

Town of Haxtun, Colorado

Financial Statements

For the Year ended December 31, 2024

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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, 2024, 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, 2024, 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
February 28, 2025

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, 2024.

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 2024 by \$9,838,000 (net position). Of this amount \$1,772,633 or 18% 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 expenses by \$576,689.

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 \$9,838,000 at the close of 2024.

Net Position

Combined net position of the Town of Haxtun as of December 31, 2024 and 2023 are shown in Table 1 below.

**Table 1
NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 1,074,183	\$ 1,476,458	\$ 1,471,111	\$ 1,541,664	\$ 2,545,294	\$ 3,018,122
Capital assets, net	6,788,512	5,939,952	2,195,533	2,124,583	8,984,045	8,064,535
Total assets	7,862,695	7,416,410	3,666,644	3,666,247	11,529,339	11,082,657
Deferred outflows of resources	69,389	76,024	-	-	69,389	76,024
Total assets and deferred outflows of resources	<u>\$ 7,932,084</u>	<u>\$ 7,492,434</u>	<u>\$ 3,666,644</u>	<u>\$ 3,666,247</u>	<u>\$ 11,598,728</u>	<u>\$ 11,158,681</u>
Long-term debt outstanding	\$ 1,348,118	\$ 1,371,378	\$ 48,727	\$ 66,112	\$ 1,396,845	\$ 1,437,490
Other liabilities	5,908	35,459	157,393	217,463	163,301	252,922
Total liabilities	1,354,026	1,406,837	206,120	283,575	1,560,146	1,690,412
Deferred inflows of resources	200,582	206,958	-	-	200,582	206,958
Net position:						
Net investment in capital assets	5,443,219	4,581,029	2,150,422	2,062,009	7,593,641	6,643,038
Restricted	471,726	498,674	-	-	471,726	498,674
Unrestricted	462,531	798,936	1,310,102	1,320,663	1,772,633	2,119,599
Total net position	6,377,476	5,878,639	3,460,524	3,382,672	9,838,000	9,261,311
Total liabilities, deferred inflows of resources and net position	<u>\$ 7,932,084</u>	<u>\$ 7,492,434</u>	<u>\$ 3,666,644</u>	<u>\$ 3,666,247</u>	<u>\$ 11,598,728</u>	<u>\$ 11,158,681</u>

The largest portion of the Town of Haxtun’s net position, 77%, 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, 5%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 18%, may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of 2024, 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 \$3,128,602 was more than program expenses of \$2,551,913 for an increase in net position of \$576,689.

Table 2 shows the summarized revenues and expenses for 2024 and 2023.

Table 2
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program revenues						
Charges for services	\$ 53,826	\$ 41,409	\$ 1,701,709	\$ 1,663,884	\$ 1,755,535	\$ 1,705,293
Operating grants and contributions	94,434	91,080	274	-	94,708	91,080
Capital grants and contributions	241,479	1,021,452	-	21,383	241,479	1,042,835
General revenues						
Property taxes	193,106	191,388	-	-	193,106	191,388
Sales and use taxes	647,173	653,355	-	-	647,173	653,355
Specific ownership taxes	21,910	21,634	-	-	21,910	21,634
Other taxes	9,072	7,447	-	-	9,072	7,447
Interest earnings	39,903	35,803	3,073	2,260	42,976	38,063
Miscellaneous	98,547	329,411	13,331	7,349	111,878	336,760
Sale of assets	10,765	-	-	-	10,765	-
Transfers	400,000	-	(400,000)	-	-	-
Total revenues	1,810,215	2,392,979	1,318,387	1,694,876	3,128,602	4,087,855
Program expenses						
General government	224,109	192,157	-	-	224,109	192,157
Public safety	380,689	346,834	-	-	380,689	346,834
Public works	352,785	440,631	-	-	352,785	440,631
Culture and recreation	314,441	224,632	-	-	314,441	224,632
Interest and fiscal charges	39,354	41,114	-	-	39,354	41,114
Electric services	-	-	750,761	710,531	750,761	710,531
Water services	-	-	198,700	195,214	198,700	195,214
Sanitation services	-	-	183,120	181,615	183,120	181,615
Sewer services	-	-	107,954	98,600	107,954	98,600
Total expenses	1,311,378	1,245,368	1,240,535	1,185,960	2,551,913	2,431,328
Change in net position	498,837	1,147,611	77,852	508,916	576,689	1,656,527
Net position at beginning of year	5,878,639	4,731,028	3,382,672	2,873,756	9,261,311	7,604,784
Net position at end of year	\$ 6,377,476	\$ 5,878,639	\$ 3,460,524	\$ 3,382,672	\$ 9,838,000	\$ 9,261,311

Governmental Activities

Revenue for the Town's governmental activities totaled \$1,810,215 for 2024. Tax revenue produced 48% of these revenues. Tax revenue includes property taxes, sales and use taxes, specific ownership taxes, franchise taxes and other taxes.

Table 3
GOVERNMENTAL ACTIVITIES

	Total cost of services		Net cost of services	
	2024	2023	2024	2023
General government	\$ 224,109	\$ 192,157	\$ 199,433	\$ 169,819
Public safety	380,689	346,834	336,518	346,834
Public works	352,785	440,631	280,902	277,070
Culture and recreation	314,441	224,632	65,432	(743,410)

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 increased to \$3,460,524 in 2024. Business-type activities include electric, water, sewer and sanitation services.

**Table 4
BUSINESS-TYPE ACTIVITIES**

	<u>Total cost of services</u>		<u>Net cost of services</u>	
	2024	2023	2024	2023
Electric services	\$ 750,761	\$ 710,531	\$ (351,068)	\$ 400,980
Water services	198,700	195,214	(62,981)	41,555
Sanitation services	183,120	181,615	(20,754)	21,353
Sewer services	107,954	98,600	(26,645)	35,419

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 \$833,265. The general, community center and other governmental funds reported fund balances of \$505,023, \$291,519, and \$36,723, respectively.

General Fund Budgetary Highlights

The actual charges to appropriations (expenditures) were \$41,578 less than the final budget amounts primarily due to the culture and recreation expenses being less than anticipated at the time of budget adoption.

Additionally, resources available for appropriation (revenues) were \$213,077 more than the final budgeted amounts primarily due to sales tax revenues being higher than anticipated at the time of budget adoption..

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, 2024, amounts to \$8,984,045 (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	
	2024	2023	2024	2023	2024	2023
Land and land improvements	\$ 1,854,760	\$ 428,881	\$ 31,900	\$ 31,900	\$ 1,886,660	\$ 460,781
Construction in progress	-	1,031,482	-	-	-	1,031,482
Buildings and improvements	1,712,499	1,675,754	7,517	7,979	1,720,016	1,683,733
Machinery and equipment	349,457	233,814	48,674	60,300	398,131	294,114
Infrastructure	2,871,796	2,575,021	-	-	2,871,796	2,570,021
Systems	-	-	2,107,442	2,024,404	2,107,442	2,024,404
Total	\$ 6,788,512	\$ 5,939,952	\$ 2,195,533	\$ 2,124,583	\$ 8,984,045	\$ 8,064,535

Long-term debt. The Town had \$1,396,845 in debt outstanding at year-end consisting of outstanding notes, bonds, financed purchases and accrued compensated absences. The debt incumbency is attributed to the wastewater lagoon improvement project, the main street improvement bond and Kubota tractor lease.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The Town of Haxtun remains in a solid viable financial condition. During 2024, the Town continued working on electrical infrastructure. The Town has also continued street repairs, rebuilt water well houses, and continued the renovations to the swimming pool. We were very excited to open the new outdoor pool to the public and had a successful first summer season. In addition to the pool renovations, a new basketball court and fence were constructed. We hope to finish the basketball court in 2025 with a recreation grant from Phillips County Rec District adding a pickleball net, bleachers, and finishings. Thanks to private donations, the Town was also able to add a frisbee golf course to the park in 2024.

The 2024 utility rates including Electric, Water, Sanitation, and Sewer remain stable. The Sewer rate will be raised by \$9.00 effective January 1, 2025. The Sewer rate hasn’t seen an increase in 9 years, but there are some updates coming from the State of Colorado that could require some infrastructure updates.

Sales tax revenue has remained stable, with citizens shopping locally and ordering products online.

In 2025, the Town is going to continue the electrical infrastructure upgrades, repairing streets, and other necessary maintenance. The Community Center received a grant to install an emergency backup generator and that will also be installed in 2025.

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, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 642,458	\$ 1,130,823	\$ 1,773,281
Cash with county treasurer	2,056		2,056
Certificates of deposit	3,790		3,790
Receivables	317,326	169,940	487,266
Inventory		139,196	139,196
Prepaid items	30,000		30,000
Investments	64,311	31,152	95,463
Net pension asset	14,242		14,242
Capital assets, net of depreciation	6,788,512	2,195,533	8,984,045
Total assets	7,862,695	3,666,644	11,529,339
Deferred outflows of resources			
Pension deferrals	69,389		69,389
Total assets and deferred outflows of resources	\$ 7,932,084	\$ 3,666,644	\$ 11,598,728
Liabilities			
Accounts payable	\$ 2,469	\$ 54,906	\$ 57,375
Accrued interest payable	3,439	141	3,580
Customer deposits		102,346	102,346
Noncurrent liabilities			
Due within one year	90,802	17,792	108,594
Due in more than one year	1,257,316	30,935	1,288,251
Total liabilities	1,354,026	206,120	1,560,146
Deferred inflows of resources			
Deferred property tax revenues	194,207		194,207
Pension deferrals	6,375		6,375
Total deferred inflows of resources	200,582	-	200,582
Net position			
Net investment in capital assets	5,443,219	2,150,422	7,593,641
Restricted for:			
Emergencies	47,000		47,000
Public safety	98,973		98,973
Culture and recreation	311,511		311,511
Pensions	14,242		14,242
Unrestricted	462,531	1,310,102	1,772,633
Total net position	6,377,476	3,460,524	9,838,000
Total liabilities, deferred inflows of resources and net position	\$ 7,932,084	\$ 3,666,644	\$ 11,598,728

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, 2024

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 224,109	\$ 16,985	\$ 7,691	
Public safety	380,689			\$ 44,171
Public works	352,785	529	71,354	
Culture and recreation	314,441	36,312	15,389	197,308
Interest and fiscal charges	39,354			
Total governmental activities	1,311,378	53,826	94,434	241,479
Business-type activities				
Electric services	750,761	1,101,829		
Water services	198,700	261,407	274	
Sanitation services	183,120	203,874		
Sewer services	107,954	134,599		
Total business-type activities	1,240,535	1,701,709	274	-
Total	\$ 2,551,913	\$ 1,755,535	\$ 94,708	\$ 241,479

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
\$ (199,433)		\$ (199,433)
(336,518)		(336,518)
(280,902)		(280,902)
(65,432)		(65,432)
(39,354)		(39,354)
(921,639)	\$ -	(921,639)
	351,068	351,068
	62,981	62,981
	20,754	20,754
	26,645	26,645
-	461,448	461,448
(921,639)	461,448	(460,191)
193,106		193,106
647,173		647,173
21,910		21,910
9,072		9,072
39,903	3,073	42,976
98,547	13,331	111,878
10,765		10,765
400,000	(400,000)	-
1,420,476	(383,596)	1,036,880
498,837	77,852	576,689
5,878,639	3,382,672	9,261,311
<u>\$ 6,377,476</u>	<u>\$ 3,460,524</u>	<u>\$ 9,838,000</u>

TOWN OF HAXTUN, COLORADO
Balance Sheet
Governmental Funds
December 31, 2024

	General Fund	Community Center Fund	Other Governmental Funds	Total
Assets				
Cash	\$ 336,667	\$ 269,030	\$ 36,761	\$ 642,458
Cash with county treasurer	2,056			2,056
Certificates of deposit	3,790			3,790
Investments	64,311			64,311
Property taxes receivable	178,670		15,537	194,207
Accounts receivable	100,619	22,500		123,119
Total assets	\$ 686,113	\$ 291,530	\$ 52,298	\$ 1,029,941
Liabilities				
Accounts payable	\$ 2,420	\$ 11	\$ 38	\$ 2,469
Total liabilities	2,420	11	38	2,469
Deferred inflows of resources				
Deferred property tax revenues	178,670		15,537	194,207
Total deferred inflows of resources	178,670	-	15,537	194,207
Fund balance				
Restricted for emergencies	47,000			47,000
Restricted for public safety	98,973			98,973
Restricted for culture and recreation		291,519	19,992	311,511
Committed to library purposes			16,731	16,731
Unassigned	359,050			359,050
Total fund balance	505,023	291,519	36,723	833,265
Total liabilities, deferred inflows of resources and fund balance	\$ 686,113	\$ 291,530	\$ 52,298	\$ 1,029,941

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, 2024

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

Total fund balance - governmental funds	\$ 833,265
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	6,788,512
Prepaid items used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	30,000
Net pension assets and deferrals used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	77,256
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.	(3,439)
Long-term and net pension liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	<u>(1,348,118)</u>
Net position of the governmental activities	<u><u>\$ 6,377,476</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, 2024

	General Fund	Community Center Fund	Other Governmental Funds	Total
Revenues				
Taxes	\$ 840,886		\$ 31,174	\$ 872,060
Licenses and permits	8,726			8,726
Intergovernmental	79,954		11,795	91,749
Fines and forfeitures	3,490			3,490
Charges for services	36,365	\$ 5,245		41,610
Miscellaneous	352,229	22,600	6,986	381,815
Total revenues	1,321,650	27,845	49,955	1,399,450
Expenditures				
Current				
General government	210,614			210,614
Public safety	410,234			410,234
Public works	686,422			686,422
Culture and recreation	742,147	60,259	51,182	853,588
Debt service				
Principal retirement	90,041			90,041
Interest and fiscal charges	39,249			39,249
Total expenditures	2,178,707	60,259	51,182	2,290,148
Excess of revenues over (under) expenditures	(857,057)	(32,414)	(1,227)	(890,698)
Other financing sources				
Sale of assets	7,965			7,965
Lease proceeds	76,410			76,410
Transfers in	400,000			400,000
Total other financing sources	484,375	-	-	484,375
Net change in fund balance	(372,682)	(32,414)	(1,227)	(406,323)
Fund balance at beginning of year	877,705	323,933	37,950	1,239,588
Fund balance at end of year	<u>\$ 505,023</u>	<u>\$ 291,519</u>	<u>\$ 36,723</u>	<u>\$ 833,265</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, 2024

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

Net change in fund balance - governmental funds	\$ (406,323)
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.	848,560
In the statement of activities, certain expenses related to the net pension liability and related deferred inflows and outflows of resources, compensated absences, prepaid items 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).	42,969
Proceeds from financed purchases are reported as a revenue in the governmental funds, however, they are reported as a long-term liability in the statement of activities.	(76,410)
Repayment of bond principal and financed purchases are expenditures in the governmental funds, but the repayment reduces the long-term debt liabilities in the statement of net position.	<u>90,041</u>
Change in net position of governmental activities	<u><u>\$ 498,837</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, 2024

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Assets				
Current assets				
Cash	\$ 395,816	\$ 212,742	\$ 200,732	\$ 321,533
Accounts receivable	111,898	22,397	20,639	15,006
Inventory	113,618	22,057	2,096	1,425
Investments	31,152			
Total current assets	652,484	257,196	223,467	337,964
Capital assets, net of depreciation	1,014,025	600,357	20,165	560,986
Total assets	<u>\$ 1,666,509</u>	<u>\$ 857,553</u>	<u>\$ 243,632</u>	<u>\$ 898,950</u>

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

Total

\$ 1,130,823
169,940
139,196
31,152

1,471,111

2,195,533

\$ 3,666,644

(continued)

TOWN OF HAXTUN, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2024

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Liabilities				
Current liabilities				
Accounts payable	\$ 51,394	\$ 1,051	\$ 2,287	\$ 174
Accrued interest payable				141
Customer deposits	102,346			
Current portion of long-term debt				17,792
Total current liabilities	153,740	1,051	2,287	18,107
Long-term liabilities				
Accrued compensated absences	1,119		984	1,513
Long-term debt				27,319
Total long-term liabilities	1,119	-	984	28,832
Total liabilities	154,859	1,051	3,271	46,939
Net position				
Net investment in capital assets	1,014,025	600,357	20,165	515,875
Unrestricted	497,625	256,145	220,196	336,136
Total net position	1,511,650	856,502	240,361	852,011
Total liabilities and net position	\$ 1,666,509	\$ 857,553	\$ 243,632	\$ 898,950

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

Total

\$ 54,906
141
102,346
17,792
175,185

3,616
27,319
30,935
206,120

2,150,422
1,310,102
3,460,524

\$ 3,666,644

TOWN OF HAXTUN, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Operating revenues				
Charges for services	\$ 1,091,889	\$ 261,407	\$ 203,874	\$ 134,599
Penalties	9,940			
Total operating revenues	1,101,829	261,407	203,874	134,599
Operating expenses				
Salaries	63,111	59,457	91,728	49,565
Employee benefits	27,484	27,076	39,697	19,489
Supplies	1,011	1,673	865	967
Repairs and maintenance	62,120	31,073	2,655	8,084
Insurance	3,893	4,227	7,159	3,393
Utilities	1,362	33,506	330	841
Audit and legal	2,669	2,357	2,357	2,357
Fuel and oil	5,224	779	5,000	192
Power purchased	542,479			
Water assessment fee		5,267		
Dump expense			27,797	
Miscellaneous	7,166	10,312	2,173	3,495
Depreciation	34,242	22,973	3,359	18,534
Total operating expenses	750,761	198,700	183,120	106,917
Operating income	351,068	62,707	20,754	27,682

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

<u>Total</u>
\$ 1,691,769
9,940
<u>1,701,709</u>
263,861
113,746
4,516
103,932
18,672
36,039
9,740
11,195
542,479
5,267
27,797
23,146
79,108
<u>1,239,498</u>
462,211

(continued)

TOWN OF HAXTUN, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Nonoperating revenues (expenses)				
Interest on investments	2,050	294	288	441
Federal grant revenue		274		
Miscellaneous revenues	2,815	10,368	148	
Interest and fiscal charges				(1,037)
Total nonoperating revenues (expenses)	4,865	10,936	436	(596)
Net income before transfers	355,933	73,643	21,190	27,086
Transfers out	(325,000)	(25,000)		(50,000)
Change in net position	30,933	48,643	21,190	(22,914)
Net position at beginning of year	1,480,717	807,859	219,171	874,925
Net position at end of year	<u>\$ 1,511,650</u>	<u>\$ 856,502</u>	<u>\$ 240,361</u>	<u>\$ 852,011</u>

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

Total

3,073

274

13,331

(1,037)

15,641

477,852

(400,000)

77,852

3,382,672

\$ 3,460,524

TOWN OF HAXTUN, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Cash flows from operating activities				
Receipts from customers	\$ 1,113,082	\$ 259,357	\$ 203,634	\$ 133,914
Payments to suppliers	(663,226)	(177,432)	(87,170)	(39,292)
Payments to employees	(63,258)	(59,457)	(91,670)	(49,398)
Net cash provided by operating activities	386,598	22,468	24,794	45,224
Cash flows from noncapital financing activities				
Transfers to other funds	(325,000)	(25,000)		(50,000)
Miscellaneous revenues	2,815	10,368	148	
Net cash provided (used) by noncapital financing activities	(322,185)	(14,632)	148	(50,000)
Cash flows from capital and related financing activities				
Purchase of capital assets	(150,058)			
Principal paid on capital debt				(17,463)
Interest and fiscal charges				(1,091)
Net cash used by capital and related financing activities	(150,058)	-	-	(18,554)

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

Total

\$ 1,709,987
(967,120)
(263,783)

479,084

(400,000)
13,331

(386,669)

(150,058)
(17,463)
(1,091)

(168,612)

(continued)

TOWN OF HAXTUN, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Cash flows from investing activities				
Interest on investments	393	294	288	441
Net cash provided by investing activities	393	294	288	441
Net change in cash and cash equivalents	(85,252)	8,130	25,230	(22,889)
Cash and cash equivalents at beginning of year	481,068	204,612	175,502	344,422
Cash and cash equivalents at end of year	<u>\$ 395,816</u>	<u>\$ 212,742</u>	<u>\$ 200,732</u>	<u>\$ 321,533</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 351,068	\$ 62,707	\$ 20,754	\$ 27,682
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	34,242	22,973	3,359	18,534
Change in assets and liabilities				
Accounts receivable	7,218	(2,050)	(240)	(685)
Inventory	(476)	(5,209)	(1,096)	(33)
Accounts payable	(9,342)	(55,953)	1,959	(441)
Accrued compensated absences	(147)		58	167
Customer deposits	4,035			
Net cash provided by operating activities	<u>\$ 386,598</u>	<u>\$ 22,468</u>	<u>\$ 24,794</u>	<u>\$ 45,224</u>

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

Total

1,416

1,416

(74,781)

1,205,604

\$ 1,130,823

\$ 462,211

79,108

4,243

(6,814)

(63,777)

78

4,035

\$ 479,084

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, except for state and federal grant revenues, which are considered available if collection is expected within six months of 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).

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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.

Note B – Cash and investments

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

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of year-end, the Town had total deposits of \$1,781,299, of which \$250,000 was insured and \$1,531,299 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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note B – Cash and investments (Continued)

During the year, the Town invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized 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, 2024, the Town had invested \$61,925 in COLOTRUST PLUS+ and \$33,538 in COLOTRUST PRIME, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

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

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Investment in Colotrust	<u>\$ 95,463</u>	<u>\$ 95,463</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

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	\$ 325,000
General Fund	Water Fund	25,000
General Fund	Sewer Fund	<u>50,000</u>
Totals		<u>\$ 400,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The Town annually transfers funds from certain of the Proprietary Funds (Electric, Water and Sewer) to provide support for various departments within the General Fund.

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	\$ 194,207	\$ -	\$ 194,207
Other accounts	<u>123,119</u>	<u>169,940</u>	<u>293,059</u>
Total	<u>\$ 317,326</u>	<u>\$ 169,940</u>	<u>\$ 487,266</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.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

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>1,031,482</u>	<u>531,066</u>	<u>(1,562,548)</u>	<u>-</u>
Total capital assets, not being depreciated	1,071,172	531,066	(1,562,548)	39,690
Capital assets, being depreciated:				
Land improvements	619,782	-	1,454,024	2,073,806
Buildings and improvements	2,914,894	-	108,524	3,023,418
Infrastructure	2,933,939	377,737	-	3,311,676
Equipment and furniture	<u>727,835</u>	<u>175,517</u>	<u>(13,227)</u>	<u>890,125</u>
Total capital assets, being depreciated	<u>7,196,450</u>	<u>553,254</u>	<u>1,549,321</u>	<u>9,299,025</u>
Total capital assets	8,267,622	1,084,320	(13,227)	9,338,715
Less accumulated depreciation:				
Land improvements	(230,591)	(28,145)	-	(258,736)
Buildings and improvements	(1,239,140)	(71,779)	-	(1,310,919)
Infrastructure	(363,918)	(75,962)	-	(439,880)
Equipment and furniture	<u>(494,021)</u>	<u>(59,874)</u>	<u>13,227</u>	<u>(540,668)</u>
Total accumulated depreciation	<u>(2,327,670)</u>	<u>(235,760)</u>	<u>13,227</u>	<u>(2,550,203)</u>
Governmental activities capital assets, net	<u>\$ 5,939,952</u>	<u>\$ 848,560</u>	<u>\$ -</u>	<u>\$ 6,788,512</u>

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>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 31,900	\$ -	\$ -	\$ 31,900
Total capital assets, not being depreciated	31,900	-	-	31,900
Capital assets, being depreciated				
Buildings	74,919	-	-	74,919
Systems	4,051,696	150,058	-	4,201,754
Equipment	416,864	-	-	416,864
Total capital assets, being depreciated	<u>4,543,479</u>	<u>150,058</u>	-	<u>4,693,537</u>
Total capital assets	4,575,379	150,058	-	4,725,437
Less accumulated depreciation:				
Buildings	(66,940)	(462)	-	(67,402)
Systems	(2,027,292)	(67,020)	-	(2,094,312)
Equipment	(356,564)	(11,626)	-	(368,190)
Total accumulated depreciation	<u>(2,450,796)</u>	<u>(79,108)</u>	-	<u>(2,529,904)</u>
Business-type activities capital assets, net	<u>\$ 2,124,583</u>	<u>\$ 70,950</u>	<u>\$ -</u>	<u>\$ 2,195,533</u>

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

Governmental activities	
General government	\$ 16,286
Public safety	29,655
Public works	154,005
Culture and recreation	<u>35,814</u>
Total governmental activities	<u>\$ 235,760</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

Business-type activities

Electric	\$ 34,242
Water	22,973
Sanitation	3,359
Sewer	<u>18,534</u>
Total business-type activities	<u>\$ 79,108</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	\$ 1,358,924	\$ -	\$ (70,268)	\$ 1,288,656	\$ 72,360
Financed purchases	-	76,410	(19,773)	56,637	18,442
Compensated absences	<u>5,616</u>	<u>-</u>	<u>(2,791)*</u>	<u>2,825</u>	<u>-</u>
Total	<u>\$ 1,364,540</u>	<u>\$ 76,410</u>	<u>\$ (92,832)</u>	<u>\$ 1,348,118</u>	<u>\$ 90,802</u>
Business-type activities					
Notes from direct borrowings	\$ 62,574	\$ -	\$ (17,463)	\$ 45,111	\$ 17,792
Compensated absences	<u>3,538</u>	<u>78*</u>	<u>-</u>	<u>3,616</u>	<u>-</u>
Total	<u>\$ 66,112</u>	<u>\$ 78</u>	<u>\$ (17,463)</u>	<u>\$ 48,727</u>	<u>\$ 17,792</u>

*The change in the compensated absences liability is presented as a net change.

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.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note F – Long-term debt (Continued)

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%.

Financed purchases

The Town entered into a lease agreement with Kubota Credit Corporation to finance the cost of acquiring a Kubota tractor in the amount of \$76,410. The agreement called for a term of one year with annual renewal options. Annual payments of \$19,773 are due on October 14th of each year, with a final payment due in fiscal year 2027. The average interest rate over the term is 2.35%.

The agreement contains a provision that, in the event of default, the lessor may (a) cancel or terminate the lease; and/or without notice, enter any premises where any item of equipment may be and take possession of and remove such item, together with replacements and accessories, or lessor may require lessee to assemble the property and make it available at a place designated by lessor or (b) demand from lessee the sum of the aggregate of any payments then due and unpaid (including accrued interest) plus an amount equal to the acceleration amount, less the sales proceeds received by the lessor from sale of the equipment, or if not sold, the fair market sales value of the equipment.

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

<u>Year Ending December 31,</u>	<u>Bonds</u>		<u>Financed purchases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 72,360	\$ 37,157	\$ 18,442	\$ 1,331
2026	74,515	35,002	18,876	898
2027	76,733	32,783	19,319	454
2028	79,018	30,498	-	-
2029	81,371	28,145	-	-
2030-2034	444,676	102,907	-	-
2035-2039	459,983	32,842	-	-
Totals	<u>\$ 1,288,656</u>	<u>\$ 299,334</u>	<u>\$ 56,637</u>	<u>\$ 2,683</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note F - Long-term debt (Continued)

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 \$47,220, which the Town has funded with unobligated fund balances. The Town must also maintain 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 \$45,111 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.

The following schedule represents the Town's debt service requirements to maturity for the outstanding long-term debt of its business-type activities at year-end:

<u>Year Ending December 31,</u>	<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 17,792	\$ 763
2026	18,127	428
2027	9,192	86
Totals	<u>\$ 45,111</u>	<u>\$ 1,277</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note G – Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has 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 \$88,011. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the Town. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note H – Pension Plans

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

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Expense</u>
Statewide	\$ 55,936	\$ 1,271	\$ -	\$ -	\$ (1,880)
Volunteer - Fire	<u>13,453</u>	<u>5,104</u>	<u>-</u>	<u>14,242</u>	<u>2,387</u>
Total	<u>\$ 69,389</u>	<u>\$ 6,375</u>	<u>\$ -</u>	<u>\$ 14,242</u>	<u>\$ 507</u>

The Town's three retirement plans and related disclosures are as follows:

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Statewide Retirement 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 Retirement Plan and additions to/deductions from Fire & Police Statewide Retirement 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. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 230 participating employer fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1998, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows department who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2023, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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. The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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.

The annual retirement benefit is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to ten years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions. Contribution rates for the Plan are set by statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election by both the employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2023, the total combined member and employer contribution was 21.5 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2023, the total minimum required member and employer contribution rate was 21.7 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 10.75 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2023, the total minimum combined member and employer contribution rate was 16.25 percent.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Corporation is set annually by the FPPA's Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 is 14.24 percent. The Hybrid Defined Benefit Component contribution rate from January 1, 2023 through June 30, 2023 was 13.90 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

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

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

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

Contributions to the Plan from the Town during the year ended December 31, 2024 were \$6,077.

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

At December 31, 2024 the Town reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2023, the Town's proportion was .0056 percent, which was a decrease of .0021 percent from its proportion measured as of December 31, 2022.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

For the year ended December 31, 2024, the Town recognized pension expense of \$(1,880). At December 31, 2024, 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	\$ 11,792	\$ -
Changes in assumptions and other inputs	9,316	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	12,559	559
Difference between expected and actual experience	16,192	712
Contributions subsequent to measurement date	<u>6,077</u>	<u>-</u>
Totals	<u>\$ 55,936</u>	<u>\$ 1,271</u>

\$6,077 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>
2025	\$ 9,133
2026	11,440
2027	14,757
2028	4,185
2029	3,683
2030	2,555
2031	2,270
2032	<u>565</u>
Totals	<u>\$ 48,588</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Actuarial assumptions. The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ended December 31, 2023. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2024	January 1, 2023
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, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the 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 2022 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 & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income – Rates	10%	5.35%
Fixed Income – Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	<u>1%</u>	4.32%
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 Statewide Retirement 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.

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board’s Benefit Policy which includes a variable COLA and supplemental payments. Consistent with Board’s policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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 3.77 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the Town’s proportionate share of the net pension liability/(asset) to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the Town’s proportionate share of the net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the Town’s proportionate share of the net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount (7.00)	1% Increase (8.00)
Proportionate share of the net pension liability (asset)	\$ 31,638	\$ -	\$ -

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.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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.

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

Inactive plan members or beneficiaries currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>30</u>
Total	<u>48</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.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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, 2024 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, 2024 the Town reported a net pension asset of \$14,242. The net pension asset was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

For the year ended December 31, 2024, the Town recognized pension expense of \$2,387. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 6,738	\$ -
Changes in assumptions and other inputs	2,001	4,121
Difference between expected and actual experience	-	983
Contributions subsequent to measurement date	<u>4,714</u>	<u>-</u>
Totals	<u>\$ 13,453</u>	<u>\$ 5,104</u>

\$4,714 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	\$ (3,290)
2026	2,784
2027	5,116
2028	<u>(975)</u>
Totals	<u>\$ 3,635</u>

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Actuarial assumptions. The total pension liability in the January 1, 2023 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.

* 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, 2023, are summarized in the following table:

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H - Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	1.00%	4.32%
Fixed Income - Rates	10.00%	5.35%
Fixed Income - Credit	5.00%	5.89%
Absolute Return	9.00%	6.39%
Long Short	6.00%	7.27%
Global Equity	35.00%	8.33%
Private Markets	<u>34.00%</u>	10.31%
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).

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 3.77% (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%.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Changes in the net pension liability/(asset)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances at beginning of year	\$ 166,429	\$ 179,495	\$ (13,066)
Changes for the year			
Service cost	1,162	-	1,162
Interest on total pension liability	11,330	-	11,330
Benefit changes	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions – employer	-	4,714	(4,714)
Contributions – state of Colorado	-	4,243	(4,243)
Net investment income	-	16,956	(16,956)
Benefit payments	(10,450)	(10,450)	-
Administrative expenses	-	(12,245)	12,245
Net changes	<u>2,042</u>	<u>3,218</u>	<u>(1,176)</u>
Balances at end of year	<u>\$ 168,471</u>	<u>\$ 182,713</u>	<u>\$ (14,242)</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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net pension liability (asset)	<u>\$ 4,402</u>	<u>\$ (14,242)</u>	<u>\$ (29,772)</u>

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

Payables to the pension plan

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

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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 \$12,299, and the Town recognized pension expense of \$12,299.

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 \$47,000 for the emergency reserve.

TOWN OF HAXTUN, COLORADO
Notes to Financial Statements

Note J – Haxtun Old Hire Police Officers’ Pension Fund

The Town Council has found that no other person or persons is, and no person can, become eligible for payment of a benefit from the Haxtun Old Hire Police Officers’ Pension Fund established pursuant to C.R.S. Section 31-30.5-201(2). As such, the Town Council approved, and received, the idle funds distribution in the amount of \$120,785, which will be used to make future contributions to the defined benefit system trust fund pursuant to C.R.S. Section 31-31-402(2). The Town has restricted \$98,973 in its General Fund, representing idle funds that have not been contributed to the defined benefit system trust fund at year-end.

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Required Supplementary Information

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

- Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset) – Fire & Police Statewide Retirement Plan
- Schedule of Town Contributions – Fire & Police Statewide Retirement 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
- 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)
Fire & Police Statewide Retirement Plan
December 31, 2024

	2024	2023	2022	2021
Town's proportion of the net pension liability/(asset)	0.0056%	0.0077%	0.0077%	0.0075%
Town's proportionate share of the net pension liability/(asset)	\$ -	\$ 6,839	\$ (41,754)	\$ (16,346)
Town's covered payroll	\$ 61,953	\$ 69,612	\$ 62,024	\$ 60,475
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	0.0%	-9.8%	67.3%	27.0%
Plan fiduciary net position as a percentage of the total pension liability	100.00%	97.60%	116.20%	106.70%

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

2020	2019	2018	2017	2016	2015
0.0103%	0.0102%	0.0112%	0.0117%	0.0125%	0.0125%
\$ (5,839)	\$ 12,860	\$ (16,113)	\$ (4,227)	\$ (220)	\$ (14,142)
\$ 76,100	\$ 71,050	\$ 65,508	\$ 59,862	\$ 60,613	\$ 56,350
7.7%	-18.1%	24.6%	7.1%	0.4%	25.1%
101.90%	95.20%	106.30%	98.21%	100.10%	106.80%

TOWN OF HAXTUN, COLORADO
Schedule of Town Contributions
Fire & Police Statewide Retirement Plan
December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 6,077	\$ 5,266	\$ 5,917	\$ 5,272
Contributions in relation to the contractually required contribution	<u>(6,077)</u>	<u>(5,266)</u>	<u>(5,917)</u>	<u>(5,272)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 71,494	\$ 61,953	\$ 69,612	\$ 62,024
Contributions as a percentage of covered payroll	8.50%	8.50%	8.50%	8.50%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 4,838	\$ 6,088	\$ 5,684	\$ 5,241	\$ 4,789	\$ 4,849
<u>(4,838)</u>	<u>(6,088)</u>	<u>(5,684)</u>	<u>(5,241)</u>	<u>(4,789)</u>	<u>(4,849)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 60,475	\$ 76,100	\$ 71,050	\$ 65,508	\$ 59,862	\$ 60,613
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
Haxtun Volunteer Fire Department Pension Fund
Last 10 Fiscal Years

	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 1,162	\$ 990	\$ 1,281	\$ 1,212
Interest on the total pension liability	11,330	11,073	10,523	12,170
Differences between expected and actual experience	-	(220)	-	(18,345)
Assumption changes	-	2,373	(16,771)	17,243
Benefit payments	(10,450)	(10,800)	(11,050)	(12,800)
Net change in total pension liability	2,042	3,416	(16,017)	(520)
Total pension liability - beginning	166,429	163,013	179,030	179,550
Total pension liability - ending (a)	<u>\$ 168,471</u>	<u>\$ 166,429</u>	<u>\$ 163,013</u>	<u>\$ 179,030</u>
Plan fiduciary net position				
Contributions - employer	\$ 4,714	\$ 4,714	\$ 4,714	\$ 4,714
Net investment income	16,956	(16,330)	27,156	21,584
Benefit payments	(10,450)	(10,800)	(11,050)	(12,800)
Pension plan administrative expenses	(12,245)	(9,717)	(8,772)	(8,099)
State of Colorado supplemental discretionary payment	4,243	4,243	8,486	4,243
Net change in plan fiduciary net position	3,218	(27,890)	20,534	9,642
Plan fiduciary net position - beginning	179,495	207,385	186,851	177,209
Plan fiduciary net position - ending (b)	<u>\$ 182,713</u>	<u>\$ 179,495</u>	<u>\$ 207,385</u>	<u>\$ 186,851</u>
Town's net pension liability/(asset) - ending (a) - (b)	<u>\$ (14,242)</u>	<u>\$ (13,066)</u>	<u>\$ (44,372)</u>	<u>\$ (7,821)</u>
Plan fiduciary net position as a percentage of the total pension liability	108.45%	107.85%	127.22%	104.37%
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.

2020	2019	2018	2017	2016	2015
\$ 1,212	\$ 1,128	\$ 1,128	\$ 1,126	\$ 1,126	\$ 1,174
12,120	12,324	12,210	11,974	11,979	11,819
-	180	-	(2,467)	-	2,152
-	7,115	-	5,152	-	-
(12,435)	(11,500)	(12,126)	(13,150)	(13,200)	(12,762)
897	9,247	1,212	2,635	(95)	2,383
178,653	169,406	168,194	165,559	165,654	163,271
<u>\$ 179,550</u>	<u>\$ 178,653</u>	<u>\$ 169,406</u>	<u>\$ 168,194</u>	<u>\$ 165,559</u>	<u>\$ 165,654</u>
\$ 4,714	\$ 4,714	\$ 7,028	\$ 2,460	\$ 6,583	\$ 4,714
23,524	211	24,347	8,776	3,049	10,784
(12,435)	(11,500)	(12,126)	(13,150)	(13,200)	(12,762)
(11,703)	(10,540)	(10,309)	(539)	(1,565)	(634)
-	4,243	4,297	5,263	4,243	4,243
4,100	(12,872)	13,237	2,810	(890)	6,345
173,109	185,981	172,744	169,934	170,824	164,479
<u>\$ 177,209</u>	<u>\$ 173,109</u>	<u>\$ 185,981</u>	<u>\$ 172,744</u>	<u>\$ 169,934</u>	<u>\$ 170,824</u>
<u>\$ 2,341</u>	<u>\$ 5,544</u>	<u>\$ (16,575)</u>	<u>\$ (4,550)</u>	<u>\$ (4,375)</u>	<u>\$ (5,170)</u>
98.70%	96.90%	109.78%	102.71%		
N/A	N/A	N/A	N/A		
N/A	N/A	N/A	N/A		

TOWN OF HAXTUN, COLORADO
Schedule of Town Contributions
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)
2024	\$ 8,402	\$ 8,957	\$ (555)	N/A	N/A
2023	9,508	8,957	551	N/A	N/A
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

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

TOWN OF HAXTUN, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 682,449	\$ 682,449	\$ 840,886	\$ 158,437
Licenses and permits	4,500	4,500	8,726	4,226
Intergovernmental	68,699	68,699	79,954	11,255
Fines and forfeitures	1,250	1,250	3,490	2,240
Charges for services	27,000	27,000	36,365	9,365
Miscellaneous	324,675	324,675	352,229	27,554
Total revenues	1,108,573	1,108,573	1,321,650	213,077
Expenditures				
Current				
General government	237,720	237,720	210,614	27,106
Public safety	410,618	410,618	410,234	384
Public works	643,705	643,705	686,422	(42,717)
Culture and recreation	418,725	818,725	742,147	76,578
Debt service				
Principal retirement	70,268	70,268	90,041	(19,773)
Interest and fiscal charges	39,249	39,249	39,249	-
Total expenditures	1,820,285	2,220,285	2,178,707	41,578
Excess of revenues over (under) expenditures	(711,712)	(1,111,712)	(857,057)	254,655
Other financing sources				
Sale of assets	2,000	2,000	7,965	5,965
Lease proceeds			76,410	76,410
Transfers in	410,000	410,000	400,000	(10,000)
Total other financing sources	412,000	412,000	484,375	72,375
Net change in fund balance	\$ (299,712)	\$ (699,712)	(372,682)	\$ 327,030
Fund balance at beginning of year			877,705	
Fund balance at end of year			<u>\$ 505,023</u>	

TOWN OF HAXTUN, COLORADO
Community Center Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Rent income	\$ 3,500	\$ 3,500	\$ 5,245	\$ 1,745
Grants and contributions	600	600	22,600	22,000
Total revenues	4,100	4,100	27,845	23,745
Expenditures				
Current				
Salaries	3,000	3,000	2,195	805
Employee benefits	875	875	782	93
Insurance and bonds	5,000	5,000	6,121	(1,121)
Repairs and maintenance	5,000	5,000	3,323	1,677
County clerk fee	600	600		600
Utilities	10,550	10,550	10,176	374
Audit and legal	1,200	1,200	2,357	(1,157)
Supplies	1,500	1,500	780	720
Capital outlay		30,000	30,000	-
Miscellaneous	3,000	3,000	4,525	(1,525)
Total expenditures	30,725	60,725	60,259	466
Net change in fund balance	<u>\$ (26,625)</u>	<u>\$ (56,625)</u>	(32,414)	<u>\$ 24,211</u>
Fund balance at beginning of year			<u>323,933</u>	
Fund balance at end of year			<u>\$ 291,519</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Taxes				
Property taxes	\$ 185,349	\$ 185,349	\$ 177,658	\$ (7,691)
Specific ownership taxes	18,000	18,000	21,910	3,910
Penalties and interest on taxes	600	600	739	139
Franchise taxes	7,500	7,500	9,072	1,572
Sales taxes	470,000	470,000	631,507	161,507
Severance taxes	1,000	1,000		(1,000)
Total taxes	682,449	682,449	840,886	158,437
Licenses and permits	4,500	4,500	8,726	4,226
Intergovernmental				
Motor vehicle assessments	4,500	4,500	4,714	214
Cigarette taxes	700	700	909	209
Highway users tax	43,499	43,499	50,725	7,226
Road and bridge	15,000	15,000	15,915	915
Payment in lieu of taxes	5,000	5,000	7,691	2,691
Total intergovernmental	68,699	68,699	79,954	11,255
Fines and forfeitures	1,250	1,250	3,490	2,240
Charges for services				
Curb and gutter			529	529
Rabies control	6,000	6,000	4,769	(1,231)
Swimming pool	9,000	9,000	21,853	12,853
Concession stand	12,000	12,000	9,214	(2,786)
Total charges for services	27,000	27,000	36,365	9,365
Miscellaneous				
Interest on investments	6,000	6,000	39,612	33,612
Refunds and reimbursements	77,700	77,700	46,979	(30,721)
Grants and donations	230,850	230,850	218,979	(11,871)
Miscellaneous	10,125	10,125	46,659	36,534
Total miscellaneous	324,675	324,675	352,229	27,554
Total revenues	\$ 1,108,573	\$ 1,108,573	\$ 1,321,650	\$ 213,077

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TOWN OF HAXTUN, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
General government				
Salaries	\$ 57,620	\$ 57,620	\$ 30,387	\$ 27,233
Employee benefits	17,000	17,000	10,816	6,184
Supplies	23,500	23,500	13,982	9,518
Maintenance	7,500	7,500	20,265	(12,765)
Utilities	7,500	7,500	8,938	(1,438)
Travel	3,000	3,000	1,645	1,355
Insurance	10,000	10,000	13,042	(3,042)
Reporting and publishing	2,500	2,500	4,150	(1,650)
Audit and legal	8,500	8,500	12,595	(4,095)
Dues	14,000	14,000	13,850	150
County treasurer and clerk fees	6,250	6,250	7,538	(1,288)
Capital outlay	30,000	30,000	38,395	(8,395)
Miscellaneous	50,350	50,350	35,011	15,339
Total general government	237,720	237,720	210,614	27,106
Public safety				
Police				
Salaries	206,200	206,200	189,983	16,217
Employee benefits	84,600	84,600	75,354	9,246
Life and disability insurance	5,800	5,800	4,375	1,425
Drug education	2,500	2,500		2,500
Pension contribution	8,000	8,000	6,077	1,923
Maintenance	2,500	2,500	4,858	(2,358)
Fuel and oil	5,000	5,000	4,585	415
Insurance	13,000	13,000	23,834	(10,834)
Utilities	8,500	8,500	8,885	(385)
Supplies	21,500	21,500	12,728	8,772
Travel and training	6,000	6,000	30	5,970
Audit and legal	1,500	1,500	1,844	(344)
Capital outlay			48,917	(48,917)
Miscellaneous	16,858	16,858	4,573	12,285
Total police	381,958	381,958	386,043	(4,085)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fire				
Salaries	500	500	91	409
Employee benefits	370	370	51	319
Firemen's allotment	240	240		240
Pension contribution	3,650	3,650	2,400	1,250
Maintenance	1,500	1,500	711	789
Insurance	11,000	11,000	12,507	(1,507)
Utilities	7,550	7,550	8,312	(762)
Supplies	3,500	3,500	119	3,381
Miscellaneous	350	350		350
Total fire	28,660	28,660	24,191	4,469
Total public safety	410,618	410,618	410,234	384
Public works				
Highways and streets				
Salaries	82,000	82,000	63,264	18,736
Employee benefits	27,880	27,880	27,356	524
Utilities	15,800	15,800	11,914	3,886
Maintenance and supplies	437,000	437,000	440,546	(3,546)
Fuel and oil	11,000	11,000	8,592	2,408
Insurance	10,500	10,500	12,134	(1,634)
Capital outlay	45,000	45,000	113,812	(68,812)
Miscellaneous	3,150	3,150	2,193	957
Total highways and streets	632,330	632,330	679,811	(47,481)
Airport				
Salaries	1,200	1,200	3,322	(2,122)
Employee benefits	775	775	1,141	(366)
Maintenance and supplies	1,000	1,000	99	901
Insurance	4,500	4,500	2,049	2,451
Capital outlay	3,500	3,500		3,500
Miscellaneous	400	400		400
Total airport	11,375	11,375	6,611	4,764
Total public works	643,705	643,705	686,422	(42,717)

(continued)

TOWN OF HAXTUN, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2024

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Culture and recreation				
Recreation programs				
Salaries	53,500	53,500	75,928	(22,428)
Employee benefits	7,620	7,620	9,292	(1,672)
Utilities	14,455	14,455	17,974	(3,519)
Maintenance and supplies	32,000	32,000	57,589	(25,589)
Insurance	9,000	9,000	2,869	6,131
Capital outlay	230,850	630,850	507,458	123,392
Miscellaneous	7,550	7,550	12,452	(4,902)
Total recreation programs	354,975	754,975	683,562	71,413
Parks				
Salaries	13,000	13,000	13,512	(512)
Employee benefits	4,000	4,000	4,261	(261)
Utilities	5,500	5,500	3,964	1,536
Maintenance and supplies	16,000	16,000	13,043	2,957
Fuel and oil	800	800	869	(69)
Insurance	4,500	4,500	1,301	3,199
Capital outlay	14,000	14,000	17,905	(3,905)
Miscellaneous	1,000	1,000	513	487
Total parks	58,800	58,800	55,368	3,432
Fishing lake				
Salaries	1,500	1,500	974	526
Employee benefits	550	550	314	236
Utilities	800	800	726	74
Maintenance and supplies	600	600	453	147
Insurance	1,500	1,500	750	750
Total fishing lake	4,950	4,950	3,217	1,733
Total culture and recreation	418,725	818,725	742,147	76,578

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Debt service				
Principal retirement	70,268	70,268	90,041	(19,773)
Interest and fiscal charges	39,249	39,249	39,249	-
Total debt service	109,517	109,517	129,290	(19,773)
Total expenditures	<u>\$ 1,820,285</u>	<u>\$ 2,220,285</u>	<u>\$ 2,178,707</u>	<u>\$ 41,578</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, 2024

	<u>Conservation Trust Fund</u>	<u>Library Fund</u>	<u>Total</u>
Assets			
Cash	\$ 19,992	\$ 16,769	\$ 36,761
Property taxes receivable		15,537	15,537
Total assets	<u>\$ 19,992</u>	<u>\$ 32,306</u>	<u>\$ 52,298</u>
Liabilities			
Accounts payable		\$ 38	\$ 38
Total liabilities	\$ -	38	38
Deferred inflows of resources			
Deferred property tax revenues		15,537	15,537
Total deferred inflows of resources	-	15,537	15,537
Fund balance			
Restricted for culture and recreation	19,992		19,992
Committed to library purposes		16,731	16,731
Total fund balance	<u>19,992</u>	<u>16,731</u>	<u>36,723</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 19,992</u>	<u>\$ 32,306</u>	<u>\$ 52,298</u>

TOWN OF HAXTUN, COLORADO
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2024

	Conservation Trust Fund	Library Fund	Total
Revenues			
Taxes		\$ 31,174	\$ 31,174
Intergovernmental revenue	\$ 11,795		11,795
Earnings on investments	238	53	291
Miscellaneous		6,695	6,695
Total revenues	12,033	37,922	49,955
Expenditures			
Current			
Culture and recreation	10,000	41,182	51,182
Total expenditures	10,000	41,182	51,182
Net change in fund balance	2,033	(3,260)	(1,227)
Fund balance at beginning of year	17,959	19,991	37,950
Fund balance at end of year	\$ 19,992	\$ 16,731	\$ 36,723

TOWN OF HAXTUN, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ 9,400	\$ 9,400	\$ 11,795	\$ 2,395
Interest on investments	60	60	238	178
Total revenues	9,460	9,460	12,033	2,573
Expenditures				
Current				
Culture and recreation	10,000	10,000	10,000	-
Total expenditures	10,000	10,000	10,000	-
Net change in fund balance	\$ (540)	\$ (540)	2,033	\$ 2,573
Fund balance at beginning of year			17,959	
Fund balance at end of year			\$ 19,992	

TOWN OF HAXTUN, COLORADO
Library Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property tax	\$ 16,031	\$ 16,031	\$ 15,448	\$ (583)
Delinquent taxes and interest			60	60
Sales taxes	15,000	15,000	15,666	666
Interest on investments	60	60	53	(7)
Grants and contributions	4,500	4,500	3,494	(1,006)
Miscellaneous			3,201	3,201
Total revenues	35,591	35,591	37,922	2,331
Expenditures				
Current				
Salaries	20,000	20,000	18,316	1,684
Employee benefits	1,400	1,400	1,473	(73)
Books	7,200	7,200	6,986	214
Insurance and bonds	3,000	3,000	3,014	(14)
Repairs and maintenance	4,650	4,650	383	4,267
County treasurer and clerk fees	450	450	454	(4)
Utilities	5,200	5,200	4,975	225
Supplies	750	750	200	550
Audit	1,175	1,175	2,357	(1,182)
Miscellaneous	1,250	1,250	3,024	(1,774)
Total expenditures	45,075	45,075	41,182	3,893
Net change in fund balance	\$ (9,484)	\$ (9,484)	(3,260)	\$ 6,224
Fund balance at beginning of year			19,991	
Fund balance at end of year			\$ 16,731	

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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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 1,075,700	\$ 1,075,700	\$ 1,091,889	\$ 16,189
Penalties	10,000	10,000	9,940	(60)
Total operating revenues	1,085,700	1,085,700	1,101,829	16,129
Operating expenses				
Salaries	62,000	62,000	63,111	(1,111)
Employee benefits	33,000	33,000	27,484	5,516
Supplies	4,500	4,500	1,011	3,489
Repairs and maintenance	232,000	232,000	62,120	169,880
Insurance	7,000	7,000	3,893	3,107
Utilities	1,800	1,800	1,362	438
Audit and legal	2,270	2,270	2,669	(399)
Fuel and oil	10,000	10,000	5,224	4,776
Power purchased	600,000	600,000	542,479	57,521
Miscellaneous	6,650	6,650	7,166	(516)
Depreciation	38,000	38,000	34,242	3,758
Capital outlay	10,000	10,000	150,058	(140,058)
Total operating expenses	1,007,220	1,007,220	900,819	106,401
Operating income	78,480	78,480	201,010	122,530
Nonoperating revenues				
Interest on investments	35	35	2,050	2,015
Miscellaneous	6,200	6,200	2,815	(3,385)
Total nonoperating revenues	6,235	6,235	4,865	(1,370)
Net income before transfers	84,715	84,715	205,875	121,160

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Transfers out	<u>(325,000)</u>	<u>(325,000)</u>	<u>(325,000)</u>	-
Change in net position	<u>\$ (240,285)</u>	<u>\$ (240,285)</u>	<u>(119,125)</u>	<u>\$ 121,160</u>
Adjustments to GAAP Basis				
Add capital outlay			<u>150,058</u>	
Change in net position - GAAP Basis			30,933	
Net position at beginning of year			<u>1,480,717</u>	
Net position at end of year			<u>\$ 1,511,650</u>	

TOWN OF HAXTUN, COLORADO
Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 273,500	\$ 273,500	\$ 261,407	\$ (12,093)
Operating expenses				
Salaries	54,500	54,500	59,457	(4,957)
Employee benefits	30,860	30,860	27,076	3,784
Supplies	4,000	4,000	1,673	2,327
Repairs and maintenance	81,500	81,500	31,073	50,427
Insurance	5,700	5,700	4,227	1,473
Utilities	27,775	27,775	33,506	(5,731)
Audit and legal	2,600	2,600	2,357	243
Fuel and oil	1,500	1,500	779	721
Water assessment fee	6,700	6,700	5,267	1,433
Miscellaneous	10,775	10,775	10,312	463
Depreciation	19,000	19,000	22,973	(3,973)
Capital outlay	5,000	5,000		5,000
Total operating expenses	249,910	249,910	198,700	51,210
Operating income	23,590	23,590	62,707	39,117
Nonoperating revenues				
Interest on investments	30	30	294	264
Federal grant revenue			274	274
Miscellaneous	3,900	3,900	10,368	(6,468)
Total nonoperating revenues	3,930	3,930	10,936	7,006
Net income before transfers	27,520	27,520	73,643	46,123
Transfers out	(25,000)	(25,000)	(25,000)	-
Change in net position	\$ 2,520	\$ 2,520	48,643	\$ 46,123
Net position at beginning of year			807,859	
Net position at end of year			\$ 856,502	

TOWN OF HAXTUN, COLORADO
Sanitation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 194,200	\$ 194,200	\$ 203,874	\$ 9,674
Operating expenses				
Salaries	90,000	90,000	91,728	(1,728)
Employee benefits	45,300	45,300	39,697	5,603
Supplies	3,000	3,000	865	2,135
Repairs and maintenance	8,500	8,500	2,655	5,845
Insurance	8,500	8,500	7,159	1,341
Utilities	600	600	330	270
Audit and legal	2,290	2,290	2,357	(67)
Fuel and oil	5,000	5,000	5,000	-
Dump expense	25,000	25,000	27,797	(2,797)
Miscellaneous	775	775	2,173	(1,398)
Depreciation	4,700	4,700	3,359	1,341
Capital outlay	5,000	5,000		5,000
Total operating expenses	198,665	198,665	183,120	15,545
Operating income (loss)	(4,465)	(4,465)	20,754	25,219
Nonoperating revenues				
Interest on investments	20	20	288	268
Miscellaneous			148	148
Total nonoperating revenues	20	20	436	416
Change in net position	\$ (4,445)	\$ (4,445)	21,190	\$ 25,635
Net position at beginning of year			219,171	
Net position at end of year			\$ 240,361	

TOWN OF HAXTUN, COLORADO
Sewer Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 135,775	\$ 135,775	\$ 134,599	\$ (1,176)
Operating expenses				
Salaries	46,000	46,000	49,565	(3,565)
Employee benefits	25,700	25,700	19,489	6,211
Supplies	4,500	4,500	967	3,533
Repairs and maintenance	4,500	4,500	8,084	(3,584)
Insurance	4,500	4,500	3,393	1,107
Utilities	1,375	1,375	841	534
Audit and legal	2,500	2,500	2,357	143
Fuel and oil	500	500	192	308
Miscellaneous	3,750	3,750	3,495	255
Depreciation and amortization	22,000	22,000	18,534	3,466
Capital outlay	5,000	5,000		5,000
Total operating expenses	120,325	120,325	106,917	13,408
Operating income	15,450	15,450	27,682	12,232
Nonoperating revenues (expenses)				
Interest on investments	15	15	441	426
Principal paid on long-term debt	(17,463)	(17,463)	(17,463)	-
Interest and fiscal charges	(1,092)	(1,092)	(1,037)	55
Total nonoperating revenues (expenses)	(18,540)	(18,540)	(18,059)	481
Net income (loss) before transfers	(3,090)	(3,090)	9,623	12,713
Transfers out	(50,000)	(50,000)	(50,000)	-
Change in net position	\$ (53,090)	\$ (53,090)	(40,377)	\$ 12,713
Adjustments to GAAP Basis				
Add principal on long-term debt			17,463	
Change in net position - GAAP Basis			(22,914)	
Net position at beginning of year			874,925	
Net position at end of year			\$ 852,011	

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

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

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

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/24

This Information From The Records Of:
Town of Haxtun

Prepared By:
Kelsey Harms, Town Clerk/Treasurer 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)	\$ 408,767.68
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 29,409.00
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	\$ 512,752.68	b. Snow and ice removal	\$ -
3. Other local imposts (from page 2)	\$ 222,759.00	c. Other	\$ 1,059.00
4. Miscellaneous local receipts (from page 2)	\$ 2,401.00	d. Total (a. through c.)	\$ 1,059.00
5. Transfers from toll facilities	\$ -	4. General administration & miscellaneous	\$ 34,843.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 189,983.00
a. Bonds - Original Issues	\$ -	6. Total (1 through 5)	\$ 664,061.68
b. Bonds - Refunding Issues	\$ -	B. Debt service on local obligations:	
c. Notes	\$ -	1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ 39,249.00
7. Total (1 through 6)	\$ 737,912.68	b. Redemption	\$ 70,268.00
3. Private Contributions	\$ -	c. Total (a. + b.)	\$ 109,517.00
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 55,439.00	a. Interest	\$ -
D. Receipts from Federal Government		b. Redemption	\$ 19,773.00
(from page 2)	\$ -	c. Total (a. + b.)	\$ 19,773.00
E. Total receipts (A.7 + B + C + D)	\$ 793,351.68	3. Total (1.c + 2.c)	\$ 129,290.00
		C. Payments to State for highways	\$ -
		D. Payments to toll facilities	\$ -
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 793,351.68

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	\$ 1,358,924.00	\$ -	\$ 70,268.00	\$ 1,288,656.00
1. Bonds (Refunding Portion)	\$ -	\$ -	\$ -	\$ -
B. Notes (Total)	\$ -	\$ 76,410.00	\$ 19,773.00	\$ 56,637.00

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
	\$ -	\$ 793,351.68	\$ 793,351.68	\$ -	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/24

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	\$ -	a. Interest on investments	\$ 6.00
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 2,395.00
1. Sales Taxes	\$ 184,934.00	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	\$ 37,825.00	g. Other Misc. Receipts	\$ -
6. Total (1. through 5.)	\$ 222,759.00	h. Other	\$ -
c. Total (a. + b.)	\$ 222,759.00	i. Total (a. through h.)	\$ 2,401.00
<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.)	\$ 50,725.00	1. FHWA (from Item I,D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ -
a. State bond proceeds		b. FEMA	\$ -
b. Project Match	\$ -	c. HUD	\$ -
c. Motor Vehicle Registrations	\$ 4,714.00	d. Federal Transit Administration	\$ -
d. DOLA Grant	\$ -	e. U.S. Corps of Engineers	\$ -
e. Other	\$ -	f. Other Federal ARPA	\$ -
f. Total (a. through e.)	\$ 4,714.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 55,439.00	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	\$ -	\$ 408,767.68	\$ 408,767.68
(4). System Enhancement And Operation	\$ -	\$ -	\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 408,767.68	\$ 408,767.68
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 408,767.68	\$ 408,767.68
<i>(Carry forward to page 1)</i>			

Notes and Comments: