THE TOWN OF

EATON

COLORADO

FINANCIAL STATEMENTS

Year Ended December 31, 2025

Anderson & Whitney

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A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report

The Mayor and Members
of the Board of Trustees
Town of Eaton
Eaton, Colorado

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Eaton, 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 accompanying 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 Eaton, Colorado 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Eaton and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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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 12 months beyond the financial statement date, including any 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 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 GAAS 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 GAAS 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 of Eaton'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 of Eaton'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 management discussion and analysis and major governmental funds budgetary comparisons be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statement, 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining statements, individual fund statements and schedules on pages 42-49, and the Local Highway Finance Report, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Anderson & Whitney, P.C.

July 13, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of The Town of Eaton (the Town) for the year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the Town's financial performance.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded liabilities and deferred inflows by $70.2 million at December 31, 2025.
- The General Fund balance was $5.0 million as of December 31, 2025. Of this amount, $378,101 is restricted for emergencies.
- The December 31, 2025 General Fund balance is $696,676 more than the prior year-end. The total fund balance is 95% of 2025 General Fund operating expenditures.
- The Water Fund has net position of $28.6 million at December 31, 2025.
- The Sewer Fund has net position of $3.3 million at December 31, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information.

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 of the Town's assets, liabilities and deferred inflows, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the Town's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the 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 are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected fees).

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town 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 *near-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 near-term financing requirements.

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 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 near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Town maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, and Library Fund, each of which is considered to be a major fund.

The basic governmental fund financial statements can be found on pages 13 to 14 of this report.

Proprietary Funds. The Town maintains one type of a proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its utility services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water and sewer funds which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 15 to 17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 33 of this report.

Budgetary Comparisons. The Town adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for the General Fund on pages 35 to 38 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2025, assets exceeded liabilities by $70,210,074.

The following table provides a summary of the Town's net position:

	2025		2024	
December 31	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Assets				
Current and other assets	$16,668,562	$ 7,888,468	$17,023,166	$ 9,496,296
Capital assets	23,854,736	26,312,163	18,566,475	20,733,967
Total Assets	40,523,298	34,200,631	35,589,641	30,230,263
Liabilities				
Current and other liabilities	1,011,246	465,145	645,712	453,245
Long-term liabilities	--	343,417	--	657,020
Total Liabilities	1,011,246	808,562	645,712	1,110,265
Deferred Inflows				
Deferred property taxes	2,590,595	--	2,274,823	--
Land lease	103,452	--	114,432	--
Net Position				
Net investment in capital assets	23,854,736	25,663,123	18,566,475	19,793,157
Restricted	8,565,219	--	10,179,040	--
Unrestricted	4,398,050	7,728,946	3,809,159	9,326,841
Total Net Position	$ 36,818,005	$ 33,392,069	$ 32,554,674	$ 29,119,998

A portion of The Town's net position represents unrestricted net position of $12,126,996 which may be used to meet the Town's ongoing obligations to citizens and creditors.

Another significant portion of the Town's net position reflects its investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the 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. The only long-term debt is the loan issued for construction of Town utility systems.

An additional $8,565,219 of the Town's net position represents resources that are subject to external restrictions on how they may be used. Included in this category are the TABOR emergency reserve, and the Streets, Library, Impact Fee and Cemetery Perpetual Care funds.

The following table indicates the changes in net position:

Years Ended December 31	2025 Governmental Activities	2025 Business-Type Activities	2024 Governmental Activities	2024 Business-Type Activities
Revenues:				
Program revenues:				
Charges for services	$ 618,965	$ 5,750,739	$ 622,505	$ 5,090,176
Operating contributions	2,298,843	--	3,046,106	--
Capital contributions	3,099,039	2,785,420	--	83,421
General revenues:				
Property taxes	512,313	--	558,480	--
Sales taxes	4,890,713	--	4,332,649	--
Other	844,525	34,000	886,162	1,019,680
Investment earnings	556,142	213,510	614,956	220,135
Transfers	241,695	(241,695)	216,406	(216,406)
Total revenues	13,062,235	8,541,974	10,277,264	6,197,006
Expenses:				
General government	2,750,143	--	2,144,029	--
Public safety	1,956,922	--	2,124,042	--
Cemetery	273,493	--	239,690	--
Parks and recreation	395,822	--	419,368	--
Public buildings	139,573	--	127,169	--
Building inspection/planning	409,149	--	276,537	--
Library	1,442,032	--	1,536,381	--
Streets	1,431,770	--	1,611,490	--
Water	--	2,567,149	--	1,932,971
Sewer	--	928,858	--	1,053,690
Sanitation	--	624,539	--	614,774
Irrigation	--	149,357	--	250,190
Total expenses	8,798,904	4,269,903	8,478,706	3,851,625
Increase in net position	$ 4,263,331	$ 4,272,071	$ 1,798,558	$ 2,345,381

Governmental Activities. Governmental activities increased the Town's net position by $4,263,331 in 2025. Key elements of this increase are as follows:

- Total revenues increased approximately 25%, due to grants received for street improvements downtown.

- Expenses increased approximately 4% from the previous year primarily from increased general government costs.

Business-Type Activities. Business-type activities (i.e. utility services) increased the Town's net position by $4,272,071 in 2025. This was primarily capital contributions for water rights.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

As of December 31, 2025, the total fund balances of the Town's governmental funds were $13.2 million. Approximately 35% of this consists of unrestricted fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance is restricted to indicate that it is not available for new spending because it is committed for the following purposes: a state-constitution mandated emergency reserve ($378,101); cemetery perpetual care ($169,314); streets ($1,416,880), library ($5,232,421) and impact fee purposes ($1,368,503).

The Town has three major governmental funds:

1. **General Fund**. This is the primary operating fund of the Town. It accounts for the Town's core governmental services. The General Fund balance was $5,038,985 as of December 31, 2025. The 2025 fund balance is $696,676 more than the previous year.
2. **Library Fund.** The Library Fund accounts for the operation of the Town's library. The fund balance at December 31, 2025 was $5,232,421.
3. **Street Fund.** The Street Fund accounts for monies received for street maintenance. The fund balance at December 31, 2025 was $1,416,880.

The Town has three major enterprise funds:

1. **Water Fund**. The Water Fund accounts for service charges and expenses of operating the Town's water system. The Water Fund net position at December 31, 2025 is $28.6 million. Net position increased by $3,861,933 during the year due to increased water use fees and capital contributions on tap fees.
2. **Sewer Fund.** The Sewer Fund accounts for service charges and expenses of operating the Town's sanitary sewer system. The Sewer Fund net position at December 31, 2025 is $3.3 million. Net position increased by $299,901.
3. **Sanitation Fund.** The Sanitation Fund accounts for service charges and expenses of operating the Town's sanitation system. The Sanitation Fund net position at December 31, 2025 is $247,046.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund.

	Final Budget	Actual
Beginning Fund Balance	$ 4,342,309	$ 4,342,309
Revenue	4,940,778	5,637,967
Expenditures	(6,042,573)	(5,311,922)
Transfers in	370,631	370,631
Ending Fund Balance	$ 3,611,145	$ 5,038,985

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2025 totals approximately $50.2 million (net of accumulated depreciation). This investment includes all land, water rights, buildings, equipment and infrastructure. The total net increase in investment in capital assets for the current year was $10.9 million or 28%, due to capital additions being more than depreciation expense.

Major capital asset events during 2025 included $5.8 million in street improvements downtown, $2.5 million for the right to utilize additional plant investment taps and $2.7 million in additional water rights.

The Town implemented the straight-line depreciation method for its capital assets, except for land and water rights which are not depreciated.

Additional information on the Town's capital assets can be found in Note 6 of this report.

Long-term Debt. At December 31, 2025, the Town had $649,040 of sewer loans payable, funded by service charges.

Additional information on the Town's debt can be found in Note 3.

OTHER MATTERS

The following factors are expected to have a significant effect on the Town's financial position and results of operations and were taken into account in developing the 2026 budget:

* The Library Fund has budgeted for the architectural plans for the library expansion.
* The Town does not anticipate paying the NISP operations billing for 2026 and is evaluating potential water rights purchases and related debt in the Water Fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Eaton finances for all those with an interest in the Town's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the Town, 223 First Street, Eaton, Colorado 80615.

TOWN OF EATON, COLORADO

STATEMENT OF NET POSITION

December 31, 2025	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled Cash and Investments	$ 13,742,143	$ 7,064,094	$ 20,806,237
Receivables:			
Property taxes	2,594,175	-	2,594,175
Utility accounts	-	493,696	493,696
Land lease	103,452	-	103,452
Other receivable	223,052	-	223,052
Inventory of Supplies	5,740	46,667	52,407
Capital Assets:			
Nondepreciable	3,588,493	16,291,957	19,880,450
Depreciable, net of accumulated depreciation	20,266,243	10,020,206	30,286,449
Other assets	-	284,011	284,011
Total Assets	40,523,298	34,200,631	74,723,929
LIABILITIES			
Accounts Payable	618,675	151,031	769,706
Accrued Payroll / Compensated Absences	392,571	8,491	401,062
Unearned Revenue	-	-	-
Long-Term Debt:			
Due within one year	-	305,623	305,623
Due in more than one year	-	343,417	343,417
Total Liabilities	1,011,246	808,562	1,819,808
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	2,590,595	-	2,590,595
Land lease	103,452	-	103,452
NET POSITION			
Net Investment in Capital Assets	23,854,736	25,663,123	49,517,859
Restricted for:			
TABOR emergencies	378,101	-	378,101
Library	5,232,421	-	5,232,421
Streets/impact fees	2,785,383	-	2,785,383
Cemetery perpetual care	169,314	-	169,314
Unrestricted	4,398,050	7,728,946	12,126,996
TOTAL NET POSITION	$ 36,818,005	$ 33,392,069	$ 70,210,074

See Accompanying Notes to Financial Statements.

TOWN OF EATON, COLORADO

STATEMENT OF ACTIVITIES

Year Ended December 31, 2025	Expenses	Charges for Services
Functions/Programs:		
Governmental Activities:		
General government	$ 2,750,143	$ 8,222
Public safety	1,956,922	162,576
Cemetery	273,493	129,682
Parks and recreation	395,822	-
Public buildings	139,573	-
Building inspection/ planning	409,149	315,821
Library	1,442,032	2,664
Streets	1,431,770	-
Interest on long-term debt	-	-
Total Governmental Activities	8,798,904	618,965
Business-Type Activities:		
Water	2,567,149	3,618,230
Sewer	928,858	1,222,946
Sanitation	624,539	652,670
Irrigation	149,357	256,893
Total Business-Type Activities	4,269,903	5,750,739
TOTAL	$ 13,068,807	$ 6,369,704

General Revenue:
- Property taxes
- Sales taxes
- Franchise and other taxes
- Use taxes - building materials
- Impact fees
- Road and bridge taxes
- Equity in earnings of investment
- Investment earnings
- Miscellaneous
- Transfers

Total General Revenue

Change in Net Position

Net Position - Beginning

NET POSITION - Ending

See Accompanying Notes to Financial Statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Contributions	Governmental Activities	Business-Type Activities	Total
$ 500,077	$ -	$ (2,241,844)	$ -	$ (2,241,844)
-	-	(1,794,346)	-	(1,794,346)
-	-	(143,811)	-	(143,811)
34,815	-	(361,007)	-	(361,007)
-	-	(139,573)	-	(139,573)
-	-	(93,328)	-	(93,328)
1,763,951	-	324,583	-	324,583
-	3,099,039	1,667,269	-	1,667,269
-	-	-	-	-
2,298,843	3,099,039	(2,782,057)	-	(2,782,057)
-	2,778,373	-	3,829,454	3,829,454
-	7,047	-	301,135	301,135
-	-	-	28,131	28,131
-	-	-	107,536	107,536
-	2,785,420	-	4,266,256	4,266,256
$ 2,298,843	$ 5,884,459	(2,782,057)	4,266,256	1,484,199
		512,313	-	512,313
		4,890,713	-	4,890,713
		285,686	-	285,686
		185,644	-	185,644
		23,557	-	23,557
		290,267	-	290,267
		-	34,000	34,000
		556,142	213,510	769,652
		59,371	-	59,371
		241,695	(241,695)	-
		7,045,388	5,815	7,051,203
		4,263,331	4,272,071	8,535,402
		32,554,674	29,119,998	61,674,672
		$ 36,818,005	$ 33,392,069	$ 70,210,074

TOWN OF EATON, COLORADO
GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2025	General Fund	Library Fund	Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Pooled Cash and Investments	$5,297,707	$5,345,108	$1,561,511	$ 1,537,817	$13,742,143
Taxes Receivable	544,911	2,049,264	-	-	2,594,175
Other Receivable	91,052	-	132,000	-	223,052
Inventory of Supplies	-	-	5,740	-	5,740
Total Assets	$5,933,670	$7,394,372	$1,699,251	$ 1,537,817	$16,565,110
LIABILITIES					
Accounts Payable	$ 261,643	$ 90,214	$ 266,818	$ -	$ 618,675
Accrued Payroll	89,582	24,602	15,553	-	129,737
Unearned Revenue	-	-	-	-	-
Total Liabilities	351,225	114,816	282,371	-	748,412
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	543,460	2,047,135	-	-	2,590,595
FUND BALANCES					
Nonspendable	-	-	-	169,314	169,314
Restricted for:					
TABOR emergencies	378,101	-	-	-	378,101
Library/Streets/Impact	-	5,232,421	1,416,880	1,368,503	8,017,804
Unassigned	4,660,884	-	-	-	4,660,884
Total Fund Balances	5,038,985	5,232,421	1,416,880	1,537,817	13,226,103
TOTAL LIABILITIES, DEFERRALS AND FUND BALANCES	$5,933,670	$7,394,372	$1,699,251	$ 1,537,817	$16,565,110
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and are not reported in the funds					23,854,736
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.					
Long-term liabilities at year-end consist of:					
Compensated Absences					(262,834)
Net Position of Governmental Activities					36,818,005

See Accompanying Notes to Financial Statements.

TOWN OF EATON, COLORADO
GOVERNMENTAL FUNDS

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended December 31, 2025	General Fund	Library Fund	Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue:					
Taxes	$4,199,677	$1,763,951	$ 1,450,215	$ 185,644	$ 7,599,487
Intergovernmental	191,807	-	3,389,306	-	3,581,113
Fines and forfeitures	162,576	2,664	-	-	165,240
Impact fees	-	-	-	23,557	23,557
Service charges	453,724	-	-	-	453,724
Investment earnings	248,278	192,811	83,317	31,736	556,142
Miscellaneous	381,905	11,959	38,693	8,719	441,276
Total Revenue	5,637,967	1,971,385	4,961,531	249,656	12,820,539
Expenditures:					
General government	4,851,694	-	-	17,770	4,869,464
Debt service	-	-	-	-	-
Library	-	1,243,790	-	-	1,243,790
Streets	-	-	500,356	-	500,356
Capital outlay	460,228	758,038	6,223,778	-	7,442,044
Total Expenditures	5,311,922	2,001,828	6,724,134	17,770	14,055,654
Revenue Over (Under) Expenditures	326,045	(30,443)	(1,762,603)	231,886	(1,235,115)
Other Financing Sources (Uses):					
Operating transfers in (out)	370,631	(128,936)	-	-	241,695
Net Change in Fund Balances	696,676	(159,379)	(1,762,603)	231,886	(993,420)
Fund Balance, January 1	4,342,309	5,391,800	3,179,483	1,305,931	14,219,523
Fund Balance, December 31	$5,038,985	$5,232,421	$ 1,416,880	$ 1,537,817	$13,226,103

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ (993,420)
Governmental funds report capital outlays 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. This is the amount by which capital additions exceeded depreciation in the year.	5,288,261
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 the governmental funds.	
Increase (decrease) in compensated absences	(31,510)
Change in Net Position of Governmental Activities	$ 4,263,331

See Accompanying Notes to Financial Statements.

STATEMENT OF NET POSITION

December 31, 2025	Water Fund	Sewer Fund	Sanitation Fund	Irrigation Fund (Nonmajor)	Total
ASSETS					
Current Assets:					
Pooled Cash and Investments	$ 4,884,717	$ 1,558,551	$ 217,659	$ 403,167	$ 7,064,094
Accounts receivable	280,098	119,742	69,610	24,246	493,696
Inventory of supplies	46,667	-	-	-	46,667
Total Current Assets	5,211,482	1,678,293	287,269	427,413	7,604,457
Capital Assets:					
Land	80,329	44,211	-	-	124,540
Water rights	15,257,811	-	-	-	15,257,811
Additional plant investment taps	2,511,000	-	-	-	2,511,000
Buildings and plant	171,978	6,014,970	-	-	6,186,948
Distribution/collection system	9,066,969	3,902,641	-	1,438,995	14,408,605
Equipment	474,675	197,290	33,231	41,139	746,335
Vehicles	-	275,971	-	28,341	304,312
	27,562,762	10,435,083	33,231	1,508,475	39,539,551
Accumulated depreciation	(5,252,833)	(8,137,304)	(26,231)	(720,626)	(14,136,994)
Construction in progress	909,606	-	-	-	909,606
Total Capital Assets	23,219,535	2,297,779	7,000	787,849	26,312,163
Other Assets:					
Investment in CLRWTA	284,011	-	-	-	284,011
Total Other Assets	284,011	-	-	-	284,011
Total Assets	28,715,028	3,976,072	294,269	1,215,262	34,200,631
LIABILITIES					
Current Liabilities:					
Accounts payable	88,500	11,660	47,223	3,648	151,031
Accrued payroll	5,428	3,063	-	-	8,491
Current portion of long-term liabilities	-	305,623	-	-	305,623
Total Current Liabilities	93,928	320,346	47,223	3,648	465,145
Long-Term Liabilities:					
Long-term loans	-	327,448	-	-	327,448
Loan premium	-	15,969	-	-	15,969
Total Long-Term Liabilities	-	343,417	-	-	343,417
Total Liabilities	93,928	663,763	47,223	3,648	808,562
NET POSITION					
Net Investment in Capital Assets	23,219,535	1,648,739	7,000	787,849	25,663,123
Unrestricted	5,401,565	1,663,570	240,046	423,765	7,728,946
TOTAL NET POSITION	$ 28,621,100	$ 3,312,309	$ 247,046	$ 1,211,614	$ 33,392,069

See Accompanying Notes to Financial Statements.

TOWN OF EATON, COLORADO
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION

Year Ended December 31, 2025	Water Fund	Sewer Fund	Sanitation Fund	Irrigation Fund (Nonmajor)	Total
Operating Revenue - charges for services	3,618,230	$ 1,222,946	$ 652,670	$ 256,893	$ 5,750,739
Operating Expenses:					
Personnel	159,848	138,692	-	10,543	309,083
Supplies	2,394	20,394	-	20	22,808
Contractual services	433,084	156,391	599,723	28,444	1,217,642
Utilities	18,427	64,407	-	34,626	117,460
Repairs and maintenance	132,717	31,593	-	9,149	173,459
Insurance	20,284	25,464	920	1,239	47,907
Water purchases and assessments	1,027,423	-	-	-	1,027,423
Other	95,400	30,693	21,896	-	147,989
Depreciation	258,822	440,079	2,000	65,336	766,237
Total Operating Expenses	2,148,399	907,713	624,539	149,357	3,830,008
Operating Income	1,469,831	315,233	28,131	107,536	1,920,731
Nonoperating Revenue (Expenses):					
NISP expenses	(418,750)	-	-	-	(418,750)
Investment earnings	171,308	42,202	-	-	213,510
Interest expense	-	(29,125)	-	-	(29,125)
Loan premium costs	-	7,980	-	-	7,980
Equity in earnings of investment in CLRWTA	34,000	-	-	-	34,000
Net Nonoperating Revenue (Expense)	(213,442)	21,057	-	-	(192,385)
Income Before Contributions and Operating Transfers	1,256,389	336,290	28,131	107,536	1,728,346
Capital Contributions and Tap Fees	2,778,373	7,047	-	-	2,785,420
Operating Transfers Out - General Fund	(172,829)	(43,436)	(25,430)	-	(241,695)
Change in Net Position	3,861,933	299,901	2,701	107,536	4,272,071
Fund Net Position, January 1	24,759,167	3,012,408	244,345	1,104,078	29,119,998
Fund Net Position, December 31	28,621,100	$ 3,312,309	$ 247,046	$ 1,211,614	$ 33,392,069

See Accompanying Notes to Financial Statements.

TOWN OF EATON, COLORADO
ENTERPRISE FUNDS

STATEMENT OF CASH FLOWS

Year Ended December 31, 2025	Water Fund	Sewer Fund	Sanitation Fund	Irrigation Fund (nonmajor)	Total
Cash Flows from Operating Activities:					
Cash received from customers	$ 3,556,424	$ 1,205,927	$ 649,482	$ 253,058	$ 5,664,891
Cash payments:					
To suppliers for goods and services	(1,732,835)	(335,081)	(622,230)	(84,964)	(2,775,110)
To employees for services	(175,987)	(147,628)	-	-	(323,615)
Net Cash Provided by Operating Activities	1,647,602	723,218	27,252	168,094	2,566,166
Cash Flows from Noncapital Financing Activities:					
Operating Transfer Out - General Fund	(172,829)	(43,436)	(25,430)	-	(241,695)
Cash Flows from Capital and Related Financing Activities:					
Acquisition of equipment and plant	(3,587,691)	(49,242)	(7,500)	-	(3,644,433)
Debt principal reduction	-	(283,790)	-	-	(283,790)
Interest paid on debt	-	(29,124)	-	-	(29,124)
Service tap fees	78,373	7,047	-	-	85,420
Proceeds from the sale of assets	-	-	-	-	-
Other	(418,750)	-	-	-	(418,750)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,928,068)	(355,109)	(7,500)	-	(4,290,677)
Cash Flows from Investing Activities:					
Interest	171,308	42,202	-	-	213,510
Net Cash Provided by Investing Activities	171,308	42,202	-	-	213,510
Net Increase (Decrease) in Cash	(2,281,987)	366,875	(5,678)	168,094	(1,752,696)
Cash and Cash Equivalents, January 1	7,166,704	1,191,676	223,337	235,073	8,816,790
Cash and Cash Equivalents, December 31	$ 4,884,717	$ 1,558,551	$ 217,659	$ 403,167	$ 7,064,094
Reconciliation of Operating Income to Net Cash From Operating Activities:					
Operating income (loss)	$ 1,469,831	$ 315,233	$ 28,131	$ 107,536	$ 1,920,731
Depreciation and amortization	258,822	440,079	2,000	65,336	766,237
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(61,806)	(17,019)	(3,188)	(3,834)	(85,847)
Inventories	(25,020)	-	-	-	(25,020)
Increase (decrease) in:					
Accounts payable	21,914	(6,139)	309	(944)	15,140
Accrued payroll and compensated absences	(16,139)	(8,936)	-	-	(25,075)
Net Cash Provided by Operating Activities	$ 1,647,602	$ 723,218	$ 27,252	$ 168,094	$ 2,566,166
Disclosure of Noncash Capital and Related Financing Activities:					
Contributed water rights	$ 2,700,000	$ -	$ -	$ -	$ 2,700,000
Equity in earnings of investment in CLRWTA	34,000	-	-	-	34,000

See Accompanying Notes to Financial Statements.

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Town of Eaton, Colorado conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating the Town's financial statements.

Reporting Entity:

The financial report of the Town includes all of the integral parts of the Town's operations. The Town has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

The Mayor appoints members of the Eaton Housing Authority. Otherwise, the Town has no role in the designation of management and no ability to influence operations. The Town does not have financial accountability for the Eaton Housing Authority, as the Authority is fiscally independent.

Proceeds from the seizure of contraband, if any, are included in the reporting entity.

Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the town. 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 revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 instead as *general revenues*.

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

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Government-wide and Fund Financial Statements – Continued:

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Library Fund* accounts for taxes received from the High Plains Library District and other revenue restricted for library services.

The *Street Fund* accounts for taxes and inter-governmental revenue restricted for street maintenance and improvements.

The Town reports the following major proprietary funds:

The *Sewer Fund* accounts for user charges and expenses for operating, financing, and maintaining the Town's sanitary sewer system.

The *Water Fund* accounts for user charges and the expenses for operating, financing, and maintaining the Town's water system.

The *Sanitation Fund* accounts for user charges and the expenses for operating, financing, and maintaining the Town's sanitation system.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Accounts reported as *program revenues* 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. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues from *nonoperating* 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 of the sewer fund, water fund, and the other enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues 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.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

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 funds. 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.

Government 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 of soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Cigarette taxes, use taxes, taxpayer-assessed taxes, interest revenue, and charges for services 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 measurable and available only when cash is received by the government.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, stormwater drainage, traffic signals, 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, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

Buildings and Improvements	10 – 50 years
Equipment and Vehicles	3 – 10 years
Infrastructure	10 – 30 years

Long-Term Obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issued are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restrictions for the Town are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR restrictions at December 31, 2025 are $378,101.

Assigned fund balances, if any, are amounts the Town intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official to which the Board delegates authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

Property Taxes:

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The Town uses the Weld County Treasurer to bill and collect its property taxes. Taxes levied in December 2025 are recorded as taxes receivable and deferred revenue as of December 31, 2025. The original January 1, 2025 levy for the General Fund of the Town was 5.441 mills or approximately $511,599.

Budget:

An annual budget and appropriation ordinance is adopted by the Town Board in accordance with the Local Government Budget Law. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States for all funds, except for modifications in the enterprise funds which are discussed below. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Town Administrator is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Town Board through a supplemental appropriation ordinance. The 2025 budget was amended.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Budget - Continued:

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States (GAAP), except for the enterprise funds:

a. Depreciation and amortization expense is not budgeted in the enterprise funds.
b. Principal reduction of bonds is budgeted as expenses.
c. Property and equipment purchases are budgeted as expenses.

Budgetary comparisons presented in the enterprise funds are on this non-GAAP budget basis.

Inventories:

Inventories of governmental funds, which consist of expendable materials held for consumption, are stated at cost, determined by the first-in, first-out (FIFO) method. These funds follow the consumption method of accounting whereby expenditures are recorded at the time the inventory items are used.

Inventories of proprietary funds are recorded at the lower of cost or market. Cost is determined by the FIFO method.

Transfers In/Out:

Transfers to the General Fund were made from the Library, Water, Sewer, and Sanitation Funds to reimburse the General Fund for various office expenses.

Pooled Cash:

Most cash resources of the Town are combined and deposited in an interest bearing bank account. Interest income earned on the pooled account is allocated to the General Fund. If a fund's share of the pooled cash is a deficit, a Due to Other Funds account is established.

Subsequent Events:

Management has evaluated subsequent events through the date of the financial statements were available for issuance, which is the same date as the auditors' report.

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Compensated Absences:

In 2024, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101 *Compensated Absences*. GASB 101 establishes standards for recognizing and measuring liabilities and expenses related to compensated absences, including vacation leave, sick leave, and other paid time off.

GASB 101 requires the recognition of a liability for compensated absences that are attributable to services already rendered, based on established policies and applicable laws. The liability is measured using the pay or salary rates in effect at the financial reporting date. Liabilities are recognized only for compensated absences that are expected to result in payments to employees (e.g., cash payouts, leave used during employment, or other settlements).

Vacation leave is available to full-time and part-time employees. The number of hours awarded are based on the length of continuous service of each employee. Part-time employees accrue vacation on a prorated basis. The maximum number of hours that can be accrued for vacation is 240 hours.

All full-time employees receive sick leave at the rate of one hour per 20 hours worked up to 104 hours per year or 13 days. The maximum number of hours that can be carried forward is based on the length of service and ranges between 240 and 600 hours. Part-time employees accrue sick time at the rate of one hour per 30 hours worked with up to 48 hours . A maximum of 48 hours can be carried forward to the next year. Sick leave is not paid out when an employee separates from the Town. The estimated liability for sick leave attributable to services already rendered that accumulates and carries forward to a future year has been estimated to be an average of two years of sick leave used.

Vacation and sick leave accumulated by an employee are recorded as a liability and current operating expense of the Town at the employee's current rate of pay. Accrued compensated absences totaled $262,835 for governmental activities and $21,710 for business type activities at December 31, 2025.

See Note 3 for changes in Long-Term Debt.

Statement of Cash Flows:

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

NOTE 2 – Cash and Investments:

The Town's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Town's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school district, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

At December 31, 2025, the Town had $13,884,018 invested in the COLOTRUST PLUS+), an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of $1.00 per share. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. COLOTRUST is rated AAAm by Standard & Poor's. The Town's investment is measured at NAV.

COLOTRUST PLUS+ portfolios may invest in U.S. Treasury securities, certain approved obligations of agencies of the U.S. government, commercial paper rated in the highest category, corporate securities rated at lease AA-/Aa3, certain money market funds registered as an investment compony under the Federal Investment Company Act of 1940 and written repurchase agreements collateralized by U.S. Treasury securities or certain approved obligations of U.S. government agencies. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

At December 31, 2025, the Town had $660,207 invested in Centennial State Liquid Investment Pool (CSLIP), an SEC rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of $1.00 per share. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. CSLIP is rated AAAm by Fitch. The Town's investment is measured at NAV.

CSLIP portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities and certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 2 – Cash and Investments – Continued:

Investments held as of December 31, 2025 are as follows:

	Cost	Fair Value
U.S. Treasury Securities, Moody rating Aa1, maturing 2028	$ 480,755	$ 484,963
U.S. Government Sponsored Agency Bonds, FFCB, maturing in 2026-2029, rated AA+ by Standard & Poor's	723,065	737,193
Total	$ 1,203,820	$ 1,222,156

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statement of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

	Fair Value Measurements at Reporting Date Using		
Description	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2025			
Investment securities:			
Fixed income	$ --	$ 1,222,156	--

NOTE 3 – Long-Term Debt:

Governmental Activities:

A summary of the changes in debt for the year ended December 31, 2025, is as follows:

	Balance 1/1/25	Net Additions	Balance 12/31/25	Due Within One Year
Compensated Absences:				
Governmental Activities	$ 231,325	$ 31,510	$ 262,835	$ --
Total	$ 231,325	$ 31,510	$ 262,835	$ --

Water and Sewer Debt:

December 31	2025
$5,000,000, Series 2005, loan from Colorado Water Resource and Power Development Authority, due in varying monthly installments through 2027, average interest rate at 3.38%. (This debt will be serviced by the Sewer Fund, an Enterprise Fund.)	$ 633,071
Series 2005, CWRPDA loan premium	15,969
Total Water and Sewer Debt	$ 649,040

The annual requirements to amortize these loans as of December 31, 2025 are as follows:

Year Ending December 31	Principal	Interest	Total
2026	$ 305,623	$ 15,380	$ 321,003
2027	327,448	7,955	335,403
	$ 633,071	$ 23,335	$ 656,406

Changes in Enterprise Fund long-term debt during the year were as follows:

	Balance, 1/1/25	Additions	Retirements	Balance, 12/31/25	Due Within One Year
CWRPDA Loan – Sewer	$ 916,861	$ --	$283,790	$ 633,071	$ 305,623
Series 2005 Loan Premium	23,949	--	7,980	15,969	--
Compensated Absences, net	26,350	--	4,640	21,710	--
	$ 967,160	$ --	$ 296,410	$ 670,750	$ 305,623

NOTE 3 – Long-Term Debt – Continued:

The Town has pledged future customer revenues, net of operating expenses, to repay the sewer loan above. Proceeds from the loans provided financing for various improvements. The loans are payable solely from sewer net revenues and are payable through 2027. Annual principal and interest payments on the bonds are expected to require approximately 30% of sewer revenues. The total principal and interest remaining to be paid on the bonds is on page 27. Principal and interest paid for the current year and total customer revenues were $312,914 and $1,222,946, respectively for sewer.

NOTE 4 - Defined Contribution Plan and Voluntary Investment Program:

The Town provides pension benefits through a defined contribution plan for all of its employees who have elected to participate. The plan is administered by One America and can be amended only by the governing body. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate in the plan after 1,000 hours of service.

In order to participate in the plan, employees must contribute a minimum of three percent of compensation, which was amended in 2019 from five percent, with the Town making a five percent contribution on their behalf. The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested after three years continuous service. Town contributions (including interest) forfeited by employees who leave employment before three years of service are used to reduce the Town's current-period contribution requirement.

Employees contributed approximately $94,089 and the Town made the required 5% contribution for participating employees, amounting to $171,218. Forfeitures were not material to the financial statements.

Effective 2025, employees of the Town may voluntarily contribute to the Voluntary Investment Program (“457 Plan”), an Internal Revenue Code Section 457 defined contribution plan administered by One America. Plan participation is optional, and contributions are separate from others made to the defined contribution plan. The 457 Plan is funded by voluntary member contributions and Town matching of 50% not to exceed 1% of compensation. For the year ended December 31, 2025 employee and employer contributions were $38,329 and $8,080, respectively.

NOTE 5 – Land Lease:

The Town implemented GASB Statement No.87 as of January 1, 2023, and recognized a lease receivable for a land lease during fiscal year 2023. The Town has an agreement to lease 2,600 square feet of land to Allo for $1,500 per month, which expires in March of 2033. Total lease revenue recognized during the year ended December 31, 2025 is as follows:

	Revenue	Interest	Total Revenue
Land lease	$10,980	$7,020	$18,000

The following is the lease receivable schedule as of December 31, 2025:

Years Ending December 31	Principal	Interest	Total Payments
2026	$ 11,715	$ 6,285	$ 18,000
2027	12,500	5,500	18,000
2028	13,338	4,662	18,000
2029	14,232	3,768	18,000
2030	15,185	2,815	18,000
There after	36,482	2,518	39,000
	$ 103,452	$ 25,548	$ 129,000

NOTE 6 – Capital Assets:

Governmental Activities	Balance, 1/1/25	Additions	Deletions	Transfers	Balance, 12/31/25
Not Depreciable:					
Land	$3,025,003	$ 53,000	$ --	$ --	$3,078,003
Construction in progress	148,293	708,442	--	(346,245)	510,490
Depreciable:					
Buildings and improvements	1,944,922	11,510	--		1,956,432
Library	4,877,039	1,582	--	--	4,878,621
Streets and improvements	16,615,058	5,772,695	--	--	22,387,753
Park and cemetery improvements	3,886,357	140,948	--	24,429	4,051,734
Museum	288,246	--	--	--	288,246
Equipment	1,444,457	227,029	(102,780)	--	1,568,706
Vehicles	1,192,720	176,541	(134,670)	321,816	1,556,407
Total Cost	33,422,095	7,091,747	(237,450)	--	40,276,392
Less Accumulated Depreciation:					
Buildings and improvements	2,020,248	177,105	--	--	2,197,353
Library	1,083,753	198,242	--	--	1,281,995
Streets and improvements	7,944,152	931,414	--	--	8,875,566
Park and cemetery improvements	1,481,516	144,518	--	--	1,626,034
Museum	166,744	8,000	--	--	174,744
Equipment	1,106,613	198,273	(102,780)	--	1,202,106
Vehicles	1,052,594	145,934	(134,670)	--	1,063,858
Total Accumulated Depreciation	14,855,620	1,803,486	(237,450)	--	16,421,656
Capital Assets, Net	$18,566,475	$5,288,261	$ --	$ --	$23,854,736

Depreciation expense is allocated as follows:

Governmental activities	$ 673,830
Streets	931,414
Library	198,242
	$1,803,486

NOTE 6 – Capital Assets – Continued:

Business Type Activities	Balance, 1/1/25	Additions	Deletions	Transfers	Balance, 12/31/25
Not Depreciable:					
Land and improvements	$ 124,540	$ --	$ --	$ --	$ 124,540
Water rights	12,557,811	2,700,000	--	--	15,257,811
Construction in progress	574,500	931,766	--	(596,660)	909,606
Depreciable:					
Buildings and plant	6,141,876	45,070	--	--	6,186,946
Distribution/collection system	13,811,946	--	--	596,660	14,408,606
Equipment	641,411	156,597	(51,672)	--	746,336
Vehicles	316,044	--	(11,732)	--	304,312
Additional plant investment taps	--	2,511,000	--	--	2,511,000
Total Cost	34,168,128	6,344,433	(63,404)	--	40,449,157
Less Accumulated Depreciation:					
Buildings and plant	4,957,232	333,757	--	--	5,290,989
Distribution/collection system	7,625,964	348,718	--	--	7,974,682
Equipment	585,185	74,876	(51,672)	--	608,389
Vehicles	265,780	8,886	(11,732)	--	262,934
Total Accumulated Depreciation	13,434,161	766,237	(63,404)	--	14,136,994
Capital Assets, Net	$ 20,733,967	$ 5,578,196	$ --	$ --	$ 26,312,163

NOTE 7 - Colorado Intergovernmental Risk Sharing Agency (CIRSA):

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution. In February, 1986, the Town Board authorized participation in the agency. The Town has participated each year since then.

The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

The Town recognizes an expenditure for the amount paid to CIRSA annually for these coverages. The Town paid $173,858 to CIRSA in 2025. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 8 - Weld 911 Emergency Telephone Service Authority:

The Town is a member of the Weld 911 Emergency Telephone Service Authority, a separate legal entity established by Weld County, member municipalities, and special districts for the purpose of providing 911 emergency telephone service.

Authority Board members are selected by the Weld County commissioners and by the larger municipalities in Weld County. The Town does not have the ability to significantly affect the operations of the Authority.

The Town has no obligation to the Authority beyond the service charges paid by Town residents to their telephone service supplier. In the event of the Authority disbanding without a successor, the net position, if any, shall be returned to the participants. The Town of Eaton's share of the net position is estimated to be less than 5%.

NOTE 9 – Subsequent Events and Contingencies:

In 1992, Colorado voters approved "Amendment One", or the Taxpayer's Bill of Rights (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from enterprise activities, gifts, federal funds, reserve expenditures, damage awards, or property sales.

In November 1994, the electors of the Town of Eaton voted to supersede TABOR and to collect, retain, and expend the full proceeds of all taxes, fees, and other revenue without increasing or adding taxes of any kind.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the applicable requirements of the Amendment. Included in the accompanying financial statements are emergency reserves required by TABOR, of at least 3% of fiscal year spending, recorded in the General Fund.

The Town is evaluating debt options to facilitate the purchase of 1 ½ shares of Water Supply Storage Company (WSSC.) The purchase is anticipated to be funded half through the issuance of new debt and half from Water Fund reserves. The purchase is anticipated to be complete by the end of 2026.

NOTE 10 – Investment in Cobb Lake Regional Water Treatment Authority:

The Cobb Lake Regional Water Treatment Authority (CLRWTA) was created in January 2024 pursuant to the “Cobb Lake Regional Water Treatment Authority Creation Agreement” entered into between the Town of Eaton, Town of Severance, Town of Windsor and the Fort Collins-Loveland Water District. Together these are the Member Entities.

The Authority was created in order to develop infrastructure for the treatment and delivery of Northern Integrated Supply Project (NISP) water as well as other sources to the Member Entities and to construct, operate and maintain a water treatment facility to treat and deliver NISP water and other sources of water to the Member Entities. The four entities have an equity interest in the assets and liabilities of the Authority proportional to the total contributions received from each, currently 25%.

The Authority has no employees and all administrative functions are contractual. Each member entity appointed an individual to the board of directors. Separate financial statements have not been published by the authority.

During 2024, investments were made by each of the member entities into CLRWTA. Development of the infrastructure had not commenced at year-end. The Town of Eaton’s investment in CLRWTA at December 31, 2025 is $284,011, which is primarily land previously purchased by the Town being contributed to the Authority and earnings of investment of $34,000.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF EATON, COLORADO
GENERAL FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2025	Actual	Estimate	Variance
Taxes:			
General property	$ 512,313	$ 512,042	$ 271
Franchise - utility companies	246,866	243,803	3,063
Sales	3,440,498	3,135,000	305,498
Penalties and interest	-	-	-
Total Taxes	4,199,677	3,890,845	308,832
Licenses and Permits:			
Building permits	206,998	229,333	(22,335)
Liquor licenses	3,186	2,600	586
Dog licenses	270	380	(110)
Business licenses	4,765	6,000	(1,235)
Total Licenses and Permits	215,219	238,313	(23,094)
Intergovernmental:			
Cigarette tax	6,747	5,500	1,247
Lottery proceeds	34,815	39,000	(4,185)
Mineral and severance taxes	32,073	30,000	2,073
Intergovernmental grants	118,172	183,000	(64,828)
Total Intergovernmental	191,807	257,500	(65,693)
Charges for Services:			
Grave openings	66,753	35,120	31,633
Sale of cemetery plots	62,929	29,000	33,929
Planning revenue	108,823	90,000	18,823
Total Charges for Services	238,505	154,120	84,385
Fines and Forfeitures:			
Fines - traffic	162,576	294,000	(131,424)
Total Fines and Forfeitures	162,576	294,000	(131,424)
Investment Earnings			
Investment Earnings	248,278	76,000	172,278
Total Investment Earnings	248,278	76,000	172,278
Miscellaneous:			
Miscellaneous revenue	381,905	30,000	351,905
Total Miscellaneous	381,905	30,000	351,905
Total Revenue	$ 5,637,967	$ 4,940,778	$ 697,189

TOWN OF EATON, COLORADO
GENERAL FUND

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2025	Actual	Original Budget	Final Budget	Variance From Final Budget
Administration:				
Current operating:				
Mayor and Board of Trustees	$ 27,600	$ 27,600	$ 27,600	$ -
Administrator and staff	669,259	654,890	654,890	(14,369)
Court clerk	17,132	8,345	8,345	(8,787)
Employee benefits	153,490	168,929	168,929	15,439
Elections	1,670	2,000	2,000	330
Office supplies	7,730	12,000	12,000	4,270
Telephone	12,384	21,630	21,630	9,246
Office expenses	82,676	61,590	61,590	(21,086)
Staff training and education	26,175	21,500	21,500	(4,675)
Dues	7,855	6,500	6,500	(1,355)
Publications	23,117	19,000	19,000	(4,117)
Insurance	142,595	138,476	138,476	(4,119)
Professional services	276,597	246,138	246,138	(30,459)
Legal fees	90,571	103,635	103,635	13,064
Building inspections	124,941	172,500	172,500	47,559
Capital outlay	2,114	9,340	9,340	7,226
Total Administration	1,665,906	1,674,073	1,674,073	8,167
Public Safety:				
Current operating:				
Municipal judge	18,400	20,600	20,600	2,200
Police chief and officers	1,347,487	1,690,172	1,690,172	342,685
Employee benefits	262,379	402,549	402,549	140,170
Office supplies	3,462	13,500	13,500	10,038
Operating supplies	123,754	159,300	159,300	35,546
Communications	87,429	91,343	91,343	3,914
Automotive services	49,730	82,200	82,200	32,470
Professional services	44,485	700	700	(43,785)
Training and education	19,601	19,500	19,500	(101)
Animal shelter	195	2,000	2,000	1,805
Capital outlay	292,323	112,255	112,255	(180,068)
Total Public Safety	2,249,245	2,594,119	2,594,119	344,874

Continued on next page.

TOWN OF EATON, COLORADO
GENERAL FUND

Schedule of Expenditures Compared with Budget - Continued

Year Ended December 31, 2025	Actual	Original Budget	Final Budget	Variance From Final Budget
Cemetery:				
Current operating:				
Maintenance labor	$ 170,871	$ 124,575	$ 124,575	$ (46,296)
Employee benefits	38,239	35,315	35,315	(2,924)
Operating supplies	32,441	45,483	45,483	13,042
Utilities	8,759	10,000	10,000	1,241
Repairs and maintenance	17,333	13,210	13,210	(4,123)
Forestry and nursery	5,850	13,700	13,700	7,850
Capital outlay	30,164	34,469	34,469	4,305
Total Cemetery	303,657	276,752	276,752	(26,905)
Parks and Recreation:				
Current operating:				
Maintenance labor	184,237	247,006	247,006	62,769
Employee benefits	31,280	43,480	43,480	12,200
Operating supplies	141,556	137,525	137,525	(4,031)
Utilities	28,042	48,600	48,600	20,558
Forestry and nursery	10,707	25,000	25,000	14,293
Capital outlay	135,627	627,565	627,565	491,938
Total Parks and Recreation	531,449	1,129,176	1,129,176	597,727
Public Buildings:				
Current operating:				
Custodial salary	28,845	31,930	31,930	3,085
Operating supplies	20,530	20,600	20,600	70
Utilities	26,061	28,080	28,080	2,019
Repairs and maintenance	46,367	33,710	33,710	(12,657)
Capital outlay	-	14,000	14,000	14,000
Total Public Buildings	121,803	128,320	128,320	6,517
Planning and Development:				
Planner	237,473	82,000	82,000	(155,473)
Legal fees	7,544	14,700	14,700	7,156
Engineering	39,191	66,223	66,223	27,032
Capital outlay	-	-	-	-
Total Planning and Development	284,208	162,923	162,923	(121,285)
Miscellaneous:				
Treasurer's fees	16,381	7,210	7,210	(9,171)
Economic development	135,779	70,000	70,000	(65,779)
Other	3,494	-	-	(3,494)
Total Miscellaneous	155,654	77,210	77,210	(78,444)
Total Expenditures	$ 5,311,922	$ 6,042,573	$ 6,042,573	$ 730,651

Schedule of Other Financing Sources Compared with Estimate

Year Ended December 31, 2025	Actual	Estimate	Variance
Operating Transfers In:			
Water Fund	$ 172,829	$ 172,829	$ -
Sewer Fund	43,436	43,436	-
Library Fund	128,936	128,936	-
Sanitation Fund	25,430	25,430	-
Total Other Financing Sources	$ 370,631	$ 370,631	$ -

TOWN OF EATON, COLORADO
SPECIAL REVENUE FUNDS
LIBRARY FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2025	Actual	Estimate	Variance
Property Taxes (High Plains Library District)	$ 1,763,951	$ 1,764,231	$ (280)
Library Fines	2,664	500	2,164
Interest	192,811	100,000	92,811
Miscellaneous	11,959	11,600	359
Total Revenue	$ 1,971,385	$ 1,876,331	$ 95,054

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2025	Actual	Original Budget	Final Budget	Variance from Final Budget
Library:				
Current operating:				
Librarians	$ 633,702	$ 737,882	$ 737,882	$ 104,180
Employee benefits	139,180	223,478	223,478	84,298
Operating supplies	34,906	52,572	52,572	17,666
Mileage reimbursements	1,260	1,030	1,030	(230)
Public relations	30,818	30,450	30,450	(368)
Insurance	20,634	26,379	26,379	5,745
Contract services	137,463	395,859	395,859	258,396
Utilities	20,950	23,690	23,690	2,740
Training	25,998	49,590	49,590	23,592
Repairs and maintenance	54,193	48,000	48,000	(6,193)
Circulation	23,392	33,150	33,150	9,758
Print	37,947	46,500	46,500	8,553
Programs	71,985	86,000	86,000	14,015
Reference	11,362	10,150	10,150	(1,212)
Capital outlay	758,038	492,963	492,963	(265,075)
Total Expenditures - Library	2,001,828	2,257,693	2,257,693	255,865
Operating Transfers Out - General Fund	128,936	128,936	128,936	-
Total Nonoperating Expenditures	128,936	128,936	128,936	-
Total Expenditures and Transfers - Library	$ 2,130,764	$ 2,386,629	$ 2,386,629	$ 255,865

TOWN OF EATON, COLORADO
SPECIAL REVENUE FUNDS
STREET FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2025	Actual	Estimate	Variance
Sales Taxes	$ 1,450,215	$ 1,158,600	$ 291,615
B and D Taxes	20,735	20,000	735
Highway Users Tax	217,856	191,480	26,376
Motor Vehicle Fees	20,330	21,000	(670)
County Road and Bridge	36,675	54,000	(17,325)
Severance taxes	35,736	50,162	(14,426)
Interest	83,317	13,710	69,607
Grants	3,057,974	3,155,000	(97,026)
Miscellaneous and easements	38,693	1,500	37,193
Total Revenue	$ 4,961,531	$ 4,665,452	$ 296,079

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2025	Actual	Original Budget	Final Budget	Variance from Final Budget
Streets:				
Current operating:				
Salaries	$ 167,691	$ 166,016	$ 166,016	$ (1,675)
Employee benefits	40,332	49,307	49,307	8,975
Operating supplies	14,815	45,206	45,206	30,391
Insurance	25,641	8,082	8,082	(17,559)
Professional services	89,963	78,146	78,146	(11,817)
Construction engineering	24,231	50,000	50,000	25,769
Snow removal	-	3,000	3,000	3,000
Street lighting	113,870	170,000	170,000	56,130
Equipment maintenance	23,813	56,050	56,050	32,237
Capital outlay:				
Improvements	6,173,403	6,536,044	6,775,815	602,412
Street signs	5,616	20,000	20,000	14,384
Equipment acquisition	44,759	20,000	20,000	(24,759)
Total Expenditures - Streets	$ 6,724,134	$ 7,201,851	$ 7,441,622	$ 717,488

ADDITIONAL INFORMATION

TOWN OF EATON, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2025	Impact Fee Fund	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds
ASSETS			
Current Assets:			
Pooled Cash and Investments	$ 1,368,503	$ 169,314	$ 1,537,817
Accounts receivable	-	-	-
Total Assets	1,368,503	169,314	1,537,817
LIABILITIES			
Current Liabilities:			
Accounts payable	-	-	-
Total Liabilities	-	-	-
FUND BALANCES			
Nonspendable	-	169,314	169,314
Restricted for Impact Fund	1,368,503	-	1,368,503
Total Fund Balance	$ 1,368,503	$ 169,314	$ 1,537,817

TOWN OF EATON, COLORADO
NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET BALANCES

Year Ended December 31, 2025	Impact Fee Fund	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds
Use Tax - building materials	$ 185,644	$ -	$ 185,644
Impact Fees:			
Police facilities	3,872	-	3,872
Municipal facilities and equipment	3,100	-	3,100
Community park and equipment	1,917	-	1,917
Neighborhood park facilities and equipment	575	-	575
Streets	11,193	-	11,193
Storm drainage	2,900	-	2,900
Lot Sales	-	8,719	8,719
Interest Revenue	29,957	1,779	31,736
Total Revenue	239,158	10,498	249,656
Operating Expenses:			
Salaries and benefits	-	-	-
Supplies	-	-	-
Other	38	-	38
Development expense	17,732	-	17,732
Total Operating Expenses	17,770	-	17,770
Net Change in Fund Balances	221,388	10,498	231,886
Fund Balance, January 1	1,147,115	158,816	1,305,931
Fund Balance, December 31	$ 1,368,503	$ 169,314	$ 1,537,817

TOWN OF EATON, COLORADO
SPECIAL REVENUE FUNDS
IMPACT FEE FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2025	Actual	Estimate	Variance
Use Tax - building materials	$ 185,644	$ 124,985	$ 60,659
Impact Fees:			
Police facilities	3,872	6,550	(2,678)
Municipal facilities and equipment	3,100	37,000	(33,900)
Community park and equipment	1,917	12,700	(10,783)
Neighborhood park facilities and equipment	575	28,750	(28,175)
Streets	11,193	-	11,193
Storm drainage	2,900	-	2,900
Interest Income	29,957	-	29,957
Total Revenue and Transfers In	$ 239,158	$ 209,985	$ 29,173

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2025	Actual	Original Budget	Final Budget	Variance From Final Budget
Expenditures:				
Police facilities and equipment expenses	$ -	$ -	$ -	$ -
Municipal and equipment	-	-	-	-
Neighborhood park expenses	38	-	-	(38)
Community park expenses	-	-	-	-
Development expense	17,732	7,000	17,800	68
Total Expenditures	$ 17,770	$ 7,000	$ 17,800	$ 30

TOWN OF EATON, COLORADO
PERMANENT FUNDS
CEMETERY PERPETUAL CARE FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2025	Actual	Estimate	Variance
Lot Sales	$ 8,719	$ -	$ 8,719
Interest	1,779	-	1,779
Total Revenue	$ 10,498	$ -	$ 10,498

Schedule of Expenditures Compared with Budget

Year Ended December 31, 2025	Actual	Original and Final Budget	Variance From Final Budget
Expenditures:			
Cemetery	$ -	$ -	$ -
Total Expenditures	$ -	$ -	$ -

TOWN OF EATON, COLORADO
ENTERPRISE FUNDS - WATER FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2025	Actual	Estimate	Variance
Operating Revenue:			
Water service fees	$ 3,397,634	$ 3,693,361	$ (295,727)
Miscellaneous	220,596	782,844	(562,248)
Nonoperating Revenue:			
Interest	171,308	95,000	76,308
Capital contributions and tap fees	2,778,373	858,900	1,919,473
Equity in earnings of investment in CLRWTA	34,000	-	34,000
Total Revenue	$ 6,601,911	$ 5,430,105	$ 1,171,806

Schedule of Expenses and Transfers Compared with Budget (Non-GAAP Budget Basis)

Year Ended December 31, 2025	Actual	Original Budget	Final Budget	Variance
Operating Expenses:				
Personnel:				
Salaries	$ 122,291	$ 209,450	$ 209,450	$ 87,159
Employee benefits	37,557	52,873	52,873	15,316
Supplies	2,394	63,620	63,620	61,226
Contractual services	433,084	161,745	161,745	(271,339)
Utilities	18,427	19,000	19,000	573
Repairs and maintenance	32,515	51,300	51,300	18,785
Insurance	20,284	20,000	20,000	(284)
Water assessments	95,616	100,000	100,000	4,384
NWCWD purchases	931,807	1,121,252	1,121,252	189,445
Miscellaneous	95,400	45,154	45,154	(50,246)
Total Operating Expenses	1,789,375	1,844,394	1,844,394	55,019
Nonoperating Expenses:				
NISP expenses	418,750	417,500	417,500	(1,250)
Capital outlay	4,353,088	3,140,728	4,417,574	64,486
Total Nonoperating Expenses	4,771,838	3,558,228	4,835,074	63,236
Operating Transfers Out - General Fund	172,829	172,829	172,829	-
Total Expenses and Transfers	$ 6,734,042	$ 5,575,451	$ 6,852,297	$ 118,255

TOWN OF EATON, COLORADO
ENTERPRISE FUNDS - SEWER FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2025	Actual	Estimate	Variance
Operating Revenue:			
Sewer service charges	$ 1,222,946	$ 1,173,895	$ 49,051
Miscellaneous	-	100,000	(100,000)
Nonoperating Revenue:			
Sewer tap fees	7,047	150,000	(142,953)
Interest revenue	42,202	21,000	21,202
Total Revenue	$ 1,272,195	$ 1,444,895	$ (172,700)

Schedule of Expenses and Transfers Compared with Budget (Non-GAAP Budget Basis)

Year Ended December 31, 2025	Actual	Final Budget	Variance
Operating Expenses:			
Personnel:			
Salaries	$ 107,306	$ 190,117	$ 82,811
Employee benefits	31,386	47,147	15,761
Supplies	20,394	27,890	7,496
Contractual services	156,391	374,490	218,099
Utilities	64,407	97,200	32,793
Repairs and maintenance	31,593	65,000	33,407
Insurance	25,464	27,000	1,536
Miscellaneous	30,693	39,875	9,182
Total Operating Expenses	467,634	868,719	401,085
Nonoperating Expenses:			
Loan payments	312,441	312,441	-
Capital outlay	49,241	111,000	61,759
Total Nonoperating Expenses	361,682	423,441	61,759
Operating Transfers Out - General Fund	43,436	43,436	-
Total Expenses and Transfers	$ 872,752	$ 1,335,596	$ 462,844

TOWN OF EATON, COLORADO
ENTERPRISE FUNDS - SANITATION FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2025	Actual	Original Budget	Final Budget	Variance From Final Budget
Operating Revenue - Trash collection fees	$ 652,670	$ 661,328	$ 661,328	$ (8,658)
Total Revenue	$ 652,670	$ 661,328	$ 661,328	$ (8,658)

Schedule of Expenses and Transfers Compared with Budget (Non-GAAP Budget Basis)

Year Ended December 31, 2025	Actual	Original Budget	Final Budget	Variance From Final Budget
Operating Expenses:				
Supplies	$ -	$ 2,060	$ 2,060	$ 2,060
Miscellaneous	21,896	23,680	23,680	1,784
Contractual services	599,723	623,386	623,386	23,663
Insurance	920	1,631	1,631	711
Total Operating Expenses	622,539	650,757	650,757	28,218
Nonoperating Expenses:				
Capital outlay	7,500	30,000	30,000	22,500
Operating Transfers Out - General Fund	25,430	25,430	25,430	-
Total Expenses and Transfers	$ 655,469	$ 706,187	$ 706,187	$ 50,718

TOWN OF EATON, COLORADO
ENTERPRISE FUNDS - IRRIGATION FUND

Schedule of Revenue Compared with Estimate

Year Ended December 31, 2025	Actual	Original Budget	Final Budget	Variance From Final Budget
Operating Revenue - Irrigation	$ 256,893	$ 232,760	$ 232,760	$ 24,133
Total Revenue	$ 256,893	$ 232,760	$ 232,760	$ 24,133

Schedule of Expenses Compared with Budget (Non-GAAP Budget Basis)

Year Ended December 31, 2025	Actual	Original Budget	Final Budget	Variance From Final Budget
Operating Expenses:				
Salaries & benefits	$ 10,543	$ 13,327	$ 13,327	$ 2,784
Supplies	20	1,957	1,957	1,937
Insurance	1,239	1,243	1,243	4
Professional services	28,444	96,600	96,600	68,156
Utilities	34,626	20,000	20,000	(14,626)
Repairs and maintenance	9,149	32,500	32,500	23,351
Total Operating Expenses	84,021	165,627	165,627	81,606
Nonoperating Expenses:				
Capital outlay	-	-	-	-
Total Nonoperating Expenses	-	-	-	-
Operating Transfers Out - General Fund	-	-	-	-
Total Expenses and Transfers	$ 84,021	$ 165,627	$ 165,627	$ 81,606

LOCAL HIGHWAY FINANCE REPORT

THIS INFORMATION FROM THE RECORDS OF: Town of Eaton	**PREPARED BY:** Faith Smith faith@eatonco.org		**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	83,317
b. Non-property Taxes and Assessments Imposts	1,716,665	b. Other Misc. Local Receipts	38,693
c. Total (a + b)	1,716,665	**c. Total (a + b)**	122,010
ITEM	**AMOUNT**	**ITEM**	**AMOUNT**
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	217,856	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	2,905,000		
c. Total (a + b)	2,905,000		
4. Total (1 + 2 + 3c)	3,122,856	**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	6,223,778
d. Total Capital Outlay (a+ b + c)	6,223,778

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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	
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 1,716,665
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 122,010
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)	$ 1,838,675
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 3,122,856
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 4,961,531

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 6,223,778
2. Maintenance:	$ 386,486
3. Road and Street Services:	
a. Snow and Ice Removal	
b. Other & Traffic Control Operations	$ 113,870
c. Total (a + b)	$ 113,870
4. General Administration & Miscellaneous	
5. Highway Law Enforcement and Safety	
6. Total (1 through 5)	$ 6,724,134
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)	$ 6,724,134

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)		$ -	0	
B. Notes (Total)		$ -	$ -	$ -