Town of Deer Trail, Colorado

Financial Statements and Independent Auditor's Report

December 31, 2025

Prepared by the Town of Deer Trail

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Town of Deer Trail, 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 Deer Trail, Colorado (the "Town") 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, as of December 31, 2025, 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 opinion.

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 opinion. 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 an 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 and budgetary comparison information 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 combining and individual nonmajor fund financial statements, budget to actual fund statements and the Local Highway Finance Report, as 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 combining and individual nonmajor fund financial statements, budget to actual fund statements, and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Littleton, Colorado
May 15, 2026

Town of Deer Trail
Management's Discussion and Analysis
December 31, 2025

As management of the Town of Deer Trail, Colorado (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2025.

FINANCIAL HIGHLIGHTS

Assets and deferred outflows of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $6.3 million (net position). Of this amount, $2.6 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by $356k in the current year. The Town recognized an approximate $140k increase in its main operating fund (General Fund) and also had an increase of $183k in its enterprise funds' net position.

As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of $1.4 million, an increase of $203k or 17.3%. Of this amount, $1.2M is available for spending through the adoption of the 2026 budget.

The General Fund's unassigned fund balance at December 31, 2025, was $887k, or 167.8% of total General Fund expenditures.

For 2025, the Town's total debt decreased by $71k, from $1.98 million to $1.91 million.

USING THIS ANNUAL REPORT

This annual report consists of four parts – management's discussion and analysis (this section), basic financial statements, required supplementary information, and a section that presents combining statements for non-major governmental funds. This report also includes budgetary comparison statements. The basic financial statements include two kinds of statements that present different views of the Town.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses, such as utilities.

The basic financial statements also include Notes to the Financial Statements that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide statements

One of the most important questions asked about the Town's finances is, "is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. You can think of the Town's net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads and infrastructure, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

- Governmental Activities – Most of the Town's basic services are reported here, including public safety, public works, parks and recreation, and general administration. Property taxes, sales taxes, franchise fees, and intergovernmental payments finance most of these activities.
- Business-type activities – The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water and sewer operations are reported here.

Reporting the Town's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law or by bond covenants. However, the Town Board may establish other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two main kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These 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 fund statements provide a detailed short-term view of the Town's general government operations and the basic financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net position and Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements. The governmental funds of the Town are the General Fund, Open Space Fund, and Conservation Trust Fund.

Proprietary funds – When the Town charges customers for the services it provides, these services are generally reported in proprietary funds which 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 are reported as business-type activities in the government-wide statements. These enterprise fund statements provide more detail and additional information, such as cash flows, for proprietary funds. The enterprise funds of the Town are the Water Fund and Sewer Fund.

Government-wide financial analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by $6.3 million at December 31, 2025. By far, the largest portion of the Town's net position (49.7%) reflects its investments in capital assets (e.g., land, buildings, machinery, equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position (8.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($2.6 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town 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. The same situation was true for the prior fiscal year.

Summary of Net Position
December 31, 2025 and 2024

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	$ 1,572,802	$ 1,340,540	$ 1,824,361	$ 1,549,686	$ 3,397,163	$ 2,890,226
Capital assets	251,347	280,292	4,781,333	4,939,770	5,032,680	5,220,062
Total Assets	1,824,149	1,620,832	6,605,694	6,489,456	8,429,843	8,110,288
Liabilities:						
Long-term liabilities outstandin	-	-	1,839,323	1,911,683	1,839,323	1,911,683
Other-liabilities	24,952	4,701	104,499	99,257	129,451	103,958
Total liabilities	24,952	4,701	1,943,822	2,010,940	1,968,774	2,015,641
Deferred inflows of resources	179,573	169,855	-	-	179,573	169,855
Net position:						
Net investment in capital asset	251,347	280,292	2,869,650	2,956,941	3,120,997	3,237,233
Restricted	481,247	420,599	55,365	55,268	536,612	475,867
Unrestricted	887,030	745,385	1,736,857	1,466,307	2,623,887	2,211,692
Total net position	$ 1,619,624	$ 1,446,276	$ 4,661,872	$ 4,478,516	$ 6,281,496	$ 5,924,792

Net position of the Town's governmental activities increased 12.2% ($1.6 million compared to $1.4 million). Unrestricted net position increased $142k.

The net position of the Town's business-type activities increased $183k. The Town generally can only use this net position to finance the continuing operations of the water and sewer functions.

Summary of Changes in Net Position
December 31, 2025 and 2024

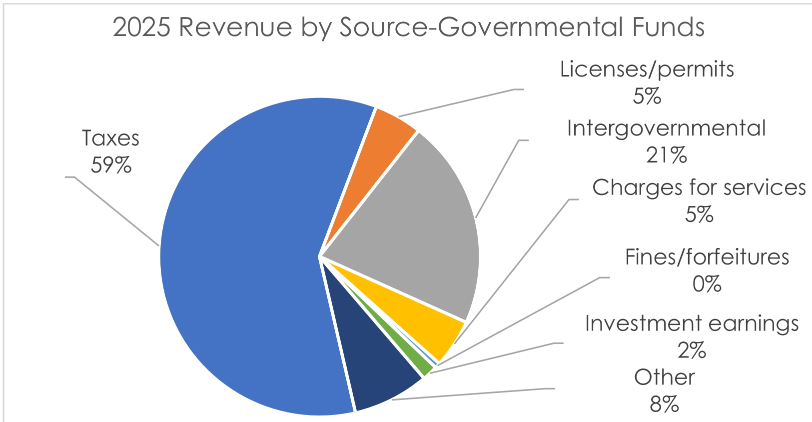
	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for services	$ 76,857	$ 65,693	$ 609,862	$ 538,608	$ 686,719	$ 604,301
Operating grants and contributions	174,838	208,717	-	-	174,838	208,717
Capital grants and contributions	-	-	106,012	1,300	106,012	1,300
General Revenues:						
Property taxes	192,382	284,814	-	-	192,382	284,814
Taxes and other	233,734	69,015	-	-	233,734	69,015
Investment earnings	11,735	5,835	98	556	11,833	6,391
Miscellaneous	57,009	-	-	-	57,009	-
Transfer in	-	-	-	108,398	-	108,398
Total Revenues	746,555	634,074	715,972	648,862	1,462,527	1,282,936
Expenses						
General government	452,018	417,022	-	-	452,018	417,022
Public safety	64,218	76,711	-	-	64,218	76,711
Public works	41,178	31,562	-	-	41,178	31,562
Parks and recreation	15,793	-	-	-	15,793	-
Miscellaneous	-	458	-	9,481	-	9,939
Water	-	-	266,763	257,050	266,763	257,050
Sewer	-	-	265,853	268,051	265,853	268,051
Transfer in (out)	-	108,398	-	-	-	108,398
Total Expenses	573,207	634,151	532,616	534,582	1,105,823	1,168,733
Change in net position	173,348	(77)	183,356	114,280	356,704	114,203
Net position beginning of year	1,446,276	1,446,353	4,478,516	4,364,236	5,924,792	5,810,589

Governmental activities increased the Town's net position by $173k accounting for 48.6% of the total Town's increase in net position. Key elements of this increase are presented in the summary of changes in net position shown above. The cost of all governmental activities this year was $573k, a decrease of $61k from the prior year.

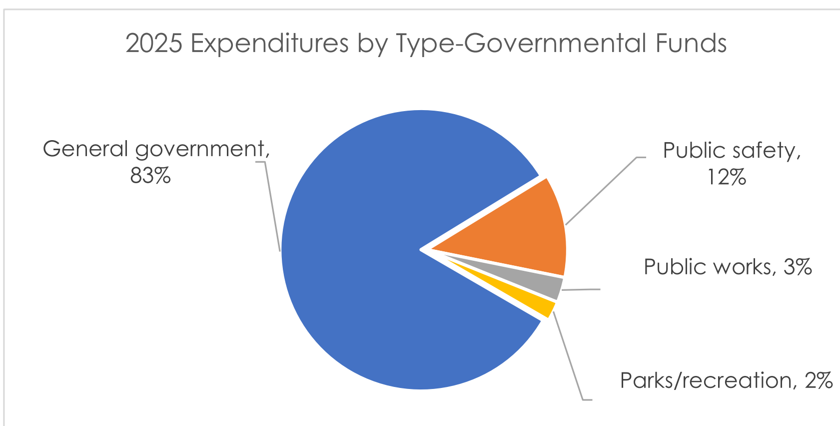
Revenues of the business-type activities increased by $67k or 10.3%; and expenses were relatively flat showing a decrease of $2k or 0.4%. Revenues increased primarily due to an increase in charges for services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. One of the differences between the governmental activities as reported in the government-wide Statement of Activities and the individual governmental fund financial statements is the reporting of capital asset acquisitions. For the government-wide financial statements, any new capital assets are capitalized and only depreciation expense for those assets is reported in the Statement of Activities. In the individual governmental fund financial statements, the expenditure for capital asset acquisitions is reported in the Statement of Revenues, Expenditures and Changes in Net Position.



As the Town completed the year, its governmental funds reported a combined fund balance of $1.4 million. Included in this year's total change in fund balance is an increase of $140k in the General Fund, primarily due to an increase in sales tax ($168k). Residents approved a 1.75% sales tax effective July 1, 2024, and 2025 includes collection of the sales tax for a full calendar year.



Governmental expenditures decreased $77k in 2025. This is primarily due to a decrease in transfers out of the governmental funds to the utility enterprise funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the Town had $7.7 million invested in a broad range of capital assets, including buildings, park facilities, water, and sewer plants and systems (see below).

Capital Assets
December 31, 2025 and 2024

		2025		2024
Governmental Activities:				
Land	$	10,000	$	10,000
Construction in progress		-		-
Buildings and improvements		653,200		653,200
Infrastructure		207,218		207,218
Equipment and vehicles		185,010		185,010
Town Hall improvments		45,560		45,560
Memorial Park		114,419		114,419
Total Governmental Capital Assets		1,215,407		1,215,407
Accumulated Depreciation		(964,060)		(935,115)
Capital Assets, Net of Depreciation		251,347		280,292
Business-type Activities:				
Land		3,000		3,000
Construction in progress		73,039		58,399
Distribution/collection systems		6,987,603		6,987,603
Equipment		626,116		626,116
Total Business-Type Capital Assets		7,689,758		7,675,118
Accumulated Depreciation		(2,908,425)		(2,735,348)
Business-Type Activities Capital Assets, Net of Depreciati		4,781,333		4,939,770

Additional information on the Town's capital assets can be found in Note 4 of this report.

Debt Administration

At year-end, the Town had $1.91 million in bonds and other obligations outstanding versus $1.98 million in 2024. This is a decrease of $71k (3.6%) as shown in the table below with more information in Note 6.

Summary of Debt
December 31, 2025 and 2024

		2025		2024
Water and Sewer loans	$	1,426,903	$	1,481,783
Sewer bonds		484,780		501,046
Total	$	1,911,683	$	1,982,829

The State limits the amount of general obligation debt that municipalities can issue to 3 percent of the actual value of the taxable property within their corporate limits. The Town currently has no outstanding general obligation debt, so the full $5.4 million state-imposed limit is available subject to voter approval and authorization.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the 2026 budget, tax rates, and fees. One of those factors is the economy. The Town's sales tax revenues increased by $97 thousand (15.3%). This increase was greater than both the Denver-Aurora-Lakewood and U.S. CPI which were 2.3% and 2.6%, respectively for 2025.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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 money it receives. If you have a question about this report or need additional financial information, please contact the Town Administrator at Town of Deer Trail, PO Box 217, Deer Trail, CO 80105.

Town of Deer Trail, Colorado

Basic Financial Statements

Town of Deer Trail, Colorado

Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 1,383,180	$ 1,708,746	$ 3,091,926
Restricted cash	-	55,365	55,365
Accounts receivable	10,049	60,250	70,299
Property taxes receivable	179,573	-	179,573
Total Current Assets	1,572,802	1,824,361	3,397,163
Non-Current Assets			
Capital assets, net			
Land	10,000	3,000	13,000
Construction in progress	-	73,039	73,039
Infrastructure and equipment	241,347	4,705,294	4,946,641
Total Non-Current Assets	251,347	4,781,333	5,032,680
Total Assets	$ 1,824,149	$ 6,605,694	$ 8,429,843
Liabilities			
Current Liabilities:			
Accounts payable	20,439	8,174	28,613
Accrued liabilities	3,022	20,981	24,003
Compensated absences	1,491	2,984	4,475
Current portion of long-term debt	-	72,360	72,360
Total Current Liabilities	24,952	104,499	129,451
Noncurrent liabilities:			
Long-term debt, net of current portion	-	1,839,323	1,839,323
Total Non-Current Liabilities	-	1,839,323	1,839,323
Total Liabilities	24,952	1,943,822	1,968,774
Deferred Inflows of Resources			
Property taxes	179,573	-	179,573
Total Deferred Inflows of Resources	179,573	-	179,573
Net Position			
Net investment in capital assets	251,347	2,869,650	3,120,997
Restricted for:			
Open space	313,434	-	313,434
Conservation trust	155,271	-	155,271
Emergencies	12,542	-	12,542
Debt service	-	55,365	55,365
Unrestricted	887,030	1,736,857	2,623,887
Total Net Position	$ 1,619,624	$ 4,661,872	$ 6,281,496

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

Town of Deer Trail, Colorado
Statement of Activities
For the year ended December 31, 2025

		Program Revenues			Net Revenue (Expense) and Changes in Net Position — Primary Government		
Function/Program	**Expenses**	**Charges for services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	$ 452,018	$ 72,767	$ 96,997	$ -	$ (282,254)	$ -	$ (282,254)
Public safety	64,218	4,090	-	-	(60,128)	-	(60,128)
Public works	41,178	-	-	-	(41,178)	-	(41,178)
Parks & Recreation	15,793	-	77,841	-	62,048	-	62,048
Total Governmental Activities	573,207	76,857	174,838	-	(321,512)	-	(321,512)
Business-type activities:							
Water	266,763	359,202	-	8,000	-	100,439	100,439
Sewer	265,853	250,660	-	98,012	-	82,819	82,819
Total Business-type activities	532,616	609,862	-	106,012	-	183,258	183,258
TOTAL PRIMARY GOVERNMENT	$ 1,105,823	$ 686,719	$ 174,838	$ 106,012	$ (321,512)	$ 183,258	$ (138,254)
		General Revenues					
		Property tax			$ 175,479	$ -	$ 175,479
		Sales tax			250,637	-	250,637
		Investment earnings			11,735	98	11,833
		Miscellaneous			57,009	-	57,009
		Total General Revenues (Expenses)			494,860	98	494,958
		Change in Net Position			173,348	183,356	356,704
		Net Position, Beginning			1,446,276	4,478,516	5,924,792
		Net Position, End			$ 1,619,624	$ 4,661,872	$ 6,281,496

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

Town of Deer Trail, Colorado
Balance Sheet - Governmental Funds
December 31, 2025

	General Fund	Open Space	Nonmajor Governmental Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 914,453	$ 313,456	$ 155,271	$ 1,383,180
Accounts receivable	10,049	-	-	10,049
Property taxes receivable	179,573	-	-	179,573
Total Assets	1,104,075	313,456	155,271	1,572,802
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	20,439	-	-	20,439
Accrued liabilities	3,000	22	-	3,022
Compensated absences	1,491	-	-	1,491
Total Liabilities	24,930	22	-	24,952
Deferred Inflows of Resources				
Property taxes	179,573	-	-	179,573
Total Deferred Inflows of Resources	179,573	-	-	179,573
Fund Balances				
Restricted:				
Emergency Reserve	12,542	-	-	12,542
Conservation Trust	-	-	155,271	155,271
Assigned:				
Open Space	-	313,434	-	313,434
Unassigned	887,030	-	-	887,030
Total Fund Balances	899,572	313,434	155,271	1,368,277
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,104,075	$ 313,456	$ 155,271	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.

Governmental capital assets	1,215,407	
Less: Accumulated depreciation	(964,060)	251,347
Total Net Position - Governmental Activities		$ 1,619,624

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

Town of Deer Trail, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the year ended December 31, 2025

	General Fund	Open Space	Other Governmental Fund	Total Governmental Funds
Revenues				
Taxes	$ 426,116	$ -	$ -	$ 426,116
Charges for services	36,609	-	-	36,609
Intergovernmental	96,997	59,462	18,379	174,838
Licenses and permits	36,158	-	-	36,158
Fines and forfeitures	4,090	-	-	4,090
Investment earnings	11,158	564	13	11,735
Miscellaneous	41,347	-	-	41,347
Total Revenues	652,475	60,026	18,392	730,893
Expenditures				
General government	452,018	-	-	452,018
Public safety	64,218	-	-	64,218
Parks & Recreation	-	15,793	-	15,793
Public works	12,233	-	-	12,233
Total Expenditures	528,469	15,793	-	544,262
Excess (Deficiency) of Revenues Over (Under) Expenditures	124,006	44,233	18,392	186,631
Other Financing Sources				
Insurance proceeds	15,662	-	-	15,662
Total Other Financing Sources	15,662	-	-	15,662
Net Change in Fund Balances	139,668	44,233	18,392	202,293
Fund Balance - Beginning	759,904	269,201	136,879	
Fund Balance - Ending	$ 899,572	$ 313,434	$ 155,271	

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation	(28,945)
Change in Net Position - Governmental Activities	$ 173,348

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

Town of Deer Trail, Colorado
Proprietary Funds
Statement of Net Position
December 31, 2025

	Water Fund	Sewer Fund	Totals
Assets			
Current Assets:			
Cash and cash equivalents	$ 850,389	$ 858,357	$ 1,708,746
Accounts receivable	33,228	27,022	60,250
Total Current Assets	883,617	885,379	1,768,996
Restricted Assets:			
Debt service reserve	21,237	34,128	55,365
Total Restricted Assets	21,237	34,128	55,365
Non-Current Assets			
Capital Assets:			
Land	1,500	1,500	3,000
Distribution/collection system	4,557,341	2,430,262	6,987,603
Equipment	-	626,116	626,116
Construction in progress	-	73,039	73,039
Accumulated depreciation	(1,416,936)	(1,491,489)	(2,908,425)
Total Non-Current Assets	3,141,905	1,639,428	4,781,333
Total Assets	4,046,759	2,558,935	6,605,694
Liabilities			
Current Liabilities:			
Accounts payable	4,087	4,087	8,174
Accrued liabilities	7,983	12,998	20,981
Compensated absences	1,492	1,492	2,984
Current portion of long-term debt	55,416	16,944	72,360
Total Current Liabilities	68,978	35,521	104,499
Non-Current Liabilities:			
Long-term debt, net of current portion	1,371,487	467,836	1,839,323
Total Non-Current Liabilities	1,371,487	467,836	1,839,323
Total Liabilities	1,440,465	503,357	1,943,822
Net Position			
Net investment in capital assets	1,715,002	1,154,648	2,869,650
Restricted for debt service	21,237	34,128	55,365
Unrestricted	870,055	866,802	1,736,857
Total Net Position	$ 2,606,294	$ 2,055,578	$ 4,661,872

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

Town of Deer Trail, Colorado
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the year ended December 31, 2025

	Water Fund	Sewer Fund	Totals
Operating Revenues			
Charges for services	$ 359,202	$ 250,660	$ 609,862
Total Operating Revenues	359,202	250,660	609,862
Operating Expenses			
Salaries and benefits	9,984	9,983	19,967
Supplies and office expenses	37,027	37,778	74,805
Utilities	21,539	21,539	43,078
Repairs and maintenance	40,304	61,636	101,940
Other	40,694	44,476	85,170
Depreciation	102,803	70,274	173,077
Total Operating Expenses	252,351	245,686	498,037
Operating Income (Loss)	106,851	4,974	111,825
Non-Operating Revenue (Expenses)			
Tap fees	8,000	85,539	93,539
Grant	-	12,473	12,473
Investment earnings	35	63	98
Interest expense	(14,412)	(20,167)	(34,579)
Total Non-Operating Revenues (Expenses)	(6,377)	77,908	71,531
Changes in Net Position	100,474	82,882	183,356
Net Position, Beginning of Year	2,505,820	1,972,696	4,478,516
Net Position, End of Year	$ 2,606,294	$ 2,055,578	$ 4,661,872

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

Town of Deer Trail, Colorado
Proprietary Funds
Statement of Cash Flows
For the year ended December 31, 2025

	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities			
Cash received from customers	$ 350,380	$ 260,247	$ 610,627
Cash payments to suppliers	(136,175)	(162,158)	(298,333)
Cash payments to employees	(11,300)	(11,299)	(22,599)
Net Cash From Operating Activities	202,905	86,790	289,695
Cash Flows From Non-Capital Financing Activities			
Transfers (to) from other fund	-	-	-
Net Cash From Non-Capital Financing Activities	-	-	-
Cash Flows From Capital and related Financing Activities			
Tap fees	8,000	85,539	93,539
Other	-	12,473	12,473
Purchase of assets	-	(14,640)	(14,640)
Debt principal payments	(54,880)	(16,266)	(71,146)
Interest paid on long-term debt	(14,412)	(20,167)	(34,579)
Net Cash Flows From Capital and Related Financing Activities	(61,292)	46,939	(14,353)
Cash Flows From Investing Activities			
Interest received	35	63	98
Net Cash Flows From Investing Activities	35	63	98
Net Change in Cash and Cash Equivalents	141,648	133,792	275,440
Cash and Cash Equivalents			
Beginning of Year	729,978	758,693	1,488,671
End of Year	$ 871,626	$ 892,485	$ 1,764,111
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities			
Operating income (loss)	$ 106,851	$ 4,974	$ 111,825
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	102,803	70,274	173,077
Changes in assets and liabilities:			
Accounts receivable	(8,822)	9,587	765
Accounts payable	2,393	2,394	4,787
Accrued liabilities	996	877	1,873
Compensated absences payable	(1,316)	(1,316)	(2,632)
Net Cash From Operating Activities	$ 202,905	$ 86,790	$ 289,695

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

Town of Deer Trail, Colorado

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The Town of Deer Trail (the Town) operates under a council-mayor form of government and maintains accounting policies to conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity
The financial reports of the Town include all of the integral parts of the Town's operations. The Town has no component units using the criteria as set forth in generally accepted accounting principles.

Fund Accounting
The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town reports the following major governmental funds:

<u>General Fund</u> - The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

<u>Open Space Fund</u>- The open space fund is used to maintain open spaces within the Town.

<u>Proprietary Funds</u> – Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods or service to the general public on a continuing basis be financed or recovered primarily through user charges. Proprietary funds are considered major funds because of community interests in the activities and sources of funding supporting these operations. The Town of Deer Trail operates the Water and Sewer Utilities on this basis.

Government-wide and Fund Financial Statements
The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 within the current period or soon enough thereafter, to pay liabilities of the current period. For this purpose, the government considers revenues to be recognizable when received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. 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 fees, 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. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period.

Sales tax collected and held by vendors at year end on behalf of the Town is also recognized as revenue if collected within 30 days after year end. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all other grant requirements have been met.

1. Summary of Significant Accounting Policies (continued)

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the Proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees. The constraint may be removed or changed only through formal action of the Board of Trustees.

1. Summary of Significant Accounting Policies (continued)

• *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

• *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the criteria described above. If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Town's policy to use the most restrictive classification first.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, bridges, sidewalks, 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 government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed fixed assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation of buildings, plants, and machinery and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 to 40 years
Utility Systems	25 to 50 years
Equipment and Vehicles	5 to 15 years
Infrastructure	25 to 50 years

Long-term Obligations

In the government-wide financial statements, proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position.

Budget and Budgetary Accounting

On or prior to October 15, the Town Clerk submits to the Town Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

In 2025, the Town’s expenditures exceeded budgeted appropriations in the General and Open Space Funds which may be a violation of State statutes.

1. Summary of Significant Accounting Policies (continued)

Public hearings are conducted to obtain taxpayer comments. Prior to January 1, the budget is legally enacted through the passage of an ordinance. Amendments can be made until year end.

Budgets for governmental are adopted on a basis consistent with generally accepted accounting principles. Budgets for the Proprietary funds are adopted to fulfill statutory requirements and are prepared on an appropriation basis. Principally, the appropriation basis of budgeting provides for a full accrual basis of accounting, loans and reimbursements received, note receivable principal, capital expenditures and bond principal payments, but does not provide for depreciation and amortization. For 2025 the Town Board budgeted all funds and appropriated spending limits by fund. Therefore, the comparisons of actual and budget amounts relating to legal requirements shown in the financial statements is based on “total expenditures” plus “operating transfers to other funds” in the various fund types. All appropriations lapse at year end.

Cash and Investments

Cash includes interest-bearing demand deposits (checking and money-market accounts), as well as short-term investments with a maturity date within three months of the date acquired. Investments are stated at cost, except for marketable debt and equity security investments of the pension trust, which are valued at market. State statutes authorize the allowable type of investments, which are detailed in Note 2.

Property Taxes

Annual property taxes are levied and assessed on January 1 and are certified to the County by December 15 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis to the Town.

The Town recognizes a receivable for property tax levies upon certification by the County Treasurer. A deferred revenue liability is recorded in the same amount since the taxes are not available at year end to fund expenditures of the current year. They are recognized as revenue when collected in the following year. Property taxes are computed using mills, where one mill is equal to $1 on $1,000 of assessed value. The mill levy for 2025 was 13.453.

Compensated Absences

The Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Under GASB 101, a liability for compensated absences is recognized if the leave is attributable to services already rendered, the leave accumulates, and it is more likely than not that the leave will be used or otherwise paid. The Town has measured the liability for compensated absences using the pay rates in effect as of the financial statement date and considered relevant assumptions regarding the timing and likelihood of leave usage.

2. Cash and Investments

For the purpose of the statement of cash flows, the Town considers all highly liquid investments (excluding restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Cash Deposits – The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

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 has a policy of limiting custodial credit risks by assuring that deposits are only made in eligible public depositories. As of December 31, 2025, none of the Town's deposits are deemed to be exposed to custodial credit risk. At December 31, 2025, the Town's cash deposits, including amounts restricted for debt service, were as follows:

	Bank Balance	Carrying Balance
Insured (FDIC)	$ 250,000	$ 250,000
Collateralized by securities held by the pledging financial institution's trust department or agent in the Town's name	2,840,836	2,824,133
Total cash and certificates of deposit	$ 3,090,836	$ 3,074,133

Investments - Colorado statutes specify in which instruments the local government may invest, which include:

1. Repurchase agreements in obligations of the United States;
2. Obligations of the United States or obligations unconditionally guaranteed by the United States;
3. General obligation or revenue bonds of any state, District of Columbia, US territory or any of their subdivisions, with certain limitations;
4. Bankers acceptance issued by a state or national bank, with certain limitations;
5. Commercial paper, with certain limitations;
6. Any obligation, certificate of participation or lease/purchase of the investing public entity;
7. Money market funds, with certain limitations, which invest in the types of securities listed above;
8. Guaranteed investment contracts, with other certain limitations;

2. Cash and Investments (continued)

9. Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments. These trusts are "COLOTRUST" and "CSAFE".

The Town's only investments are in local governments' pooled investment funds. Additional details are provided under Credit Risk.

Interest Rate Risk – The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates.

Credit Risk – The Town does not have a formal investment policy that would further limit its investment choices beyond those listed above which are approved by Colorado Statutes. As of December 31, 2025, the Town had $73,158 invested in the Colorado Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. The three portfolios differ in the types of the investments held, but all invest in investments allowed by Colorado statutes for local governments. COLOTRUST PRIME AND COLOTRUST PLUS+ invest in securities with a weighted average maturity of 60 days or less, while COLOTRUST EDGE invests in securities with a weighted average maturity of less than five years. 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. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to be, and are not, registered with the SEC. COLOTRUST's PRIME and PLUS+ funds are rated AAAm by Standard & Poor's rating service. The COLOTRUST EDGE fund is rated AAAf/S1 by Fitch Ratings rating service. As of December 31, 2025, all COLOTRUST balances held by the Town were invested in COLOTRUST PLUS+. COLOTRUST records its investments at fair value and the Town records its investment in COLOTRUST at net asset value as determined by the fair value.

3. Restricted Assets

Restricted assets are for the following purposes:

Water Fund – reserve of $21,237, as required by the Series 2000 loan from Rural Utilities Service. This balance is held in a bank savings account at December 31, 2025.

Sewer Fund – reserve of $34,128, as required by the Series 2005 Sewer Revenue Bonds. This balance is held in a bank savings account at December 31, 2025.

4. Capital Assets

Capital asset activity for the year was as follows:

	Balance December 31, 2024	Additions	Adjustments	Balance December 31, 2025
Governmental activities:				
Non-Depreciable assets:				
Land	$ 10,000	$ -	$ -	$ 10,000
Construction in progress	-	-	-	-
Depreciable assets:				
Buildings and improvements	653,200	-	-	653,200
Infrastructure	207,218	-	-	207,218
Equipment and vehicles	185,010	-	-	185,010
Town Hall improvements	45,560	-	-	45,560
Memorial Park	114,419	-	-	114,419
Total capital assets	1,215,407	-	-	1,215,407
Less accumulated depreciation for:				
Buildings and improvements	(607,150)	(3,070)	-	(610,220)
Infrastructure	(90,268)	(5,167)	-	(95,435)
Equipment and vehicles	(182,449)	(2,084)	-	(184,533)
Town Hall improvements	(4,556)	(2,278)	-	(6,834)
Memorial Park	(50,692)	(16,346)	-	(67,038)
Total accumulated depreciation	(935,115)	(28,945)	-	(964,060)
Governmental activities assets, net	$ 280,292	$ (28,945)	$ -	$ 251,347

In 2025, depreciation expense of $28,945 was charged to Public works.

	Balance December 31, 2024	Additions	Adjustments	Balance December 31, 2025
Business-type activities:				
Non-Depreciable assets:				
Land	$ 3,000	$ -	$ -	$ 3,000
Construction in progress	58,399	14,640	-	73,039
Depreciable assets:				
Distribution/collection systems	6,987,603	-	-	6,987,603
Equipment	626,116	-	-	626,116
Total capital assets	7,675,118	14,640	-	7,689,758
Less accumulated depreciation for:				
Distribution/collection systems	(2,231,767)	(163,559)	-	(2,395,326)
Equipment	(503,581)	(9,518)	-	(513,099)
Total accumulated depreciation	(2,735,348)	(173,077)	-	(2,908,425)
Business-type activities assets, net	$ 4,939,770	$ (158,437)	$ -	$ 4,781,333

In 2025, depreciation expense of $102,803 was charged to the Water Fund and $70,274 was charged to the Sewer Fund.

5. Contingency – Constitutional Amendment

In November 1992, the Colorado voters passed a constitutional amendment (TABOR Amendment) to the State Constitution (Article X, Section 20) which requires voter approval for any increases in mill levies, revenue limits, spending limits and creation of multi-year debt. In addition, the amendment requires that a reserve be established for emergencies of 3% in 1995 and thereafter. The Town has reserved $12,542 within the General Fund for the emergency reserve under the TABOR amendment.

In 1998, the voters of the Town approved a referendum allowing the Town to collect, retain and expend the full proceeds of the Town's taxes, fees and other revenues received without increasing or adding taxes of any kind. The Town believes that it is in compliance with the provision of the TABOR Amendment. However, many provisions of the TABOR Amendment are complex and subject to further interpretation and will require judicial interpretation.

6. Long-Term Debt

Series 2005 Sewer Revenue Bonds – The Town issued bonds where the government pledges income derived from customer revenues, net of operating expenses, to repay the debt. Proceeds from the debt provided financing for various improvements. Annual principal and interest payments on the bonds are expected to require approximately 36% of sewer revenue. The bonds have an interest rate of 4.125% and are payable through 2045.

Series 2000 Rural Utilities Service Loan – The Town issued bonds where the government pledges income derived from customer revenues, net of operating expenses, to repay the debt. Proceeds from the debt provided financing for various improvements. Annual principal and interest payments on the bonds are expected to require approximately 19% of water revenue. The bonds have an interest rate of 4.75% and are payable through 2045.
Annual debt service requirements for the above bonds are as follows:

	Principal	Interest	Total
2026	$ 25,044	$ 27,595	$ 52,639
2027	26,150	26,499	52,649
2028	27,286	25,355	52,641
2029	28,552	24,162	52,714
2030	29,750	22,912	52,662
2031-2035	169,636	93,818	263,454
2036-2040	202,715	53,241	255,956
2041-2045	141,247	14,162	155,409
	$ 650,380	$ 287,744	$ 938,124

The Town made principal payments of $24,066 and interest payments totaling $28,646 during 2025.

6. Long-Term Debt (continued)

Drinking Water Revolving Fund Disadvantaged Communities Fund - In October 2020, the Town entered into a loan agreement (the "Agreement") with the Colorado Water Resource and Power Development Authority ("CWR & PDA") for a principal amount of $240,000. The loan accrues interest at 0.5% and is payable in semi-annual principal and interest payments beginning on November 1, 2021. The loan is secured by the net revenues of the Town, as defined within the Agreement.

Drinking Water Revolving Fund Direct Loan - In December 2019, the Town entered into a loan agreement (the "Agreement") with the Colorado Water Resource and Power Development Authority ("CWR & PDA") for a principal amount of $1,221,200. The loan accrues interest at 0.5% and is payable in semi-annual principal and interest payments beginning on May 1, 2021. The loan is secured by the net revenues of the Town, as defined within the Agreement. Loan requirements to maturity are as follows:

	Principal	Interest	Total
2026	$ 47,316	$ 6,247	$ 53,563
2027	47,553	6,010	53,563
2028	47,791	5,772	53,563
2029	48,030	5,533	53,563
2030	48,270	5,293	53,563
2031-2035	245,000	22,815	267,815
2036-2040	251,195	16,620	267,815
2041-2045	257,547	10,268	267,815
2046-2050	264,058	3,757	267,815
2051	4,543	11	4,554
	$ 1,261,303	$ 82,326	$ 1,343,629

The Town made principal payments of $47,080 and interest payments totaling $6,483 during 2025.

Total changes in Long-Term Liabilities during 2025 are as follows:

	Balance December 31 2024	Additions	Payments	Balance December 31 2025	Due Within One Year
Business-Type Activities:					
Loans payable:					
2000 RUS Loan-Water	$ 173,400	$ -	$ (7,800)	$ 165,600	$ 8,100
2019-2020 CWR & PDA Loans	1,308,383	-	(47,080)	1,261,303	47,316
Total loans payable	1,481,783	-	(54,880)	1,426,903	55,416
Bonds payable:					
Series 2005 Sewer Bonds	501,046	-	(16,266)	484,780	16,944
Total Long-Term Liabilities	$ 1,982,829	$ -	$ (71,146)	$ 1,911,683	$ 72,360

7. Compensated Absences

The following is a summary of the Town's compensated absences payable for the year ended December 31, 2025:

	Balance December 31 2024	Additions	Deletions	Balance December 31 2025	Due Within One Year
Governmental Activities:					
Compensated absences*	$ 2,807		$ (1,316)	$ 1,491	$ 1,491
Total Governmental Activities	$ 2,807	$ -	$ (1,316)	$ 1,491	$ 1,491
Business-Type Activities					
Compensated absences*	$ 5,616		$ (2,632)	$ 2,984	$ 2,984
Total Business-Type Activities	$ 5,616	$ -	$ (2,632)	$ 2,984	$ 2,984

*The change in compensated absences above is a net change for the year.

8. Risk Management

The Town is exposed to various risks of loss to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

Property, Casualty, Errors and Omissions and Liability Insurance
The Town is exposed to various risks of loss related to property, casualty, errors and omissions and liability losses. In 1986 due to the excessive cost of this insurance, the Town joined together with other cities and towns in the State of Colorado to form the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for members. The Town pays an annual contribution to CIRSA for its insurance coverage.

The member agreement provides that the pool will be self-sustaining through member contributions and additional assessments, if necessary, and the pool will purchase excess insurance through commercial companies for member's claims in excess of a specified self insurance retention, which is determined each policy year.

During December 31, 2025, the Town paid approximately $21,710 for insurance coverage to the pool which is included in the operating expense of the general and enterprise funds.

Town of Deer Trail, Colorado

Required Supplementary Information

Town of Deer Trail, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the year ended December 31, 2025

	Budgeted Amounts			Positive (Negative) Variance -
	Original	Final	Actual	Actual From Final
Revenues				
Taxes	$ 459,160	$ 459,160	$ 426,116	$ (33,044)
Charges for services	-	-	36,609	36,609
Intergovernmental	-	-	96,997	96,997
Licenses and permits	23,770	23,770	36,158	12,388
Fines and forfeitures	5,450	5,450	4,090	(1,360)
Investment earnings	11,300	11,300	11,158	(142)
Contributions and donations	-	-	3,061	3,061
Miscellaneous	3,550	3,550	38,286	34,736
Total Revenues	503,230	503,230	652,475	149,245
Expenditures				
Current:				
General government	258,825	258,825	452,018	(193,193)
Public safety	65,000	65,000	64,218	782
Public works	15,000	15,000	12,233	2,767
Total Expenditures	338,825	338,825	528,469	(189,644)
Deficiency of Revenues Under Expenditures	164,405	164,405	124,006	(40,399)
Other Financing Sources (Uses)				
Insurance proceeds	-	-	15,662	15,662
Total Other Financing Sources (Uses)	-	-	15,662	15,662
Net Change in Fund Balance	$ 164,405	$ 164,405	139,668	$ (24,737)
Fund Balance - Beginning of Year			759,904	
Fund Balance - End of Year			$ 899,572	

Town of Deer Trail, Colorado

Other Supplementary Information

Town of Deer Trail, Colorado
Combining Balance Sheet - Nonmajor Governmental Fund
December 31, 2025

	Conservation Trust	Total Governmental Funds
Assets		
Cash and cash equivalents	$ 155,271	$ 155,271
Total Assets	155,271	155,271
Fund Balances		
Restricted	155,271	155,271
Total Fund Balances	155,271	155,271
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 155,271	$ 155,271

Town of Deer Trail, Colorado

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Fund
For the year ended December 31, 2025

	Conservation Trust	Total Governmental Funds
Revenues		
Intergovernmental	$ 18,379	$ 18,379
Investment Earnings	13	13
Total Revenues	18,392	18,392
Expenditures		
Parks & Recreation	-	-
Total Expenditures	-	-
Change in Fund Balance	18,392	18,392
Fund Balance - Beginning	136,879	136,879
Fund Balance - Ending	$ 155,271	$ 155,271

Town of Deer Trail, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund
For the year ended December 31, 2025

	Budgeted Amounts			Positive (Negative) Variance -
	Original	Final	Actual	Actual From Final
Revenues				
Intergovernmental	$ -	$ -	$ 18,379	$ 18,379
Investment Earnings		-	13	13
Total Revenues	-	-	18,392	18,392
Expenditures				
Parks & Recreation	-	-	-	-
Total Expenditures	-	-	-	-
Change in Fund Balance	$ -	$ -	18,392	$ 18,392
Fund Balance - Beginning of Year			136,879	
Fund Balance - End of Year			$ 155,271	

Town of Deer Trail, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Open Space Fund
For the year ended December 31, 2025

	Budgeted Amounts			Positive (Negative) Variance -
	Original	Final	Actual	Actual From Final
Revenues				
Intergovernmental	$ -	$ -	$ 59,462	$ 59,462
Investment Earnings	-	-	564	564
Total Revenues	-	-	60,026	60,026
Expenditures				
Parks & Recreation	-	-	15,793	(15,793)
Total Expenditures	-	-	15,793	(15,793)
Change in Fund Balance	$ -	$ -	44,233	$ 44,233
Fund Balance - Beginning of Year			269,201	
Fund Balance - End of Year			$ 313,434	

Town of Deer Trail, Colorado

Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual - Water Fund
For the year ended December 31, 2025

	Budgeted Amounts			Positive (Negative) Variance -
	Original	Final	Actual	Actual From Final
Operating Revenues				
Charges for services	$ 250,000	$ 250,000	$ 359,202	$ 109,202
Total Operating Revenues	250,000	250,000	359,202	109,202
Operating Expenses				
Salaries and benefits	25,000	25,000	9,984	15,016
Supplies and office expenses	40,000	40,000	37,027	2,973
Utilities	25,000	25,000	21,539	3,461
Repairs and maintenance	40,000	40,000	40,304	(304)
Professional fees	7,000	7,000	6,333	667
Insurance	8,000	8,000	7,529	471
Other	35,000	35,000	26,832	8,168
Total Operating Expenses	180,000	180,000	149,548	30,452
Income (Loss) from Operations	70,000	70,000	209,654	139,654
Non-Operating Revenues (Expenses)				
Tap fees	21,525	21,525	8,000	(13,525)
Investment earnings	-	-	35	35
Principal payments	(55,000)	(55,000)	(54,880)	120
Interest expense	(14,350)	(14,350)	(14,412)	(62)
Total Non-Operating Revenues (Expenses)	(47,825)	(47,825)	(61,257)	(13,432)
Change in Net Position, Budgetary Basis	$ 22,175	$ 22,175	148,397	$ 126,222
Reconciliation to GAAP Basis:				
Principal payments			54,880	
Depreciation and Amortization			(102,803)	
Change in Net Position GAAP			$ 100,474	

Town of Deer Trail, Colorado

Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual - Sewer Fund
For the year ended December 31, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Positive (Negative) Variance - Actual From Final
Operating Revenues				
Charges for services	$ 311,525	$ 311,525	$ 250,660	$ (60,865)
Total Operating Revenues	311,525	311,525	250,660	(60,865)
Operating Expenses				
Salaries and benefits	25,000	25,000	9,983	15,017
Supplies and office expenses	40,000	40,000	37,778	2,222
Utilities	25,000	25,000	21,539	3,461
Repairs and maintenance	60,000	60,000	61,636	(1,636)
Professional fees	10,000	10,000	7,178	2,822
Insurance	10,000	10,000	7,529	2,471
Capital improvements	43,171	43,171	14,640	28,531
Other	50,000	50,000	29,769	20,231
Total Operating Expenses	263,171	263,171	190,052	73,119
Income (Loss) from Operations	48,354	48,354	60,608	12,254
Non-Operating Revenues (Expenses)				
Tap Fees	-	-	85,539	85,539
Investment Earnings	-	-	63	63
Capital Grant	-	-	12,473	12,473
Principal payments	(16,500)	(16,500)	(16,266)	234
Interest expense	(20,200)	(20,200)	(20,167)	33
Total Non-Operating Revenues (Expenses)	(36,700)	(36,700)	61,642	98,342
Change in Net Position, Budgetary Basis	$ 11,654	$ 11,654	122,250	$ 110,596
Reconciliation to GAAP Basis:				
Principal payments			16,266	
Depreciation and Amortization			(70,274)	
Capital outlay			14,640	
Change in Net Position GAAP			$ 82,882	

Town of Deer Trail, Colorado

Compliance Section

LOCAL HIGHWAY FINANCE REPORT

THIS INFORMATION FROM THE RECORDS OF:	**PREPARED BY:**		**STATE:**	
			COLORADO	
Town of Deer Trail, Colorado	Debbie Cowell	debbie@townofdeertrail.org	**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	1,062.60	a. Interest on investments	
b. Non-property Taxes and Assessments Imposts		b. Other Misc. Local Receipts	
c. Total (a + b)	$ 1,062.60	**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.)	78,217.00	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)	$ 78,217.00	**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)	$ -

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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	13,875.68
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 1,062.60
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)	$ 14,938.28
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 78,217.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 93,155.28

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:	23,659.85
3. Road and Street Services:	
a. Snow and Ice Removal	6,638.62
b. Other & Traffic Control Operations	
c. Total (a + b)	$ 6,638.62
4. General Administration & Miscellaneous	
5. Highway Law Enforcement and Safety	62,856.81
6. Total (1 through 5)	$ 93,155.28
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)	$ 93,155.28

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	0	$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)	0	$ -	$ -	$ -