	27,775	27,775	28,612	(837)
Audit and legal	2,600	2,600	2,344	256
Fuel and oil	1,500	1,500	1,267	233
Water assessment fee	2,500	2,500	2,934	(434)
Miscellaneous	8,275	8,275	9,943	(1,668)
Depreciation	19,000	19,000	20,428	(1,428)
Capital outlay	123,879	123,879	95,662	28,217
Total operating expenses	320,929	320,929	262,986	57,943
Operating loss	(97,429)	(97,429)	(33,706)	63,723
Nonoperating revenues				
Interest on investments	30	30	7	(23)
Federal grant revenue	113,610	113,610	95,662	(17,948)
Miscellaneous	3,900	3,900	3,698	202
Total nonoperating revenues	117,540	117,540	99,367	(18,173)
Net income before transfers	20,111	20,111	65,661	45,550
Transfers out	(125,000)	(125,000)	(94,126)	30,874
Change in net position	\$ (104,889)	\$ (104,889)	(28,465)	\$ 76,424
Adjustments to GAAP Basis				
Add capital outlay			95,662	
Change in net position - GAAP Basis			67,197	
Net position at beginning of year			695,980	
Net position at end of year			\$ 763,177	

TOWN OF HAXTUN, COLORADO
Sanitation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 182,200	\$ 182,200	\$ 194,646	\$ 12,446
Operating expenses				
Salaries	83,000	83,000	86,549	(3,549)
Employee benefits	43,400	43,400	39,251	4,149
Supplies	4,000	4,000	1,531	2,469
Repairs and maintenance	6,500	6,500	6,664	(164)
Insurance	8,300	8,300	6,907	1,393
Utilities	575	575	275	300
Audit and legal	2,290	2,290	2,344	(54)
Fuel and oil	3,000	3,000	3,000	-
Dump expense	25,000	25,000	22,267	2,733
Miscellaneous	775	775	539	236
Depreciation	4,700	4,700	4,192	508
Capital outlay	5,000	5,000		5,000
Total operating expenses	186,540	186,540	173,519	13,021
Operating income (loss)	(4,340)	(4,340)	21,127	25,467
Nonoperating revenues				
Interest on investments	20	20	7	(13)
Miscellaneous			477	477
Total nonoperating revenues	20	20	484	464
Net income (loss) before transfers	(4,320)	(4,320)	21,611	25,931
Transfers in			5,874	5,874
Change in net position	\$ (4,320)	\$ (4,320)	27,485	\$ 31,805
Net position at beginning of year			170,121	
Net position at end of year			\$ 197,606	

TOWN OF HAXTUN, COLORADO
Sewer Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 135,775	\$ 135,775	\$ 142,278	\$ 6,503
Operating expenses				
Salaries	46,000	46,000	41,590	4,410
Employee benefits	23,000	23,000	19,210	3,790
Supplies	4,500	4,500	1,530	2,970
Repairs and maintenance	4,000	4,000	1,331	2,669
Insurance	5,250	5,250	3,880	1,370
Utilities	1,375	1,375	907	468
Audit and legal	2,500	2,500	2,344	156
Fuel and oil	500	500		500
Miscellaneous	3,750	3,750	2,110	1,640
Depreciation	22,000	22,000	17,820	4,180
Capital outlay	5,000	5,000		5,000
Total operating expenses	117,875	117,875	90,722	27,153
Operating income	17,900	17,900	51,556	33,656
Nonoperating revenues (expenses)				
Interest on investments	15	15	13	(2)
Principal paid on long-term debt	(16,823)	(16,823)	(16,823)	-
Interest and fiscal charges	(1,732)	(1,732)	(1,679)	53
Total nonoperating revenues (expenses)	(18,540)	(18,540)	(18,489)	51
Net income (loss) before transfers	(640)	(640)	33,067	33,707
Transfers out	(100,000)	(100,000)	(94,126)	5,874
Change in net position	\$ (100,640)	\$ (100,640)	(61,059)	\$ 39,581
Adjustments to GAAP Basis				
Add principal on long-term debt			16,823	
Change in net position - GAAP Basis			(44,236)	
Net position at beginning of year			883,517	
Net position at end of year			\$ 839,281	

**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.

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/22
This Information From The Records Of: Town of Haxtun	Prepared By: Kelsey Harms 970-774-6104

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 1,640,061.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 20,898.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	\$ 478,728.60	b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 207,093.00	c. Other	\$ 3,070.00
4. Miscellaneous local receipts (from page 2)	\$ 702.00	d. Total (a. through c.)	\$ 3,070.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 37,235.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 168,621.00
a. Bonds - Original Issues	\$ 1,500,000.00	6. Total (1 through 5)	\$ 1,869,885.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ 1,500,000.00	a. Interest	\$ 36,816.00
7. Total (1 through 6)	\$ 2,186,523.60	b. Redemption	\$ 329,395.00
B. Private Contributions		c. Total (a. + b.)	\$ 366,211.00
C. Receipts from State government (from page 2)	\$ 49,572.40	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 2,236,096.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ 366,211.00
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 2,236,096.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	\$ 256,555.00	\$ 1,500,000.00	\$ 329,395.00	\$ 1,427,160.00
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 2,236,096.00	\$ 2,236,096.00		\$ -

Notes and Comments:

2022 street project: voters approved a \$1,500,000 bond. \$1,432,829 of the project was completed. The remaining will be used in 2023 to continue upgrading the streets

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments		a. Interest on investments	\$ 6.00
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 696.00
1. Sales Taxes	\$ 172,196.00	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	\$ 34,897.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 207,093.00	h. Other	
c. Total (a. + b.)	\$ 207,093.00	i. Total (a. through h.)	\$ 702.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 44,186.40	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	\$ 5,386.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 5,386.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 49,572.40	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 1,640,061.00	\$ 1,640,061.00
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 1,640,061.00	\$ 1,640,061.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 1,640,061.00	\$ 1,640,061.00
<i>(Carry forward to page 1)</i>			

Notes and Comments:

2022 street project; the voters approved a \$1,500,000 bond, \$1,432,829 of the project was completed. The remaining will be used in 2023 to continue upgrading streets.