TOWN OF CHEYENNE WELLS, COLORADO

AUDITED FINANCIAL STATEMENTS

December 31, 2025

TOWN OF CHEYENNE WELLS, COLORADO
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LIITTJOHANN, KAUFFMAN, and PEDERSON
Certified Public Accountants

David A. Kauffman, C.P.A., P.C.   Daniel M. Pederson, C.P.A.'s, P.C.

INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Cheyenne Wells, 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 Cheyenne Wells, Colorado, as of and for the year ended December 31, 2025, 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 of Cheyenne Wells, Colorado, as of December 31, 2025, and the respective changes in financial position and cash flows, where applicable, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Cheyenne Wells, Colorado 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of Cheyenne Wells, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including and currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

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- 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 of Cheyenne Wells, Colorado'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt the Town of Cheyenne Wells, Colorado'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The Supplementary Information and Local Highway Finance Report were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and Local Highway Finance Report are fairly sated, in all material respects, in relation to the basic financial statements as a whole.

Fort Morgan, Colorado
July 3, 2026

TOWN OF CHEYENNE WELLS, COLORADO
Management's Discussion and Analysis
Fiscal year Ended December 31, 2025

As management of the Town of Cheyenne Wells (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the Town for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statement.

FINANCIAL HIGHLIGHTS

- The Town's total net position increased by $144,310 or 1.6%.
- The Governmental activities net position increased by $16,361.
- The Town's Business-type activities net position increased by $127,949.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The **statement of net position** presents information on all the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the differences being reported as net position. Over time, the increases of decreases in net position may serve as a useful indictor of whether the financial position of the Town is improving or deteriorating.

The **statement of activities** presents information showing how the Town'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 for some items will result in cash flows in future periods (e.g. uncollected taxes an earned but unused personal time).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are to recover all or a significant portion of their cost through user fees and charges (Business-type Activities). The Governmental Activities of the Town include general government administration, public works, public safety, parks and recreation, library, community service and economic development. The Business-type Activities of the Town include the following utilities: water, sewer, and trash.

Fund Financial Statements

A fund is a grouping or related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's fund can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds –*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financial requirements. The accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

Proprietary Funds – Services for which the Town charges customers a fee is generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The Town's Water Enterprise Fund is a proprietary fund accounting for its water system activities.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2025, the Town's combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $9,159,523. Of this amount, $4,673,628 is unrestricted and available to meet the Town's ongoing financial obligations.

A large portion of net position is the investment in capital assets (net of related debt) of $4,377,904 (48% of net positon). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment is capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2025:

	Governmental Activities 2025	Governmental Activities 2024	Business Type Activities 2025	Business Type Activities 2024	Total 2025	Total 2024
Assets:						
Current and Other Assets	$3,391,745	$3,314,121	$1,846,356	$1,662,030	$5,238,101	$5,976,151
Capital Assets	2,170,129	2,195,707	2,207,775	2,260,282	4,377,904	4,455,989
TOTAL ASSETS	5,561,874	5,509,828	4,054,131	3,922,312	9,616,005	9,432,140
Liabilities:						
Current Liabilities	74,281	104,743	56,288	56,565	130,569	161,308
Noncurrent Liabilities	10,251	10,178	5,963	1,816	16,214	11,994
TOTAL LIABILITIES	84,532	114,921	62,251	58,381	146,783	173,302
Deferred Inflows of Resources	309,699	243,625	-	-	309,699	243,625
Net position:						
Net Investment in Capital Assets	2,170,129	2,195,707	2,207,775	2,260,282	4,377,904	4,455,989
Restricted	85,991	87,877	20,000	20,000	105,991	107,877
Unrestricted	2,911,523	2,867,698	1,762,105	1,583,649	4,673,628	4,451,347
TOTAL NET POSITION	**$5,167,643**	**$5,151,282**	**$3,991,880**	**$3,863,931**	**$9,159,523**	**$9,015,213**

A portion of total net position, $105,991, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, $4,673,628 (51% of net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

Change in Net Position

Governmental and business-type activities increased the Town's net position by $144,310 in 2025.

The following table summarizes the Town's governmental and business-type revenues, expenses and changes in net position.

	Governmental Activities 2025	Governmental Activities 2024	Business Type Activities 2025	Business Type Activities 2024	Total 2025	Total 2024
Revenues:						
Program Revenues						
Operating Grants & Contr.	$ 142,941	$182,549	$38,339	$73,208	$181,280	$255,756
Capital Grants & Contr.	-	-	-	72,505	-	72,505
Charges for Services	35,067	35,763	626,020	546,530	661,087	582,293
General Revenues						
Taxes	881,924	810,356	-	-	881,924	810,356
Investment Earnings	65,249	63,980	24,601	21,845	89,850	85,825
TOTAL REVENUES	1,125,181	1,092,648	688,960	714,087	1,814,141	1,806,735
Expenses:						
General Government	278,159	222,478	-	-	278,159	222,478
Judicial	4,900	4,640	-	-	4,900	4,640
Public Safety	60,407	62,658	-	-	60,407	62,658
Highways and Streets	566,863	619,802	-	-	566,863	619,802
Rural Development	61,671	21,588	-	-	61,671	21,588
Culture and recreation	25,445	31,896	-	-	25,445	31,896
Water	-	-	724,118	502,064	724,118	502,064
TOTAL EXPENSES	997,445	963,062	724,118	502,064	1,721,563	1,465,126
Change in Net Position before transfers and special items	127,736	129,586	(35,158)	212,023	92,578	341,609
Transfers	(163,107)	(21,443)	163,107	21,443	-	-
Insurance Proceeds	-	-	-	-	-	-
Sale of Fixed Assets	51,732	-	-	-	51,732	-
Capital Contributions	-	-	-	-	-	-
Change in net Position	16,361	108,143	127,949	223,466	144,310	341,609
Net Position, Beginning	5,151,282	5,043,139	3,863,931	3,630,465	9,015,213	8,673,604
Net Position, Ending	**$5,167,643**	**$5,151,282**	**$3,991,880**	**$3,863,931**	**$9,159,523**	**$9,015,213**

Governmental Activities

Governmental activities increased the Town's net position by $16,361.

Business type activities for the year resulted in an increase in net position of $127,949. Charges for services accounted for 89% of the total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental Funds – The focus of the Town's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. As of the end of 2025, the Town's governmental funds reported an ending fund balance of $3,007,765, and increase of $42,012 in comparison with the prior year. Of the ending fund balance for the governmental funds, 54% of this total has been restricted, committed, or assigned.

The Town has one major governmental fund, which is the General Fund, and it is the primary operating fund for the Town. At the end of 2025, the unassigned fund balance of the General Fund was $1,357,481, while the total fund balance was $1,389,729. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the General Fund decreased by $(35,099) during 2025.

Propriety funds – The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted $1,624,612 for 2025 expenditures. Actual expenditures were $1,663,350.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2025, was $130,106. As required by GASB 34, the investment in capital assets includes land, buildings, building improvements, and equipment.

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 45,383	$ -	$ -	$ 45,383
Construction in Progress	-	36,361	-	36,361
Total Capital Assets, not being depreciated	45,383	36,361	-	81,744
Capital Assets, being depreciated				
Buildings & Improvements	890,451	-	-	890,451
Infrastructure	2,586,291	-	-	2,586,291
Equipment	956,480	73,884	(270,072)	760,292
Total Capital Assets, being depreciated	4,433,222	73,884	(270,072)	4,237,034
Less accumulated depreciation				
Buildings & Improvements	(396,798)	(22,635)	-	(419,433)
Infrastructure	(1,089,829)	(70,330)	-	(1,160,159)
Equipment	(796,271)	(22,913)	250,128	(569,056)
Total accumulated depreciation	(2,282,898)	(115,878)	250,128	(2,148,648)
Total Capital Assets, being depreciated, net	2,150,324	(41,994)	(19,944)	2,088,386
Governmental Activities Capital Assets, net	**$ 2,195,707**	**$ (5,633)**	**$ (19,944)**	**$ 2,170,130**

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Business-type Activities:				
Capital Assets, not being depreciated				
Land	$23,889	$ -	$ -	$ 23,889
Construction in Progress	-	-	-	-
Total Capital Assets, not being depreciated	23,889	-	-	23,889
Capital Assets, being depreciated				
Buildings & Water System	4,157,874	21,600	-	4,179,474
Equipment and Vehicles	65,922	34,622	-	100,544
Total Capital Assets, being depreciated	4,223,796	56,222	-	4,280,018
Less accumulated depreciation	(1,987,403)	(108,729)		(2,096,132)
Total Capital Assets, being depreciated, net	2,236,393	(52,507)	-	2,183,886
Business-type Activities Capital Assets, net	**$ 2,260,282**	**$ (52,507)**	**$ -**	**$ 2,207,775**

LONG-TERM DEBT

As of December 31, 2025, the Town did not have any debt or leases.

ECONOMIC FACTORS AND 2026 BUDGET AND RATES

Governmental activities revenues were budgeted at $2,020,259 for year 2025, a $895,078 increase from 2025 actual revenues. Expenditures for governmental activities are projected to be $1,386,102 for year 2026, which is an increase from the 2025 actual expenditures which totaled $991,739. Increases in the budgeted governmental activities revenues and expenditure are mainly a result of an increase in budgeted capital grants for the year 2026.

The main business-type activity for the Town is the water utility. Revenues for year 2026 were budgeted at $664,000, which represents a decrease from the 2025 actual revenues which totaled $688,960. Year 2026 budgeted expenditures of $708,829 represent an decrease from current year actual expenditures which were $724,118.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Town Clerk/Treasurer
Town of Cheyenne Wells
151 South 1st
Cheyenne Wells, CO 80810
Phone: 719-767-5865

TOWN OF CHEYENNE WELLS, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 921,745	$ 1,003,343	$ 1,925,088
Cash with County Treasurer	-	-	-
Investments	2,045,000	750,043	2,795,043
Intergovernmental Receivable	55,305	-	55,305
Accounts Receivable	74,487	40,020	114,507
Taxes Receivable	309,699	-	309,699
Internal Balances	(16,739)	16,739	-
Inventory	-	19,233	19,233
Prepaid Expenses	2,248	16,978	19,226
Total Current Assets	3,391,745	1,846,356	5,238,101
Non-Current Assets:			
Capital Assets			
Land	45,383	23,889	69,272
Buildings, Improvements & Water System	890,451	4,179,474	5,069,925
Equipment	760,292	100,544	860,836
Infrastructure	2,586,291	-	2,586,291
Construction in Progress	36,361		36,361
Accumulated Deprociation	(2,148,649)	(2,096,132)	(4,244,781)
Total Non-Current Assets	2,170,129	2,207,775	4,377,904
TOTAL ASSETS	5,561,874	4,054,131	9,616,005
LIABILITIES			
Current Liabilities:			
Accounts Payable	69,280	9,327	78,607
Payroll Liabilities	5,001	2,799	7,800
Meter Deposits		44,162	44,162
Unearned Revenues - Grant	-	-	-
Total Current Liabilities	74,281	56,288	130,569
Long-Term Liabilities:			
Compensated absences	10,251	5,963	16,214
TOTAL LIABILITIES	84,532	62,251	146,783
DEFERRED INFLOWS			
Deferred Revenue - Property Taxes	309,699	-	309,699
NET POSITION			
Net Investment in Capital Assets	2,170,129	2,207,775	4,377,904
Restricted for Emergency Reserve	30,000	22,000	52,000
Restricted for Culture & Recreation	55,991	-	55,991
Unrestricted	2,911,523	1,762,105	4,673,628
TOTAL NET POSITION	5,167,643	3,991,880	9,159,523

The accompanying notes and independent auditors' report should be read with these financial statements.

TOWN OF CHEYENNE WELLS, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS — PRIMARY GOVERNMENT		
FUNCTIONS/PROGRAMS	**EXPENSES**	**CHARGES FOR SERVICES**	**OPERATING GRANTS AND CONTRIBUTIONS**	**CAPITAL GRANTS AND CONTRIBUTIONS**	**GOVERNMENTAL ACTIVITIES**	**BUSINESS-TYPE ACTIVITIES**	**TOTAL**
PRIMARY GOVERNMENT:							
Governmental Activities:							
General Government	$ 278,159	$ 31,512	$ 142,941	$ -	$ (103,706)	$ -	$ (103,706)
Judicial	4,900	-	-	-	(4,900)	-	(4,900)
Public Safety	60,407	3,555	-	-	(56,852)	-	(56,852)
Highway and streets	566,863	-	-	-	(566,863)	-	(566,863)
Rural Development	61,671	-	-	-	(61,671)	-	(61,671)
Culture and recreation	25,445	-	-	-	(25,445)	-	(25,445)
Total Governmental Activities	997,445	35,067	142,941	-	(819,437)	-	(819,437)
Business-Type Activities:							
Water	724,118	626,020	38,339	-	-	(59,759)	(59,759)
Total Business-Type Activities	724,118	626,020	38,339	-	-	(59,759)	(59,759)
Total Primary Government	1,721,563	661,087	181,280	-	(819,437)	(59,759)	(879,196)
Taxes:							
Property Tax					$ 283,727	$ -	$ 283,727
Sales Tax					534,512	-	534,512
Franchise Tax					63,685	-	63,685
Transfers					(163,107)	163,107	-
Sale of Fixed Assets					51,732	-	51,732
Interest					65,249	24,601	89,850
Total General Revenues					835,798	187,708	1,023,506
Change in Net Position					16,361	127,949	144,310
Net Position beginning					5,151,282	3,863,931	9,015,213
Net Position ending					5,167,643	3,991,880	9,159,523

The accompanying notes and independent auditors' report should be read with these financial statements.

TOWN OF CHEYENNE WELLS, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

ASSETS	GENERAL	CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
Cash and Cash Equivalents	$ 491,596	$ 414,158	$ 15,991	$ 921,745
Cash with County Treasurer	-	-	-	-
Investments	900,000	1,105,000	40,000	2,045,000
Intergovernmental Receivable	-	55,305	-	55,305
Accounts Receivable	17,171	57,316	-	74,487
Taxes Receivable	309,699	-	-	309,699
Due From Other Funds	-	-	-	-
Prepaid Expenses	2,248	-	-	2,248
TOTAL ASSETS	1,720,714	1,631,779	55,991	3,408,484
LIABILITIES, DEFERRED INFLOWS & FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 16,285	$ 52,995	$ -	$ 69,280
Due To Other Funds	-	16,739	-	16,739
Payroll Liabilities	5,001	-	-	5,001
Unearned Revenues - Grant	-	-	-	-
TOTAL LIABILITIES	21,286	69,734	-	91,020
DEFERRED INFLOWS				
Deferred Revenue - Property Taxes	309,699	-	-	309,699
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	2,248	-	-	2,248
Restricted for:				
Emergenies (TABOR)	30,000	-	-	30,000
Culture & Recreation	-	-	55,991	55,991
Assigned to:				
Capital Projects	-	1,562,045	-	1,562,045
Unassigned:				
General Fund	1,357,481	-	-	1,357,481
TOTAL FUND BALANCES	1,389,729	1,562,045	55,991	3,007,765
TOTAL LIABILITY, DEFERRED INFLOWS, AND FUND BALANCES	1,720,714	1,631,779	55,991	3,408,484

TOWN OF CHEYENNE WELLS, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total Fund Balances - Total Governmental Funds	$	3,007,765
The following amounts reported for governmental activities are not current financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet.		
Governmental Capital assets		4,318,778
Accumulated Depreciation		(2,148,649)
The following amounts reported for governmental activities are not due an payable in the current period. Therefore, they are not reported in the Governmental Funds Balance Sheet.		
Compensated Absenses		(10,251)
Net Position of Governmental Activities	$	5,167,643

The accompanying notes and independent auditors' report should be read with these financial statements.

TOWN OF CHEYENNE WELLS, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	GENERAL	CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Taxes	$ 347,412	$ 534,512	$ -	$ 881,924
Licenses and Permits	10,319	-	-	10,319
Intergovernmental Revenue	67,027	70,717	4,300	142,044
Charges for Services	3,068	-	-	3,068
Fines and Forfeits	3,555	-	-	3,555
Donations	897	-	-	897
Interest Income	27,558	36,522	1,169	65,249
Miscellaneous	13,776	4,349	-	18,125
TOTAL REVENUES	473,612	646,100	5,469	1,125,181
EXPENDITURES:				
Current				
General Government	246,958	19,873	-	266,831
Judicial	4,900	-	-	4,900
Public Safety	59,401	-	-	59,401
Highways and Streets	213,730	258,718	-	472,448
Rural Development	-	61,671	-	61,671
Culture and Recreation	12,889	-	3,355	16,244
Capital Outlay	42,510	67,734	-	110,244
TOTAL EXPENDITURES	580,388	407,996	3,355	991,739
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(106,776)	238,104	2,114	133,442
OTHER FINANCIAL SOURCES (USES):				
Operating Transfers In (Out)	-	(163,107)	-	(163,107)
Insurance Proceeds	-	-	-	-
Sale of Fixed Assets	71,677	-	-	71,677
NET CHANGE IN FUND BALANCE	(35,099)	74,997	2,114	42,012
FUND BALANCES, BEGINNING OF YEAR	1,424,828	1,487,048	53,877	2,965,753
FUND BALANCES, END OF YEAR	$ 1,389,729	$ 1,562,045	$ 55,991	$ 3,007,765

The accompanying notes and independent auditors' report should be read with these financial statements.

TOWN OF CHEYENNE WELLS, 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, 2025

Net change in fund balances - total governmental funds	$ 42,012
Amounts reported for governmental activities in the statement of net activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	110,244
Depreciation expense	(115,878)
Assets sold during the year are recognized in the Governmental funds as revenue in the year sold. However, in the Governmental activities these assets are reported as a gain or loss on sale by reducing the sales revenue by the remaining basis. The difference for the current year was.	(19,945)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Current-period change in the liability for compensated absenses	(72)
Change in net position of governmental activities	$ 16,361

The accompanying notes and independent auditors'
report should be read with these financial statements.

TOWN OF CHEYENNE WELLS, COLORADO
PROPRIETARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	UTILITY FUND
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 1,003,343
Investments	750,043
Accounts Receivable	40,020
Due From Other Funds	16,739
Inventory	19,233
Prepaid Expenses	16,978
Total Current Assets:	1,846,356
Non-Current Assets:	
Capital Assets	
Land	23,889
Buildings, Water Systems	4,179,474
Equipment	100,544
Less Accumulated Depreciation	(2,096,132)
Total Non-Current Assets	2,207,775
TOTAL ASSETS	4,054,131
LIABILITIES	
Current Liabilites:	
Accounts Payable	$ 9,327
Payroll Liabilities	2,799
Meter Deposits	44,162
Total Current Liabilities	56,288
Long-Term Liabilities:	
Compensated absences	5,963
TOTAL LIABILITIES	62,251
NET POSITON	
Net Investment in Capital Assets	2,207,775
Restricted for Emergency Reserve	22,000
Unrestricted	1,762,105
TOTAL NET POSITON	$ 3,991,880

The accompanying notes and independent auditors'
report should be read with these financial statements.

TOWN OF CHEYENNE WELLS, COLORADO
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
DECEMBER 31, 2025

	UTILITY FUND
Operating Revenues	
Charges for Services	$ 557,623
Miscellaneous	68,397
Total Operating Revenues	626,020
Operating Expenses	
Salaries	172,673
Employee Benefits	59,706
Chemicals and Supplies	23,008
Utilities	49,136
Depreciaiton	108,729
Payroll Taxes	13,229
Repairs	69,782
Outside Services	179,318
Office Supplies	40,292
Insurance	-
Donations	2,423
Miscellaneous	5,822
Total Operating Expenses	724,118
Net Operating Income (Loss)	(98,098)
Non-Operating Revenues (Expenses)	
Grant	$ 38,339
Interest Income	24,601
Total Non-Operating Revenues	62,940
Income Before Operating Transfers	(35,158)
Operating Transfers In	163,107
Change in Net Position	127,949
Net Position, Beginning of Year	3,863,931
Net Position, End of Year	$ 3,991,880

TOWN OF CHEYENNE WELLS, COLORADO
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts From Customers	$	606,531
Payments to Suppliers for Goods and Services		(447,041)
Payments to Employees		(168,526)
Net Cash Provided (Used) by Operating Activities:		(9,036)
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:		
Grants		38,339
Transfer from Other Funds		144,321
Net Cash From Non Capital and Financing Activities		182,660
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:		
Grants		-
Transfer from Other Funds		56,222
Acquisiiton of Capital Assets		(56,222)
Net Cash Provided (Used) By Capital and Financing Activities		-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Redemption (Purchase) of Investments		(250,000)
Interest on Investments		24,601
Net Cash Provided (Used) By Investing Activities		(225,399)
Net Increase (Decrease) in Cash and Cash Equivalents		(51,775)
CASH AND CASH EQUIVALENTS		
Beginning of Year		1,055,118
End of Year	$	1,003,343
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) Operating Activities		
Net Operating Income (Loss)	$	(98,098)
Depreciation		108,729
Changes in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable		(17,594)
(Increase) Decrease in Inventory		(328)
(Increase) Decrease in Prepaid Expense		(5,615)
Increase (Decrease) In Accounts Payable		(515)
Increase (Decrease) in Payroll Liabilities		2,133
Increase (Decrease) in Compensated Absences		4,147
Increase (Decrease) in Customer Meter Deposits		(1,895)
Net Cash Provided By Operating Activities	$	(9,036)

The accompanying notes and independent auditors' report should be read with these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Cheyenne Wells, Colorado (the "Town") have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the Town's financial statements.

A. Reporting Entity

As required by GAAP, these financial statements present the Town (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable, or other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would cause the Town's financial statements to be misleading or incomplete. Based on the foregoing criteria, there are no component units included in the accompanying financial statements.

B. Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial levels. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The government-wide statements do not include the fiduciary fund or components that are fiduciary funds. These have separate statements showing the financial information.

Government-wide financial statements report information about the reporting government as a whole. For the most part, the effect of inter-fund activity has been removed from these statements. These statements focus on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary, and fiduciary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. The Town has collected nearly 100% of all property taxes at December 31, 2025. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measureable and available only when cash is received by the Town.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues and expenses of the Town's enterprise funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

If both restricted and unrestricted resources are available to use for the same purpose, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

The Town reports the following major funds:

General Fund

This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

Capital Projects Fund

This fund is used to account for the financial resources to be used for the acquisition of or construction of major capital facilities (other than those financed by the proprietary funds, special assessment funds, and trust funds).

The Town also has the following non-major special revenue fund:

Conservation Fund

This accounts for the lottery funds which are required to be expended solely on park and recreation improvements.

The Town reports the following major proprietary funds:

Utility Fund

This accounts for the water service charges which are used to finance the water system operating expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets

Annually appropriated budgets were adopted for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. All governmental funds and proprietary funds are budgeted on the modified accrual basis of accounting. All appropriations lapse at year end.

In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Colorado statutes provide the following timetable, which is followed in the adoption of the budgets:

1. Submission of the proposed budget to the local governing body by October 15 of each year.
2. Certification of mill levies to the Board of County Commissioners by December 15.
3. Final adoption of budget and appropriations by December 31 of each year.
4. Property taxes are due by April 30 of each year if paid in full, or in two installments due February 28 and June 15 of each year.
5. Liens are placed on property for which taxes are delinquent in November of each year.

The actual results of operations are presented in accordance with generally accepted accounting principles, which differ in certain respects from those practices used in the preparation of the 2025 budget. For purposes of preparing the Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, the actual results of operations have been adjusted to a basis consistent with the Town's budgeted revenues and expenditures.

E. Cash and Investments

For purposes of the statement of cash flows, the enterprise funds consider cash on hand, demand deposits, and short-term investments with original maturities of three months or less when purchased to be cash and cash equivalents.

F. Accounts Receivable – Allowance for Doubtful Accounts

Based upon a review of existing accounts receivable and prior collection experience, the Town has determined all accounts to be collectible and no allowance for doubtful accounts has been provided for 2025.

G. Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term inter-fund loans are classified as "due to/from other funds." All short-term inter-fund receivables and payables at year end are planned to be eliminated in the subsequent year. Long-term inter-fund loans are classified as "inter-fund note receivable/payable." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

H. Encumbrances

The Town does not utilize encumbrance accounting.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The costs of normal maintenance and repairs that do not add to the value or capacity of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for 2025.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. A composite depreciation rate is used for infrastructure assets. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and water systems	30-50 years
Equipment and Vehicles	5-40 years
Infrastructure	25-50 years

The government-wide financial statements include infrastructure assets reported retroactively back to 1990.

J. Fund Equity

As of December 31, 2025, fund equity balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can only be used for specific purposes determined by a formal action of the Board of Directors.

Assigned - amounts intended to be used for specific purposes that are neither restricted nor committed.

Unassigned - all other spendable amounts.

When both restricted and unrestricted fund balances are available for use, it is the Town's policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned and unassigned.

K. Property Taxes

Property taxes are levied, assessed, become due and attach as an enforceable lien on property as of January 1. Taxpayers have the option of paying their taxes in full on or before April 30, or paying in two installments of one-half due by February 28 with the remaining one half due by June 15. Unpaid taxes become delinquent as of August 1 and are subject to collection procedures on or after October 1. The County bills and collects property taxes for the Town. The dollar amount of property taxes receivable is included as a receivable and a deferred inflow on the balance sheet of the General Fund.

L. Compensated Absences

Vacation and sick pay is accrued in the appropriate fund accounts according to the Town's vacation and sick pay policy at the employee's prevailing wage as of the last day of the year. The liability for compensated absences does not exceed a normal year's accumulation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Inter-fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditure/ expense 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 inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers are reported as operating transfers.

N. Net Position

Net position comprises the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net position is classified in the following three components:

Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provision or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

O. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

O. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports 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 future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town does not have any deferred outflows.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category: Deferred property tax assessment revenue which is based on current year land values but will not be recognized as revenue until the following year.

NOTE 2 – CASH AND INVESTMENTS

A. Deposits and Investments

The Town considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents for the purposes of the statement of cash flows.

Deposits

The Town's deposits and cash on hand at December 31, 2025 are as follows:

Cash on hand	$ 270
Cash with County Treasurer	-
Cash in checking and savings accounts	1,924,818
Certificates of Deposit	2,795,043
Total	$ 4,720,131

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits might not be recovered. However, the Colorado Public Deposit Protection Act (PDPA) requires that deposits of all units of local governments be held at eligible public depositories, whose eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution of held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

Federal Deposit Insurance Corporation (FDIC) coverage totaled $250,000 per institution. The balance held over this limit in any of the institutions falls under the provisions of the PDPA. Therefore, none of the Town's deposits and investments as of December 31, 2025 are deemed to be exposed to custodial credit risk. The Town has not formally adopted policies regarding interest rate risk or credit risk.

Investments

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

- Obligations of the U. S. 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, with certain limitations
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Colorado Revised Statutes (C.R.S.) 24-75-601 limits investment maturities to five years or less. All deposits are reported at cost plus accrued interest. All the Town's certificates of deposit mature within one year.

NOTE 3 – CAPITAL ASSETS

Capital asset activities for the year ended December 31, 2025 were as follows:

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Governmental Activities:				
Capital Assets, not being depreciated				
Land	$ 45,383	$ -	$ -	$ 45,383
Construction in Progress	-	36,361	-	36,361
Total Capital Assets, not being depreciated	45,383	36,361	-	81,744
Capital Assets, being depreciated				
Buildings & Improvements	890,451	-	-	890,451
Infrastructure	2,586,291	-	-	2,586,291
Equipment	956,480	73,884	(270,072)	760,292
Total Capital Assets, being depreciated	4,433,222	73,884	(270,072)	4,237,034
Less accumulated depreciation				
Buildings & Improvements	(396,798)	(22,635)	-	(419,433)
Infrastructure	(1,089,829)	(70,330)	-	(1,160,159)
Equipment	(796,271)	(22,914)	250,128	(569,057)
Total accumulated depreciation	(2,282,898)	(115,879)	250,128	(2,148,649)
Total Capital Assets, being depreciated, net	2,150,324	(41,995)	(19,944)	2,088,385
Governmental Activities Capital Assets, net	$ 2,195,707	$ (5,634)	$(19,944)	$ 2,170,129

	Balances 12/31/2024	Additions	Deletions	Balances 12/31/2025
Business-type Activities:				
Capital Assets, not being depreciated				
Land	$ 23,889	$ -	$ -	$ 23,889
Construction in Progress	-	-	-	-
Total Capital Assets, not being depreciated	23,889	-	-	23,889
Capital Assets, being depreciated				
Buildings & Water System	4,157,874	21,600	-	4,179,474
Equipment	65,922	34,622	-	100,544
Total Capital Assets, being depreciated	4,223,796	56,222	-	4,280,018
Total Capital Assets	4,247,685			4,303,907
Less Accumulated Depreciation	(1,987,403)	(108,729)		(2,096,132)
Business-type Activities Capital Assets, net	$ 2,260,282	$ (52,507)	$ -	$ 2,207,775

Depreciation expense was charged to functions/ programs of the Town as follows:

General Government	$ 10,372
Public Safety	1,006
Highway and Streets	95,299
Culture and Recreation	9,201
Water	108,729

NOTE 4 – CHANGES IN LONG-TERM DEBT

The following is a summary of debt obligations and activity for those obligations of the Town for the year ending December 31, 2025:

	Balance 12/31/24	Additions	Reductions	Balance 12/31/25	Due in one year
General Fund					
Compensated Absences	10,178	73	-	10,251	10,251
Business-type Activities					
Compensated Absences	1,816	4,147	-	5,963	5,963

NOTE 5 - Pensions

The Town maintains a SEP prototype plan with Edward Jones. In 2025 all eligible employees were included in the plan. Total wages paid in 2025 were $333,824. Eligible wages in 2025 were $319,612 resulting in employer contribution of $15,981, which was 5% of eligible wages.

Yearly contributions to the plan are at the discretion of the Town but cannot exceed 15% of compensation.

NOTE 6 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is managing these risks as explained below.

CIRSA Workers Compensation Pool

The Town joined together with other municipalities in the State of Colorado to participate in the Colorado Intergovernmental Risk Sharing Agency Worker's Compensation Pool (CIRSAWCP), a public entity risk pool currently operating as a common risk management and insurance program for member municipalities. The intergovernmental agreement of formation of CIRSAWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claim in excess of specified self-insured retention, which is determined each policy year. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

CIRSA Property and Casualty Pool

The Town has joined together with other municipalities in the State of Colorado to participate in the Colorado Intergovernmental Risk Sharing Agency Property and Casualty Pool (CIRSAPC), a public entity risk pool currently operating as a common risk management and insurance program for member municipalities. The Town pays an annual contribution to CIRSAPC for its property and casualty insurance coverage. The intergovernmental agreement of formation of CIRSAPC provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for member's claims in excess of a specified self-insured retention, which is determined each policy year. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

NOTE 7 – CONTINGENCIES

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the Town.

NOTE 7 – CONTINGENCIES (continued)

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve of $30,000 and $22,000 was reported as restricted the General and Proprietary Funds, respectively.

In November 1996, voters within the Town authorized the Town to collect, retain and expend the full amount of revenues from all sources during 1995, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the State Constitution.

The Town's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation.

NOTE 8 – SUBSEQUENT EVENTS

The Town has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued. No events were noted that would require adjustment to or disclosure in the financial statements.

NOTE 9 – NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The Town legally adopts annual budgets for the General Fund, major Special Revenue Funds and Proprietary Fund. Under state law, expenditures may not legally exceed budgeted appropriations at the department level (the legal level of budgetary control).

During the fiscal year ended December 31, 2025, the Town experienced expenditures in excess of legally approved appropriations in the following funds and departments:

The General fund expenditures were $580,388 which exceeded the approved appropriations of $529,987 by $50,401.

The Utility fund expenditures were $671,611 which exceeded the approved appropriations of $588,625 by $82,986.

TOWN OF CHEYENNE WELLS, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Taxes	$ 373,175	$ 373,175	$ 347,412	$ (25,763)
Licenses and Permits	7,900	7,900	10,319	2,419
Intergovernmental Revenues	79,600	79,600	67,027	(12,573)
Charges for Services	910	910	3,068	2,158
Fines and Forfeits	5,000	5,000	3,555	(1,445)
Donations	1,200	1,200	897	(303)
Interest	28,000	28,000	27,558	(442)
Miscellaneous	20,000	20,000	13,776	(6,224)
TOTAL REVENUES	515,785	515,785	473,612	(42,173)
EXPENDITURES				
Current				
General Government	225,662	225,662	246,958	(21,296)
Judicial	4,975	4,975	4,900	75
Public Safety	60,500	60,500	59,401	1,099
Highways and Streets	227,850	227,850	213,730	14,120
Culture and Recreation	11,000	11,000	12,889	(1,889)
Capital Outlay	-	-	42,510	(42,510)
TOTAL EXPENDITURES	529,987	529,987	580,388	(50,401)
EXCESSS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,202)	(14,202)	(106,776)	(92,574)
OTHER FINANCIAL SOURCES (USES)				
Insurance Proceeds	2,500	2,500	-	(2,500)
Sale of Fixed Assets	-	-	71,677	71,677
NET CHANGE IN FUND BALANCE	(11,702)	(11,702)	(35,099)	(23,397)
FUND BALANCES, BEGINNING OF YEAR	1,412,247	1,412,247	1,424,828	12,581
FUND BALANCES, END OF YEAR	$ 1,400,545	$ 1,400,545	$ 1,389,729	$ (10,816)

The accompanying notes and independent auditors'
report should be read with these financial statements.

TOWN OF CHEYENNE WELLS, COLORADO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	$ 425,000	$ 425,000	$ 534,512	$ 109,512
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	600,000	600,000	70,717	(529,283)
Miscellaneous	3,500	3,500	4,349	849
Interest	40,000	40,000	36,522	(3,478)
TOTAL REVENUES	1,068,500	1,068,500	646,100	(422,400)
EXPENDITURES				
Current				
General Government	-	-	19,873	(19,873)
Highways and Streets	315,000	315,000	258,718	56,282
Rural Development	-	-	61,671	(61,671)
Culture and Recreation	5,000	5,000	-	5,000
Capital Outlay	180,000	180,000	67,734	112,266
TOTAL EXPENDITURES	500,000	500,000	407,996	92,004
EXCESSS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	568,500	568,500	238,104	(330,396)
OTHER FINANCIAL SOURCES (USES)				
Operating Transfers (Out)	(325,000)	(325,000)	(163,107)	161,893
Sale of Fixed Assets	-	-	-	-
NET CHANGE IN FUND BALANCE	243,500	243,500	74,997	(168,503)
FUND BALANCES, BEGINNING OF YEAR	1,398,450	1,398,450	1,487,048	88,598
FUND BALANCES, END OF YEAR	$ 1,641,950	$ 1,641,950	$ 1,562,045	$ (79,905)

TOWN OF CHEYENNE WELLS, COLORADO
SPECIAL REVENUE FUND - CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Intergovernmental Revenues	5,000	5,000	4,300	(700)
Interest	1,500	1,500	1,169	(331)
TOTAL REVENUES	6,500	6,500	5,469	(1,031)
EXPENDITURES				
Current				
Culture and Recreation	6,000	6,000	3,355	2,645
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	6,000	6,000	3,355	2,645
NET CHANGE IN FUND BALANCE	500	500	2,114	1,614
FUND BALANCES, BEGINNING OF YEAR	58,888	58,888	53,877	(5,011)
FUND BALANCES, END OF YEAR	$ 59,388	$ 59,388	$ 55,991	$ (3,397)

TOWN OF CHEYENNE WELLS, COLORADO
UTILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
Charges for Services	$ 535,500	$ 535,500	$ 557,623	$ 22,123
Grants	-	-	38,339	38,339
Interest	25,000	25,000	24,601	(399)
Miscellaneous	2,500	2,500	68,397	65,897
Transfers	25,000	25,000	163,107	138,107
TOTAL REVENUES	588,000	588,000	852,067	264,067
EXPENDITURES				
Salaries	141,575	141,575	172,673	(31,098)
Employee Benefits	49,250	49,250	59,706	(10,456)
Chemicals and Supplies	23,500	23,500	23,008	492
Utilities	61,500	61,500	49,136	12,364
Payroll Taxes	18,500	18,500	13,229	5,271
Repairs	84,750	84,750	69,782	14,968
Outside Services	64,700	64,700	179,318	(114,618)
Office Supplies	27,200	27,200	40,292	(13,092)
Insurance	-	-	-	-
Donations	4,000	4,000	2,423	1,577
Miscellaneous	8,650	8,650	5,822	2,828
Capital Outlay	105,000	105,000	56,222	48,778
TOTAL EXPENDITURES	588,625	588,625	671,611	(82,986)
EXCESSS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (625)	$ (625)	$ 180,456	$ 181,081
RECONCILIATION TO GAAP BASIS				
Add: Capital Outlay			56,222	
Deduct: Depreciation			(108,729)	
CHANGE IN NET POSITION			$ 127,949	

LOCAL HIGHWAY FINANCE REPORT

THIS INFORMATION FROM THE RECORDS OF: TOWN OF CHEYENNE WELLS	**PREPARED BY:** Amanda L. Brown amanda@amandalbrown.com	**STATE:** COLORADO **REPORT YEAR ENDING DATE(mm/yyyy):** 12/2025

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. Total (1 - (2 through 4))				

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	366,684.00	b. Other Misc. Local Receipts	
c. Total (a + b)	$ 366,684.00	**c. Total (a + b)**	$ -
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	49,435.00	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds			
c. Total (a + b)	$ -		
4. Total (1 + 2 + 3c)	$ 49,435.00	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	
c. Construction Costs	
d. Total Capital Outlay (a+ b + c)	$ -

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	163,742.00
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 366,684.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ -
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 530,426.00
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 49,435.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 579,861.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ -
2. Maintenance:	559,590.00
3. Road and Street Services:	
a. Snow and Ice Removal	
b. Other & Traffic Control Operations	20,271.00
c. Total (a + b)	$ 20,271.00
4. General Administration & Miscellaneous	
5. Highway Law Enforcement and Safety	
6. Total (1 through 5)	$ 579,861.00
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 579,861.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)		$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)		$ -	$ -	$ -