

***Town of Haxtun, Colorado***

**Financial Statements**

**For the Year ended December 31, 2025**

## Table of Contents

	Page
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	14-15
Fund Financial Statements	
Balance Sheet – Governmental Funds	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Net Position – Proprietary Funds	20-23
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	24-27
Statement of Cash Flows – Proprietary Funds	28-31
Notes to Financial Statements	32-63
Required Supplementary Information	
Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset) – Fire & Police Statewide Retirement Plan	66-67
Schedule of Town Contributions – Fire & Police Statewide Retirement Plan	68-69
Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios – Haxtun Volunteer Fire Department Pension Fund	70-71
Schedule of Town Contributions – Haxtun Volunteer Fire Department Pension Fund	72
General Fund – Budgetary Comparison Schedule	73
Community Center Fund – Budgetary Comparison Schedule	74
Notes to the Required Supplementary Information	75

## Table of Contents

	<u>Page</u>
Other Supplementary Information	
General Fund	
Budgetary Comparison Schedule – Revenues	80
Budgetary Comparison Schedule – Expenditures	82-85
Nonmajor Governmental Funds	
Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	89
Conservation Trust Fund – Budgetary Comparison Schedule	90
Library Fund – Budgetary Comparison Schedule	91
Proprietary Funds	
Electric Fund – Budgetary Comparison Schedule	94-95
Water Fund – Budgetary Comparison Schedule	96
Sanitation Fund – Budgetary Comparison Schedule	97
Sewer Fund – Budgetary Comparison Schedule	98
Colorado Department of Highways Local Highway Finance Report	100-101

## **Independent Auditors' Report**

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Haxtun (the Town), as of and for the year ended December 31, 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 opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

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

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
April 23, 2026

## MANAGEMENT DISCUSSION AND ANALYSIS

This section of the Town of Haxtun, Colorado's annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2025.

### FINANCIAL HIGHLIGHTS

- The Town of Haxtun remains in good financial condition.
- The assets and deferred outflows of resources of the Town of Haxtun exceeded its liabilities and deferred inflows of resources at the close of 2025 by \$10,190,541 (net position). Of this amount \$1,742,954 or 17% is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- During the year, the Town's revenue from taxes and other revenues for governmental programs were more than the expenses by \$352,541.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Haxtun's basic financial statements. The Town of Haxtun's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements.
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-wide financial statements**

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies.

The **statement of net position** presents information on all of the Town of Haxtun's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Haxtun is improving or deteriorating.

The **statement of activities** presents information showing how the Town of Haxtun's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes.)

The government-wide financial statements of the Town are divided into two categories:

- **Governmental activities.** Most of the Town's basic services are included here, such as the fire, public works, parks, recreation, and general administration. Property tax, franchise tax, intergovernmental revenue and charges for services finance most of these activities.
- **Business-type activities.** The Town charges fees to customers to recover most of the costs of certain services provided. The Town's electric, water, sewer and sanitation systems are included here.

The government-wide financial statements can be found starting on page 12 of this report.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law, however, the Board of Trustees has established other funds to help control and manage money for particular purposes or to show that it is properly using certain revenue (the Conservation Trust Fund). All of the funds of the Town of Haxtun can be divided into two categories: governmental and proprietary funds.

**Governmental funds.** Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statement provides a detailed, short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found starting on page 16 of this report.

**Proprietary funds.** When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found starting on page 20 of this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 32 of this report.

## **FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Haxtun, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$10,190,541 at the close of 2025.

## Net Position

Combined net position of the Town of Haxtun as of December 31, 2025 and 2024 are shown in Table 1 below.

**Table 1**  
**NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 1,336,184	\$ 1,074,183	\$ 1,164,040	\$ 1,471,111	\$ 2,500,224	\$ 2,545,294
Capital assets, net	7,021,784	6,788,512	2,280,308	2,195,533	9,302,092	8,984,045
Total assets	8,357,968	7,862,695	3,444,348	3,666,644	11,802,316	11,529,339
Deferred outflows of resources	53,305	69,389	-	-	53,305	69,389
Total assets and deferred outflows of resources	\$ 8,411,273	\$ 7,932,084	\$ 3,444,348	\$ 3,666,644	\$ 11,855,621	\$ 11,598,728
Long-term debt outstanding	\$ 1,257,288	\$ 1,348,118	\$ 31,159	\$ 48,727	\$ 1,288,447	\$ 1,396,845
Other liabilities	7,574	5,908	162,393	157,393	169,967	163,301
Total liabilities	1,264,862	1,354,026	193,552	206,120	1,458,414	1,560,146
Deferred inflows of resources	206,666	200,582	-	-	206,666	200,582
Net position:						
Net investment in capital assets	5,767,293	5,443,219	2,252,989	2,150,422	8,020,282	7,593,641
Restricted	427,305	471,726	-	-	427,305	471,726
Unrestricted	745,147	462,531	997,807	1,310,102	1,742,954	1,772,633
Total net position	6,939,745	6,377,476	3,250,796	3,460,524	10,190,541	9,838,000
Total liabilities, deferred inflows of resources and net position	\$ 8,411,273	\$ 7,932,084	\$ 3,444,348	\$ 3,666,644	\$ 11,855,621	\$ 11,598,728

The largest portion of the Town of Haxtun's net position, 79%, reflects its investment in capital assets (land, buildings and equipment). The Town of Haxtun uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. In addition, a portion of the Town of Haxtun's net position, 4%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 17%, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2025, the Town of Haxtun is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

### Changes in net position

The Town's total revenue of \$2,903,344 was more than program expenses of \$2,550,803 for an increase in net position of \$352,541.

Table 2 shows the summarized revenues and expenses for 2025 and 2024.

**Table 2**  
**CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues						
Charges for services	\$ 60,542	\$ 53,826	\$ 1,653,212	\$ 1,701,709	\$ 1,713,754	\$ 1,755,535
Operating grants and contributions	117,122	94,434	-	274	117,122	94,708
Capital grants and contributions	118,760	241,479	-	-	118,760	241,479
General revenues						
Property taxes	194,179	193,106	-	-	194,179	193,106
Sales and use taxes	636,883	647,173	-	-	636,883	647,173
Specific ownership taxes	23,133	21,910	-	-	23,133	21,910
Franchise taxes	9,447	9,072	-	-	9,447	9,072
Interest earnings	35,077	39,903	3,230	3,073	38,307	42,976
Miscellaneous	41,470	98,547	5,070	13,331	46,540	111,878
Sale of assets	5,219	10,765	-	-	5,219	10,765
Transfers	645,000	400,000	(645,000)	(400,000)	-	-
Total revenues	1,886,832	1,810,215	1,016,512	1,318,387	2,903,344	3,128,602
Program expenses						
General government	149,827	224,109	-	-	149,827	224,109
Public safety	376,888	380,689	-	-	376,888	380,689
Public works	414,595	352,785	-	-	414,595	352,785
Culture and recreation	345,033	314,441	-	-	345,033	314,441
Interest and fiscal charges	38,220	39,354	-	-	38,220	39,354
Electric services	-	-	771,274	750,761	771,274	750,761
Water services	-	-	158,873	198,700	158,873	198,700
Sanitation services	-	-	179,245	183,120	179,245	183,120
Sewer services	-	-	116,848	107,954	116,848	107,954
Total expenses	1,324,563	1,311,378	1,226,240	1,240,535	2,550,803	2,551,913
Change in net position	562,269	498,837	(209,728)	77,852	352,541	576,689
Net position at beginning of year	6,377,476	5,878,639	3,460,524	3,382,672	9,838,000	9,261,311
Net position at end of year	\$ 6,939,745	\$ 6,377,476	\$ 3,250,796	\$ 3,460,524	\$10,190,541	\$ 9,838,000

**Governmental Activities**

Revenue for the Town's governmental activities totaled \$1,886,832 for 2025. Tax revenue produced 46% of these revenues. Tax revenue includes property taxes, sales and use taxes, specific ownership taxes, franchise taxes and other taxes.

**Table 3**  
**GOVERNMENTAL ACTIVITIES**

	Total cost of services		Net cost of services	
	2025	2024	2025	2024
General government	\$ 149,827	\$ 224,109	\$ 125,562	\$ 199,433
Public safety	376,888	380,689	376,888	336,518
Public works	414,595	352,785	262,161	280,902
Culture and recreation	345,033	314,441	225,308	65,432

Table 3 presents the cost and revenue of each of the Town’s four largest programs – general government, public safety, public works, and culture recreation – as well as each program’s *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

**Business-type Activities**

Net position in business-type activities decreased to \$3,250,796 in 2025. Business-type activities include electric, water, sewer and sanitation services.

**Table 4  
BUSINESS-TYPE ACTIVITIES**

	Total cost of services		Net cost of services	
	2025	2024	2025	2024
Electric services	\$ 771,274	\$ 750,761	\$ (239,294)	\$ (351,068)
Water services	158,873	198,700	(97,986)	(62,981)
Sanitation services	179,245	183,120	(19,916)	(20,754)
Sewer services	116,848	107,954	(69,776)	(26,645)

Table 4, above, presents the cost and revenue of each of the Town’s business-type activities – electric, water, sanitation and sewer– as well as the program *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

**THE TOWN’S FUNDS**

As the Town completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$1,109,539. The general, community center and other governmental funds reported fund balances of \$820,192, \$258,875, and \$30,472, respectively.

**General Fund Budgetary Highlights**

The actual charges to appropriations (expenditures) were \$251,332 less than the final budget amounts primarily due to the public safety and public works expenditures being less than anticipated at the time of budget adoption.

Additionally, resources available for appropriation (revenues) were \$105,385 more than the final budgeted amounts primarily due to miscellaneous revenues being higher than anticipated at the time of budget adoption.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The Town of Haxtun’s investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounts to \$9,302,092 (net of accumulated depreciation). This amount includes a broad range of capital assets, including public works equipment, electric, water, sewer, sanitation and other infrastructure.

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

**Table 5**  
**CAPITAL ASSETS**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and land improvements	\$ 1,882,598	\$ 1,854,760	\$ 31,900	\$ 31,900	\$ 1,914,498	\$ 1,886,660
Buildings and improvements	1,640,336	1,712,499	19,608	7,517	1,659,944	1,720,016
Machinery and equipment	378,122	349,457	46,667	48,674	424,789	398,131
Infrastructure	3,120,728	2,871,796	-	-	3,120,728	2,871,796
Systems	-	-	2,182,133	2,107,442	2,182,133	2,107,442
Total	<u>\$ 7,021,784</u>	<u>\$ 6,788,512</u>	<u>\$ 2,280,308</u>	<u>\$ 2,195,533</u>	<u>\$ 9,302,092</u>	<u>\$ 8,984,045</u>

**Long-term debt.** The Town had \$1,288,447 in debt outstanding at year-end consisting of outstanding notes, bonds, financed purchases and accrued compensated absences. The debt incumbency is attributed to the wastewater lagoon improvement project, the main street improvement bond and Kubota tractor lease.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

The Town of Haxtun remains in a solid viable financial condition. During 2025, the Town continued working on electrical infrastructure. The Town has also continued street repairs.

The 2025 utility rates including Electric, Water, Sanitation, and Sewer remain stable. The Electrical rate will be increased by 2%.

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

In 2026, the Town is going to continue the electrical infrastructure upgrades, repairing streets, and other necessary maintenance. The Community Center received a grant to install an emergency backup generator and that will also be installed in 2025.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town’s finances and to show the Town’s accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact Shea Lightsey at the Town of Haxtun, 145 S Colorado Avenue, Haxtun, Colorado 80731.

This page intentionally left blank.

## **Basic Financial Statements**

The basic financial statements of the Town include the following:

*Government-wide financial statements.* The government-wide statements display information about the reporting government as a whole.

*Fund financial statements.* The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds.

*Notes to the financial statements.* The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

**TOWN OF HAXTUN, COLORADO**  
**Statement of Net Position**  
**December 31, 2025**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 903,132	\$ 807,723	\$ 1,710,855
Cash with county treasurer	1,861		1,861
Certificates of deposit	3,790		3,790
Investments	67,043	32,571	99,614
Receivables	343,706	165,671	509,377
Inventory		158,075	158,075
Net pension asset	16,652		16,652
Capital assets, net of depreciation	7,021,784	2,280,308	9,302,092
<b>Total assets</b>	<b>8,357,968</b>	<b>3,444,348</b>	<b>11,802,316</b>
<b>Deferred outflows of resources</b>			
Pension deferrals	53,305		53,305
<b>Total assets and deferred outflows of resources</b>	<b>\$ 8,411,273</b>	<b>\$ 3,444,348</b>	<b>\$ 11,855,621</b>
<b>Liabilities</b>			
Accounts payable	\$ 4,402	\$ 57,007	\$ 61,409
Accrued interest payable	3,172	85	3,257
Customer deposits		105,301	105,301
<b>Noncurrent liabilities</b>			
Due within one year	93,390	18,127	111,517
Due in more than one year	1,163,898	13,032	1,176,930
<b>Total liabilities</b>	<b>1,264,862</b>	<b>193,552</b>	<b>1,458,414</b>
<b>Deferred inflows of resources</b>			
Deferred property tax revenues	205,591		205,591
Pension deferrals	1,075		1,075
<b>Total deferred inflows of resources</b>	<b>206,666</b>	<b>-</b>	<b>206,666</b>
<b>Net position</b>			
Net investment in capital assets	5,767,293	2,252,989	8,020,282
<b>Restricted for:</b>			
Emergencies	49,000		49,000
Public safety	80,943		80,943
Culture and recreation	280,710		280,710
Pensions	16,652		16,652
Unrestricted	745,147	997,807	1,742,954
<b>Total net position</b>	<b>6,939,745</b>	<b>3,250,796</b>	<b>10,190,541</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 8,411,273</b>	<b>\$ 3,444,348</b>	<b>\$ 11,855,621</b>

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

This page intentionally left blank.

**TOWN OF HAXTUN, COLORADO**  
**Statement of Activities**  
**For the Year Ended December 31, 2025**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 149,827	\$ 15,887	\$ 8,378	
Public safety	376,888			
Public works	414,595	488	73,646	\$ 78,300
Culture and recreation	345,033	44,167	35,098	40,460
Interest and fiscal charges	38,220			
Total governmental activities	1,324,563	60,542	117,122	118,760
Business-type activities				
Electric services	771,274	1,010,568		
Water services	158,873	256,859		
Sanitation services	179,245	199,161		
Sewer services	116,848	186,624		
Total business-type activities	1,226,240	1,653,212	-	-
Total	<u>\$ 2,550,803</u>	<u>\$ 1,713,754</u>	<u>\$ 117,122</u>	<u>\$ 118,760</u>
General revenues and transfers				
Taxes				
Property taxes, levied for general purposes				
Sales and use taxes				
Specific ownership taxes				
Franchise taxes				
Unrestricted interest on investments				
Miscellaneous				
Gain on sale of assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

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

---

Net (Expenses) Revenues and  
Changes in Net Position

---

Governmental Activities	Business-type Activities	Total
\$ (125,562)		\$ (125,562)
(376,888)		(376,888)
(262,161)		(262,161)
(225,308)		(225,308)
(38,220)		(38,220)
(1,028,139)	\$ -	(1,028,139)
	239,294	239,294
	97,986	97,986
	19,916	19,916
	69,776	69,776
-	426,972	426,972
(1,028,139)	426,972	(601,167)
194,179		194,179
636,883		636,883
23,133		23,133
9,447		9,447
35,077	3,230	38,307
41,470	5,070	46,540
5,219		5,219
645,000	(645,000)	-
1,590,408	(636,700)	953,708
562,269	(209,728)	352,541
6,377,476	3,460,524	9,838,000
<u>\$ 6,939,745</u>	<u>\$ 3,250,796</u>	<u>\$ 10,190,541</u>

**TOWN OF HAXTUN, COLORADO**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2025**

	General Fund	Community Center Fund	Other Governmental Funds	Total
<b>Assets</b>				
Cash	\$ 633,132	\$ 238,155	\$ 31,845	\$ 903,132
Cash with county treasurer	1,861			1,861
Certificates of deposit	3,790			3,790
Investments	67,043			67,043
Property taxes receivable	189,144		16,447	205,591
Accounts receivable	117,353	20,762		138,115
<b>Total assets</b>	<b>\$ 1,012,323</b>	<b>\$ 258,917</b>	<b>\$ 48,292</b>	<b>\$ 1,319,532</b>
<b>Liabilities</b>				
Accounts payable	\$ 2,987	\$ 42	\$ 1,373	\$ 4,402
<b>Total liabilities</b>	<b>2,987</b>	<b>42</b>	<b>1,373</b>	<b>4,402</b>
<b>Deferred inflows of resources</b>				
Deferred property tax revenues	189,144		16,447	205,591
<b>Total deferred inflows of resources</b>	<b>189,144</b>	<b>-</b>	<b>16,447</b>	<b>205,591</b>
<b>Fund balance</b>				
Restricted for emergencies	49,000			49,000
Restricted for public safety	80,943			80,943
Restricted for culture and recreation		258,875	21,835	280,710
Committed to library purposes			8,637	8,637
Unassigned	690,249			690,249
<b>Total fund balance</b>	<b>820,192</b>	<b>258,875</b>	<b>30,472</b>	<b>1,109,539</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 1,012,323</b>	<b>\$ 258,917</b>	<b>\$ 48,292</b>	<b>\$ 1,319,532</b>

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

**TOWN OF HAXTUN, COLORADO**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**December 31, 2025**

---

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

Total fund balance - governmental funds	\$ 1,109,539
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	7,021,784
Net pension assets and deferrals used in governmental activities are not financial resources and therefore are not reported as assets or liabilities in governmental funds.	68,882
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(3,172)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	<u>(1,257,288)</u>
Net position of the governmental activities	<u><u>\$ 6,939,745</u></u>

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

**TOWN OF HAXTUN, COLORADO**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2025**

	General Fund	Community Center Fund	Other Governmental Funds	Total
<b>Revenues</b>				
Taxes	\$ 836,227		\$ 30,802	\$ 867,029
Licenses and permits	4,965			4,965
Intergovernmental	160,878		11,595	172,473
Fines and forfeitures	6,571			6,571
Charges for services	43,861	\$ 5,145		49,006
Miscellaneous	105,397	25,025	6,147	136,569
<b>Total revenues</b>	<b>1,157,899</b>	<b>30,170</b>	<b>48,544</b>	<b>1,236,613</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	142,812			142,812
Public safety	335,189			335,189
Public works	666,209			666,209
Culture and recreation	214,230	62,814	54,795	331,839
<b>Debt service</b>				
Principal retirement	90,802			90,802
Interest and fiscal charges	38,488			38,488
<b>Total expenditures</b>	<b>1,487,730</b>	<b>62,814</b>	<b>54,795</b>	<b>1,605,339</b>
Excess of revenues over (under) expenditures	(329,831)	(32,644)	(6,251)	(368,726)
<b>Other financing sources</b>				
Transfers in	645,000			645,000
<b>Net change in fund balance</b>	<b>315,169</b>	<b>(32,644)</b>	<b>(6,251)</b>	<b>276,274</b>
Fund balance at beginning of year	505,023	291,519	36,723	833,265
Fund balance at end of year	<u>\$ 820,192</u>	<u>\$ 258,875</u>	<u>\$ 30,472</u>	<u>\$ 1,109,539</u>

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

**TOWN OF HAXTUN, COLORADO**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2025**

---

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

Net change in fund balance - governmental funds	\$ 276,274
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	203,272
In the statement of activities, certain expenses related to the net pension asset and related deferred inflows and outflows of resources, compensated absences and accrued interest payable, are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(8,079)
Repayment of bond principal and financed purchases are expenditures in the governmental funds, but the repayment reduces the long-term debt liabilities in the statement of net position.	<u>90,802</u>
Change in net position of governmental activities	<u><u>\$ 562,269</u></u>

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

**TOWN OF HAXTUN, COLORADO**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2025**

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Assets				
Current assets				
Cash	\$ 29,716	\$ 189,281	\$ 225,962	\$ 362,764
Due from other funds		83,182		
Investments	32,571			
Accounts receivable	102,924	23,347	20,112	19,288
Inventory	120,357	34,379	1,359	1,980
Total current assets	285,568	330,189	247,433	384,032
Capital assets, net of depreciation	1,143,666	577,383	16,807	542,452
Total assets	<u>\$ 1,429,234</u>	<u>\$ 907,572</u>	<u>\$ 264,240</u>	<u>\$ 926,484</u>

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

---

<u>Total</u>	
\$	807,723
	83,182
	32,571
	165,671
	158,075
<hr/>	
	1,247,222
	<u>2,280,308</u>
\$	<u><u>3,527,530</u></u>

(continued)

**TOWN OF HAXTUN, COLORADO**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2025**

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 54,122	\$ 224	\$ 2,491	\$ 170
Due to other funds	83,182			
Accrued interest payable				85
Customer deposits	105,301			
Current portion of long-term debt				18,127
Total current liabilities	242,605	224	2,491	18,382
Long-term liabilities				
Accrued compensated absences	1,095		1,150	1,595
Long-term debt				9,192
Total long-term liabilities	1,095	-	1,150	10,787
Total liabilities	243,700	224	3,641	29,169
<b>Net position</b>				
Net investment in capital assets	1,143,666	577,383	16,807	515,133
Unrestricted	41,868	329,965	243,792	382,182
Total net position	1,185,534	907,348	260,599	897,315
Total liabilities and net position	\$ 1,429,234	\$ 907,572	\$ 264,240	\$ 926,484

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

---

	<u>Total</u>
\$	57,007
	83,182
	85
	105,301
	<u>18,127</u>
	263,702
	3,840
	<u>9,192</u>
	<u>13,032</u>
	276,734
	2,252,989
	<u>997,807</u>
	<u>3,250,796</u>
\$	<u><u>3,527,530</u></u>

**TOWN OF HAXTUN, COLORADO**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2025**

	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Operating revenues				
Charges for services	\$ 1,003,557	\$ 256,859	\$ 199,161	\$ 186,624
Penalties	7,011			
Total operating revenues	1,010,568	256,859	199,161	186,624
Operating expenses				
Salaries	71,582	60,644	91,067	46,471
Employee benefits	32,244	28,284	37,849	20,142
Supplies	1,904	1,474	1,178	1,544
Repairs and maintenance	37,418	15,502	8,026	17,564
Insurance	4,749	4,520	7,791	4,008
Utilities	278	278	278	972
Audit and legal	2,474	2,515	2,215	2,415
Fuel and oil	3,070	670		56
Power purchased	574,507			
Water assessment fee		6,263		
Dump expense			25,017	
Miscellaneous	7,140	15,750	2,465	4,435
Depreciation	35,908	22,973	3,359	18,534
Total operating expenses	771,274	158,873	179,245	116,141
Operating income	239,294	97,986	19,916	70,483

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

---

<u>Total</u>
\$ 1,646,201
7,011
1,653,212
269,764
118,519
6,100
78,510
21,068
1,806
9,619
3,796
574,507
6,263
25,017
29,790
80,774
1,225,533
427,679

(continued)

**TOWN OF HAXTUN, COLORADO**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2025**

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
(continued)				
Nonoperating revenues (expenses)				
Interest on investments	2,092	288	322	528
Miscellaneous revenues	2,498	2,572		
Interest and fiscal charges				(707)
Total nonoperating revenues (expenses)	4,590	2,860	322	(179)
Net income before transfers	243,884	100,846	20,238	70,304
Transfers out	(570,000)	(50,000)		(25,000)
Change in net position	(326,116)	50,846	20,238	45,304
Net position at beginning of year	1,511,650	856,502	240,361	852,011
Net position at end of year	<u>\$ 1,185,534</u>	<u>\$ 907,348</u>	<u>\$ 260,599</u>	<u>\$ 897,315</u>

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

---

<u>Total</u>
3,230
5,070
<u>(707)</u>
7,593
<u>435,272</u>
(645,000)
<u>(209,728)</u>
3,460,524
<u><u>\$ 3,250,796</u></u>

**TOWN OF HAXTUN, COLORADO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2025**

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Cash flows from operating activities				
Receipts from customers	\$ 1,022,497	\$ 255,909	\$ 199,688	\$ 182,342
Receipts from (payments to) other funds	83,182	(83,182)		
Payments to suppliers	(667,795)	(88,404)	(83,878)	(51,695)
Payments to employees	(71,606)	(60,644)	(90,902)	(46,389)
Net cash provided by operating activities	366,278	23,679	24,908	84,258
Cash flows from noncapital financing activities				
Transfers to other funds	(570,000)	(50,000)		(25,000)
Miscellaneous revenues	2,498	2,572		
Net cash used by noncapital financing activities	(567,502)	(47,428)	-	(25,000)
Cash flows from capital and related financing activities				
Purchase of capital assets	(165,549)			
Principal paid on capital debt				(17,792)
Interest and fiscal charges				(763)
Net cash used by capital and related financing activities	(165,549)	-	-	(18,555)

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

---

<u>Total</u>
\$ 1,660,436
-
(891,772)
<u>(269,541)</u>
499,123
(645,000)
<u>5,070</u>
(639,930)
(165,549)
(17,792)
<u>(763)</u>
(184,104)

(continued)

**TOWN OF HAXTUN, COLORADO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2025**

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sanitation Fund	Sewer Fund
Cash flows from investing activities				
Interest on investments	673	288	322	528
Net cash provided by investing activities	673	288	322	528
Net change in cash and cash equivalents	(366,100)	(23,461)	25,230	41,231
Cash and cash equivalents at beginning of year	395,816	212,742	200,732	321,533
Cash and cash equivalents at end of year	<u>\$ 29,716</u>	<u>\$ 189,281</u>	<u>\$ 225,962</u>	<u>\$ 362,764</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 239,294	\$ 97,986	\$ 19,916	\$ 70,483
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	35,908	22,973	3,359	18,534
Change in assets and liabilities				
Due from other funds		(83,182)		
Accounts receivable	8,974	(950)	527	(4,282)
Inventory	(6,739)	(12,322)	737	(555)
Accounts payable	2,728	(826)	204	(4)
Due to other funds	83,182			
Accrued compensated absences	(24)		165	82
Customer deposits	2,955			
Net cash provided by operating activities	<u>\$ 366,278</u>	<u>\$ 23,679</u>	<u>\$ 24,908</u>	<u>\$ 84,258</u>

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

---

Total

1,811

1,811

(323,100)

1,130,823

\$ 807,723

\$ 427,679

80,774

(83,182)

4,269

(18,879)

2,102

83,182

223

2,955

\$ 499,123

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note A – Summary of significant accounting policies**

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

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

**A.1 – Reporting entity**

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

**A.2 – Fund accounting**

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

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

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

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note A – Summary of significant accounting policies (Continued)**

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

The following are the Town's nonmajor governmental funds:

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

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

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

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

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

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

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

**Note A.3 – Basis of presentation**

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

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note A – Summary of significant accounting policies (Continued)**

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

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

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

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

**A.4 – Basis of accounting**

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

Revenues – exchange and nonexchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note A – Summary of significant accounting policies (Continued)**

recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Town, available means expected to be received within sixty days of fiscal year-end, except for state and federal grant revenues, which are considered available if collection is expected within six months of year end.

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

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

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

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

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note A – Summary of significant accounting policies (Continued)**

**A.5 – Encumbrances**

The Town does not utilize encumbrance accounting.

**A.6 – Cash and cash equivalents**

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

**A.7 – Short-term interfund receivables/payables**

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

**A.8 – Receivables**

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

**A.9 – Inventories**

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

**A.10 – Capital assets**

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

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note A – Summary of significant accounting policies (Continued)**

not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) will be capitalized on a prospective basis beginning in 2004.

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

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

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

**A.11 – Compensated absences**

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 101, “Compensated Absences.” Leave benefits are accrued as a liability for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, or the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account “accrued compensated absences” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

The amount recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note A – Summary of significant accounting policies (Continued)**

**A.12 – Accrued liabilities and long-term obligations**

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

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

**A.13 – Net position**

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

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

**A.14 – Operating revenues and expenses**

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

**A.15 – Interfund transactions**

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note A – Summary of significant accounting policies (Continued)**

**A.16 – Extraordinary and special items**

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

**A.17 – Fund balance**

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

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

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

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

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note B – Cash and investments**

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

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of year-end, the Town had total deposits of \$1,783,578, of which \$250,000 was insured and \$1,533,578 was collateralized with securities held by the pledging institution’s trust department or agent in the Town’s name.

**Investments**

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

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- 

During the year, the Town invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note B – Cash and investments (Continued)**

custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of December 31, 2025, the Town had invested \$64,657 in COLOTRUST PLUS+ and \$34,957 in COLOTRUST PRIME, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

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

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Investment in Colostrust	\$ <u>99,614</u>	\$ <u>99,614</u>	\$ <u>-</u>	\$ <u>-</u>

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

**Note C – Interfund transactions**

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Proprietary Funds</u>		
Water Fund	\$ 83,182	\$ -
Electric Fund	<u>-</u>	<u>83,182</u>
Total	<u>\$ 83,182</u>	<u>\$ 83,182</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note C – Interfund transactions (Continued)**

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Electric Fund	\$ 570,000
General Fund	Water Fund	50,000
General Fund	Sewer Fund	<u>25,000</u>
Total		<u>\$ 645,000</u>

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

**Note D – Receivables**

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Receivables</u>
Property taxes	\$ 205,591	\$ -	\$ 205,591
Other accounts	<u>138,115</u>	<u>165,671</u>	<u>303,786</u>
Total	<u>\$ 343,706</u>	<u>\$ 165,671</u>	<u>\$ 509,377</u>

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note E – Capital assets**

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 39,690	\$ -	\$ -	\$ 39,690
Total capital assets, not being depreciated	39,690	-	-	39,690
Capital assets, being depreciated:				
Land improvements	2,073,806	87,000	-	2,160,806
Buildings and improvements	3,023,418	-	-	3,023,418
Infrastructure	3,311,676	336,633	-	3,648,309
Equipment and furniture	<u>890,125</u>	<u>99,388</u>	<u>(12,144)</u>	<u>977,369</u>
Total capital assets, being depreciated	<u>9,299,025</u>	<u>523,021</u>	<u>(12,144)</u>	<u>9,809,902</u>
Total capital assets	9,338,715	523,021	(12,144)	9,849,592
Less accumulated depreciation:				
Land improvements	(258,736)	(59,162)	-	(317,898)
Buildings and improvements	(1,310,919)	(72,163)	-	(1,383,082)
Infrastructure	(439,880)	(87,701)	-	(527,581)
Equipment and furniture	<u>(540,668)</u>	<u>(70,723)</u>	<u>12,144</u>	<u>(599,247)</u>
Total accumulated depreciation	<u>(2,550,203)</u>	<u>(289,749)</u>	<u>12,144</u>	<u>(2,827,808)</u>
Governmental activities capital assets, net	<u>\$ 6,788,512</u>	<u>\$ 233,272</u>	<u>\$ -</u>	<u>\$ 7,021,784</u>

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

**Note E – Capital assets (Continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 31,900	\$ -	\$ -	\$ 31,900
Total capital assets, not being depreciated	31,900	-	-	31,900
Capital assets, being depreciated				
Buildings	74,919	12,885	-	87,804
Systems	4,201,754	144,679	-	4,346,433
Equipment	416,864	7,985	-	424,849
Total capital assets, being depreciated	<u>4,693,537</u>	<u>165,549</u>	-	<u>4,859,086</u>
Total capital assets	4,725,437	165,549	-	4,890,986
Less accumulated depreciation:				
Buildings	(67,402)	(794)	-	(68,196)
Systems	(2,094,312)	(69,988)	-	(2,164,300)
Equipment	<u>(368,190)</u>	<u>(9,992)</u>	-	<u>(378,182)</u>
Total accumulated depreciation	<u>(2,529,904)</u>	<u>(80,774)</u>	-	<u>(2,610,678)</u>
Business-type activities capital assets, net	<u>\$ 2,195,533</u>	<u>\$ 84,775</u>	<u>\$ -</u>	<u>\$ 2,280,308</u>

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

<b>Governmental activities</b>	
General government	\$ 16,480
Public safety	33,324
Public works	172,018
Culture and recreation	<u>67,927</u>
Total governmental activities	<u>\$ 289,749</u>

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note E – Capital assets (Continued)**

**Business-type activities**

Electric	\$ 35,908
Water	22,973
Sanitation	3,359
Sewer	<u>18,534</u>
Total business-type activities	<u>\$ 80,774</u>

**Note F – Long-term debt**

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
<b>Governmental activities</b>					
Bonds payable	\$ 1,288,656	\$ -	\$ (72,360)	\$ 1,216,296	\$ 74,514
Financed purchases	56,637	-	(18,442)	38,195	18,876
Compensated absences	<u>2,825</u>	<u>-</u>	<u>(28)*</u>	<u>2,797</u>	<u>-</u>
Total	<u>\$ 1,348,118</u>	<u>\$ -</u>	<u>\$ (90,830)</u>	<u>\$ 1,257,288</u>	<u>\$ 93,390</u>
<b>Business-type activities</b>					
Notes from direct borrowings	\$ 45,111	\$ -	\$ (17,792)	\$ 27,319	\$ 18,127
Compensated absences	<u>3,616</u>	<u>224*</u>	<u>-</u>	<u>3,840</u>	<u>-</u>
Total	<u>\$ 48,727</u>	<u>\$ 224</u>	<u>\$ (17,792)</u>	<u>\$ 31,159</u>	<u>\$ 18,127</u>

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

The long-term liabilities attributable to the governmental activities will be liquidated primarily by the General Fund.

The Town believes that the current portion of compensated absences is negligible and is therefore not reported.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note F – Long-term debt (Continued)**

**Bonds payable**

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

**Financed purchases**

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

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

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

<u>Year Ending December 31,</u>	<u>Bonds</u>		<u>Financed purchases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 74,514	\$ 35,003	\$ 18,876	\$ 898
2027	76,734	32,783	19,319	454
2028	79,018	30,498	-	-
2029	81,371	28,145	-	-
2030	83,794	25,722	-	-
2031-2035	457,917	89,666	-	-
2036-2039	362,948	20,360	-	-
Totals	<u>\$ 1,216,296</u>	<u>\$ 262,177</u>	<u>\$ 38,195</u>	<u>\$ 1,352</u>

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note F – Long-term debt (Continued)**

**Notes payable**

The Town entered into a \$305,041 note agreement with the Colorado Water Resources and Power Development Authority (the Authority) dated November 1, 2007, due in semi-annual installments of \$9,277 through 2027. The interest rate for the agreement is 1.875%. The agreement provides for the disbursement of funds at the Town’s request to facilitate the construction of a sanitary sewer relief line.

The loan agreement contains various covenants including the establishment and maintenance of an operations and maintenance reserve fund in an amount equal to three months of operation and maintenance expenses as set forth in the annual budget for the current fiscal year. Based on the current annual budget, three months of operations and maintenance expenses totaled \$45,920, which the Town has funded with unobligated fund balances. The Town must also maintain rates, fees and other charges that will cover operation and maintenance expenses and at least 110% of debt service for the calendar year. The Town believes it is in compliance with the covenants as set forth in the loan agreement.

The Town’s outstanding note from direct borrowings related to business-type activities of \$27,319 is secured with collateral of the net revenue from operation and use of the system as defined in the loan agreement. The outstanding note contains (1) a provision that in an event of default as defined in the loan agreement, the Authority shall have the right to take any action permitted or required pursuant to the loan agreement and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any duty, covenant, obligation, or agreement of the Town hereunder including, without limitation, appointment ex parte of a receiver of the system.

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

<u>Year Ending December 31,</u>	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 18,127	\$ 428
2027	9,192	86
Totals	<u>\$ 27,319</u>	<u>\$ 514</u>

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note G – Risk management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty, general liability and workers compensation claims. CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability, property and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. The Town makes an annual contribution to CIRSA for its insurance coverage. For the year, the Town's financial contribution to CIRSA was \$96,496. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the Town. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

**Note H – Pension Plans**

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

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Expense</u>
Statewide	\$ 45,008	\$ 1,021	\$ -	\$ -	\$ 14,950
Volunteer - Fire	<u>8,297</u>	<u>54</u>	<u>-</u>	<u>16,652</u>	<u>6,653</u>
Total	<u>\$ 53,305</u>	<u>\$ 1,075</u>	<u>\$ -</u>	<u>\$ 16,652</u>	<u>\$ 21,603</u>

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension Plans (Continued)**

**Statewide Retirement Plan**

Summary of significant accounting policies

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Retirement Plan and additions to/deductions from Fire & Police Statewide Retirement Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

*Plan description.* The Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 participating employer fire and police departments.

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

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

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

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension plans (Continued)**

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

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

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

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

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

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

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

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension plans (Continued)**

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

Upon termination, an employee may elect to have member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

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

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2024, the total combined member and employer contribution was 22.0 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2024, the total combined member and employer contribution rate was 11.00 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17.0 percent.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension plans (Continued)**

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Corporation is set annually by the FPPA's Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2024 through June 30, 2025 is 14.56 percent. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 was 14.24 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

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

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

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

Contributions to the Plan from the Town during the year ended December 31, 2025 were \$4,271.

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

At December 31, 2025 the Town reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2024, the Town's proportion was .0055 percent, which was a decrease of .0001 percent from its proportion measured as of December 31, 2023.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension plans (Continued)**

For the year ended December 31, 2025, the Town recognized pension expense of \$14,950. At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 5,507	\$ -
Changes in assumptions and other inputs	7,073	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,742	442
Difference between expected and actual experience	17,415	579
Contributions subsequent to measurement date	<u>4,271</u>	<u>-</u>
Totals	<u>\$ 45,008</u>	<u>\$ 1,021</u>

\$4,271 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2026	\$ 10,881
2027	14,198
2028	3,626
2029	3,124
2030	3,311
2031	3,026
2032	1,320
2033	<u>230</u>
Totals	<u>\$ 39,716</u>

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension plans (Continued)**

*Actuarial assumptions.* The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ended December 31, 2024. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2025	January 1, 2024
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of payroll, open
Amortization period	N/A	30 years
Long-term investment rate of return, net*	7.0%	7.0%
Projected salary increases*	4.25% - 11.75%	4.25% - 11.75%
Cost of living adjustments (COLA)	0%	0%
* Includes inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2023 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension plans (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income – Rates	7%	5.00%
Fixed Income – Credit	7%	6.50%
Absolute Return	9%	5.70%
Cash	<u>4%</u>	4.20%
Total	<u><u>100%</u></u>	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Statewide Retirement Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension plans (Continued)**

*Discount rate.* Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.08 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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

	1% Decrease <u>(6.00%)</u>	Current Discount <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate share of the net pension liability (asset)	\$ <u>27,081</u>	\$ <u>-</u>	\$ <u>-</u>

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

Payables to the pension plan

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension Plans (Continued)**

**Haxtun Volunteer Fire Department Pension Fund**

Summary of significant accounting policies

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

General information about the pension plan

*Plan administration.* The Town’s defined benefit pension plan for volunteers provides retirement and disability benefits and death benefits to plan members and beneficiaries. The plan is affiliated with the Fire and Police Member’s Benefit Fund, an agent multiple-employer pension plan administered by the Fire and Police Pension Association (FPPA) of Colorado. Title 31, Article 30 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plans that participate in FPPA to the respective member entities. The FPPA issues a publicly available financial report that includes financial statements and required supplementary information for Public Employee Retirement System (PERS) Affiliated Local Plans that can be obtained at <http://www.FPPAco.org>.

Management of the Haxtun Volunteer Fire Department Pension Fund is vested in the local Pension Board, which consists of the Town Mayor, Treasurer, two persons appointed by the governing body of the Town, and three representatives of the local fire department serving the Town.

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

Inactive plan members or beneficiaries currently receiving benefits	19
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>27</u>
Total	<u>47</u>

*Benefits provided.* The plan provides retirement and death benefits. Any firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension (currently \$50 per month). Vesting for reduced monthly pension benefits begins at 10 years of service, with full pension after 20 years. The plan also provides for a lump-sum burial benefit of \$100 upon the death of an active or retired firefighter. The plan does not provide for disability or survivor benefits.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension Plans (Continued)**

*Contributions.* Contribution requirements of the plan are established under Title 31, Article 30 of the Colorado Revised Statutes. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2025 included \$4,243 from the State of Colorado matching funds and \$4,714 from the Town.

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

At December 31, 2025 the Town reported a net pension asset of \$16,652. The net pension asset was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025.

For the year ended December 31, 2025, the Town recognized pension expense of \$6,653. At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 2,669	\$ -
Changes in assumptions and other inputs	583	-
Difference between expected and actual experience	331	54
Contributions subsequent to measurement date	<u>4,714</u>	<u>-</u>
Totals	<u>\$ 8,297</u>	<u>\$ 54</u>

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2026	\$ 1,954
2027	4,286
2028	(1,802)
2029	<u>(909)</u>
Totals	<u>\$ 3,529</u>

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension Plans (Continued)**

*Actuarial assumptions.* The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open*
Remaining amortization period	20 years*
Asset valuation method	5-year smoothed fair value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%
Retirement age	50% per year of eligibility until 100% at age 65.
Mortality	<b>Pre-retirement:</b> Pub-2010 Safety Health Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality. <b>Post-retirement:</b> Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale. <b>Disabled:</b> Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2024, are summarized in the following table:

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension Plans (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Liquidity	4.0%	4.2%
Fixed Income - Rates	7.0%	5.0%
Fixed Income - Credit	7.0%	6.5%
Diversifiers	9.0%	5.7%
Long Short	6.0%	6.2%
Global Public Equity	33.0%	7.0%
Private Markets	<u>34.0%</u>	8.8%
Total	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Discount rate.* Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the “state and local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

**Note H – Pension Plans (Continued)**

Changes in the net pension liability/(asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Position (b)	Net Pension Liability (a)-(b)
Balances at beginning of year	\$ 168,471	\$ 182,713	\$ (14,242)
Changes for the year			
Service cost	1,162	-	1,162
Interest on total pension liability	11,441	-	11,441
Benefit changes	-	-	-
Difference between expected and actual experience	434	-	434
Changes of assumptions	-	-	-
Contributions – employer	-	4,714	(4,714)
Contributions – state of Colorado	-	4,243	(4,243)
Net investment income	-	17,008	(17,008)
Benefit payments	(11,400)	(11,400)	-
Administrative expenses	-	(10,518)	10,518
Net changes	<u>1,637</u>	<u>4,047</u>	<u>(2,410)</u>
Balances at end of year	<u>\$ 170,108</u>	<u>\$ 186,760</u>	<u>\$ (16,652)</u>

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	<u>\$ 2,229</u>	<u>\$ (16,652)</u>	<u>\$ (32,368)</u>

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

Payables to the pension plan

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

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note H – Pension Plans (Continued)**

**Defined Contribution Plan**

The Town contributes to the Colorado County Officials and Employees Retirement Plan (the Plan), a defined contribution plan administered by the Colorado County Officials and Employees Retirement Association (CCOERA).

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Town Council. The Town's contribution is a minimum of 3 percent of covered salary, but may be increased beyond this amount. All eligible employees are required to contribute an amount equal to the contribution by the Town. For the year employee contributions totaled \$12,031, and the Town recognized pension expense of \$12,031.

Employees are immediately vested in their own contributions, Town contributions, and earnings on those contributions.

**Note I – Commitments and contingencies**

**TABOR Amendment**

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate. In November, 1995, the voters of the Town approved a ballot initiative permitting the Town to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of TABOR. However, the Town has made certain interpretations of TABOR's language in order to determine its compliance. The Town has reserved funds in the General Fund in the amount of \$49,000 for the emergency reserve.

**TOWN OF HAXTUN, COLORADO**  
**Notes to Financial Statements**

---

**Note J – Haxtun Old Hire Police Officers’ Pension Fund**

The Town Council has found that no other person or persons is, and no person can, become eligible for payment of a benefit from the Haxtun Old Hire Police Officers’ Pension Fund established pursuant to C.R.S. Section 31-30.5-201(2). As such, the Town Council approved, and received, the idle funds distribution in the amount of \$120,785, which will be used to make future contributions to the defined benefit system trust fund pursuant to C.R.S. Section 31-31-402(2). The Town has restricted \$80,943 in its General Fund, representing idle funds that have not been contributed to the defined benefit system trust fund at year-end.

This page intentionally left blank.

### **Required Supplementary Information**

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

- Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset) – Fire & Police Statewide Retirement Plan
- Schedule of Town Contributions – Fire & Police Statewide Retirement Plan
- Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios – Haxtun Volunteer Fire Department Pension Fund
- Schedule of Town Contributions – Haxtun Volunteer Fire Department Pension Fund
- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Community Center Fund

**TOWN OF HAXTUN, COLORADO**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset)**  
**Fire & Police Statewide Retirement Plan**  
**December 31, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Town's proportion of the net pension liability/(asset)	0.0055%	0.0056%	0.0077%	0.0077%
Town's proportionate share of the net pension liability/(asset)	\$ -	\$ -	\$ 6,839	\$ (41,754)
Town's covered payroll	\$ 60,510	\$ 55,432	\$ 65,744	\$ 62,024
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	0.0%	0.0%	-10.4%	67.3%
Plan fiduciary net position as a percentage of the total pension liability	100.00%	100.00%	97.60%	116.20%

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

---

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
0.0075%	0.0103%	0.0102%	0.0112%	0.0117%	0.0125%
\$ (16,346)	\$ (5,839)	\$ 12,860	\$ (16,113)	\$ (4,227)	\$ (220)
\$ 60,475	\$ 76,100	\$ 71,050	\$ 65,508	\$ 59,862	\$ 60,613
27.0%	7.7%	-18.1%	24.6%	7.1%	0.4%
106.70%	101.90%	95.20%	106.30%	98.21%	100.10%

**TOWN OF HAXTUN, COLORADO**  
**Schedule of Town Contributions**  
**Fire & Police Statewide Retirement Plan**  
**December 31, 2025**

---

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 4,271	\$ 6,051	\$ 5,266	\$ 5,917
Contributions in relation to the contractually required contribution	<u>(4,271)</u>	<u>(6,051)</u>	<u>(5,266)</u>	<u>(5,917)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 40,676	\$ 60,510	\$ 55,432	\$ 65,744
Contributions as a percentage of covered payroll	10.50%	10.00%	9.50%	9.00%

---

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 5,272	\$ 4,838	\$ 6,088	\$ 5,684	\$ 5,241	\$ 4,789
<u>(5,272)</u>	<u>(4,838)</u>	<u>(6,088)</u>	<u>(5,684)</u>	<u>(5,241)</u>	<u>(4,789)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 62,024	\$ 60,475	\$ 76,100	\$ 71,050	\$ 65,508	\$ 59,862
8.50%	8.00%	8.00%	8.00%	8.00%	8.00%

**TOWN OF HAXTUN, COLORADO**  
**Schedule of Changes in the Town's Net Pension Liability/(Asset) and Related Ratios**  
**Haxtun Volunteer Fire Department Pension Fund**  
**Last 10 Fiscal Years**

	2025	2024	2023	2022
<b>Total pension liability</b>				
Service cost	\$ 1,162	\$ 1,162	\$ 990	\$ 1,281
Interest on the total pension liability	11,441	11,330	11,073	10,523
Differences between expected and actual experience	-	-	-	-
	434	-	(220)	-
Assumption changes	-	-	2,373	(16,771)
Benefit payments	(11,400)	(10,450)	(10,800)	(11,050)
Net change in total pension liability	1,637	2,042	3,416	(16,017)
Total pension liability - beginning	168,471	166,429	163,013	179,030
Total pension liability - ending (a)	<u>\$ 170,108</u>	<u>\$ 168,471</u>	<u>\$ 166,429</u>	<u>\$ 163,013</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 4,714	\$ 4,714	\$ 4,714	\$ 4,714
Net investment income	17,008	16,956	(16,330)	27,156
Benefit payments	(11,400)	(10,450)	(10,800)	(11,050)
Pension plan administrative expenses	(10,518)	(12,245)	(9,717)	(8,772)
State of Colorado supplemental discretionary payment	-	-	-	-
	4,243	4,243	4,243	8,486
Net change in plan fiduciary net position	4,047	3,218	(27,890)	20,534
Plan fiduciary net position - beginning	182,713	179,495	207,385	186,851
Plan fiduciary net position - ending (b)	<u>\$ 186,760</u>	<u>\$ 182,713</u>	<u>\$ 179,495</u>	<u>\$ 207,385</u>
<b>Town's net pension liability/(asset) - ending (a) - (b)</b>	<u>\$ (16,652)</u>	<u>\$ (14,242)</u>	<u>\$ (13,066)</u>	<u>\$ (44,372)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	109.79%	108.45%	107.85%	127.22%
<b>Covered payroll</b>	N/A	N/A	N/A	N/A
<b>Town's net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A

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

	2021	2020	2019	2018	2017	2016
\$	1,212	\$ 1,212	\$ 1,128	\$ 1,128	\$ 1,126	\$ 1,126
	12,170	12,120	12,324	12,210	11,974	11,979
	(18,345)	-	180	-	(2,467)	-
	17,243	-	7,115	-	5,152	-
	(12,800)	(12,435)	(11,500)	(12,126)	(13,150)	(13,200)
	(520)	897	9,247	1,212	2,635	(95)
	179,550	178,653	169,406	168,194	165,559	165,654
\$	<u>179,030</u>	<u>179,550</u>	<u>178,653</u>	<u>169,406</u>	<u>168,194</u>	<u>165,559</u>
\$	4,714	\$ 4,714	\$ 4,714	\$ 7,028	\$ 2,460	\$ 6,583
	21,584	23,524	211	24,347	8,776	3,049
	(12,800)	(12,435)	(11,500)	(12,126)	(13,150)	(13,200)
	(8,099)	(11,703)	(10,540)	(10,309)	(539)	(1,565)
	4,243	-	4,243	4,297	5,263	4,243
	9,642	4,100	(12,872)	13,237	2,810	(890)
	177,209	173,109	185,981	172,744	169,934	170,824
\$	<u>186,851</u>	<u>177,209</u>	<u>173,109</u>	<u>185,981</u>	<u>172,744</u>	<u>169,934</u>
\$	<u>(7,821)</u>	<u>2,341</u>	<u>5,544</u>	<u>(16,575)</u>	<u>(4,550)</u>	<u>(4,375)</u>
	104.37%	98.70%	96.90%	109.78%	102.71%	102.64%
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A

**TOWN OF HAXTUN, COLORADO**  
**Schedule of Town Contributions**  
**Haxtun Volunteer Fire Department Pension Fund**  
**Last 10 Fiscal Years**

Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2025	\$ 8,402	\$ 8,957	\$ (555)	N/A	N/A
2024	8,402	8,957	(555)	N/A	N/A
2023	9,508	8,957	551	N/A	N/A
2022	9,508	8,957	551	N/A	N/A
2021	11,518	13,200	(1,682)	N/A	N/A
2020	11,518	8,957	2,561	N/A	N/A
2019	-	4,714	(4,714)	N/A	N/A
2018	-	8,957	(8,957)	N/A	N/A
2017	60	11,325	(11,265)	N/A	N/A
2016	60	7,723	(7,663)	N/A	N/A

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

**TOWN OF HAXTUN, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 846,474	\$ 846,474	\$ 836,227	\$ (10,247)
Licenses and permits	4,500	4,500	4,965	465
Intergovernmental	145,790	145,790	160,878	15,088
Fines and forfeitures	1,250	1,250	6,571	5,321
Charges for services	25,500	25,500	43,861	18,361
Miscellaneous	29,000	29,000	105,397	76,397
Total revenues	1,052,514	1,052,514	1,157,899	105,385
Expenditures				
Current				
General government	160,120	160,120	142,812	17,308
Public safety	454,220	454,220	335,189	119,031
Public works	773,675	773,675	666,209	107,466
Culture and recreation	241,530	241,530	214,230	27,300
Debt service				
Principal retirement	72,360	72,360	90,802	(18,442)
Interest and fiscal charges	37,157	37,157	38,488	(1,331)
Total expenditures	1,739,062	1,739,062	1,487,730	251,332
Excess of revenues over (under) expenditures	(686,548)	(686,548)	(329,831)	356,717
Other financing sources				
Transfers in	745,000	745,000	645,000	(100,000)
Net change in fund balance	\$ 58,452	\$ 58,452	315,169	\$ 256,717
Fund balance at beginning of year			505,023	
Fund balance at end of year			\$ 820,192	

**TOWN OF HAXTUN, COLORADO**  
**Community Center Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Rent income	\$ 3,500	\$ 3,500	\$ 5,145	\$ 1,645
Grants and contributions	48,750	48,750	24,875	(23,875)
Miscellaneous			150	150
Total revenues	52,250	52,250	30,170	(22,080)
Expenditures				
Current				
Salaries	3,000	3,000	2,590	410
Employee benefits	875	875	1,163	(288)
Insurance and bonds	5,000	5,000	4,796	204
Repairs and maintenance	5,000	5,000	4,723	277
Utilities	10,550	10,550	1,303	9,247
Audit and legal	1,200	1,200	1,115	85
Supplies	4,000	4,000	2,666	1,334
Capital outlay	48,000	68,000	39,116	28,884
Miscellaneous	3,000	3,000	5,342	(2,342)
Total expenditures	80,625	100,625	62,814	37,811
Net change in fund balance	\$ (28,375)	\$ (48,375)	(32,644)	\$ 15,731
Fund balance at beginning of year			291,519	
Fund balance at end of year			\$ 258,875	

**TOWN OF HAXTUN, COLORADO**  
**Notes to the Required Supplementary Information**

---

**Note A – Budgetary data**

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

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

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

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

**Note B – Factors affecting trends in amounts reported in the pension schedules**

Information about factors that significantly affect trends in the amounts reported in the pension schedules is available in FPPA's comprehensive annual financial report which can be obtained at <http://www.FPPAco.org>.

This page intentionally left blank.

### **Other Supplementary Information**

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- General Fund – Budgetary Comparison Schedules – Revenues and Expenditures
- Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Proprietary Funds

This page intentionally left blank.

## **General Fund**

The General Fund accounts for all transactions of the Town not required to be accounted for in other funds. This fund represents an accounting of the Town's ordinary operations financed primarily from tax dollars and intergovernmental aid. It is the most significant fund in relation to the Town's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

**TOWN OF HAXTUN, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule - Revenues**  
**For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Taxes				
Property taxes	\$ 187,674	\$ 187,674	\$ 178,645	\$ (9,029)
Specific ownership taxes	20,000	20,000	23,133	3,133
Penalties and interest on taxes	300	300	3,119	2,819
Franchise taxes	7,500	7,500	9,447	1,947
Sales taxes	630,000	630,000	621,883	(8,117)
Severance taxes	1,000	1,000		(1,000)
Total taxes	846,474	846,474	836,227	(10,247)
Licenses and permits	4,500	4,500	4,965	465
Intergovernmental				
Motor vehicle assessments	4,500	4,500	4,413	(87)
Cigarette taxes	700	700	754	54
Highway users tax	41,790	41,790	53,230	11,440
Road and bridge	15,000	15,000	16,003	1,003
Payment in lieu of taxes	5,500	5,500	8,178	2,678
Grants	78,300	78,300	78,300	-
Total intergovernmental	145,790	145,790	160,878	15,088
Fines and forfeitures	1,250	1,250	6,571	5,321
Charges for services				
Curb and gutter			488	488
Rabies control	5,500	5,500	4,351	(1,149)
Swimming pool	10,000	10,000	22,832	12,832
Concession stand	10,000	10,000	16,190	6,190
Total charges for services	25,500	25,500	43,861	18,361
Miscellaneous				
Interest on investments	12,000	12,000	34,791	22,791
Refunds and reimbursements	9,000	9,000	26,804	17,804
Grants and donations			34,435	34,435
Miscellaneous	8,000	8,000	9,367	1,367
Total miscellaneous	29,000	29,000	105,397	76,397
Total revenues	\$ 1,052,514	\$ 1,052,514	\$ 1,157,899	\$ 105,385

This page intentionally left blank.

**TOWN OF HAXTUN, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
General government				
Salaries	\$ 32,120	\$ 32,120	\$ 28,962	\$ 3,158
Employee benefits	17,000	17,000	15,536	1,464
Supplies	10,000	10,000	7,054	2,946
Maintenance	7,500	7,500	11,810	(4,310)
Utilities	8,000	8,000	3,370	4,630
Travel	3,500	3,500	1,683	1,817
Insurance	11,500	11,500	11,102	398
Reporting and publishing	2,500	2,500	2,712	(212)
Audit and legal	8,500	8,500	8,112	388
Dues	17,500	17,500	17,297	203
County treasurer and clerk fees	7,000	7,000	6,896	104
Miscellaneous	35,000	35,000	28,278	6,722
Total general government	160,120	160,120	142,812	17,308
Public safety				
Police				
Salaries	220,000	220,000	166,920	53,080
Employee benefits	106,000	106,000	61,705	44,295
Life and disability insurance	6,800	6,800	3,092	3,708
Drug education			277	(277)
Pension contribution	9,300	9,300	4,271	5,029
Maintenance	2,500	2,500	21,639	(19,139)
Fuel and oil	5,000	5,000	3,854	1,146
Insurance	27,000	27,000	27,220	(220)
Utilities	9,000	9,000	5,796	3,204
Supplies	21,500	21,500	8,781	12,719
Travel and training	6,000	6,000	1,129	4,871
Audit and legal	1,500	1,500	1,651	(151)
Miscellaneous	11,950	11,950	9,475	2,475
Total police	426,550	426,550	315,810	110,740

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fire				
Salaries	500	500		500
Employee benefits	370	370		370
Pension contribution	2,400	2,400	2,400	-
Maintenance	1,500	1,500	1,457	43
Insurance	11,000	11,000	12,909	(1,909)
Utilities	8,050	8,050	1,584	6,466
Supplies	3,500	3,500	129	3,371
Miscellaneous	350	350	900	(550)
Total fire	27,670	27,670	19,379	8,291
Total public safety	454,220	454,220	335,189	119,031
Public works				
Highways and streets				
Salaries	72,000	72,000	66,109	5,891
Employee benefits	31,800	31,800	29,591	2,209
Utilities	15,500	15,500	1,576	13,924
Maintenance and supplies	472,500	472,500	457,379	15,121
Fuel and oil	11,000	11,000	2,739	8,261
Insurance	14,000	14,000	11,761	2,239
Capital outlay	60,000	60,000		60,000
Miscellaneous	2,000	2,000	2,911	(911)
Total highways and streets	678,800	678,800	572,066	106,734
Airport				
Salaries	1,200	1,200	987	213
Employee benefits	775	775	417	358
Maintenance and supplies	1,000	1,000	3,087	(2,087)
Insurance	4,500	4,500	2,645	1,855
Capital outlay	87,000	87,000	87,000	-
Miscellaneous	400	400	7	393
Total airport	94,875	94,875	94,143	732
Total public works	773,675	773,675	666,209	107,466

(continued)

**TOWN OF HAXTUN, COLORADO**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended December 31, 2025**

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Culture and recreation				
Recreation programs				
Salaries	70,000	70,000	73,005	(3,005)
Employee benefits	11,050	11,050	7,515	3,535
Utilities	16,500	16,500	9,917	6,583
Maintenance and supplies	55,000	55,000	61,956	(6,956)
Insurance	6,500	6,500	4,104	2,396
Miscellaneous	12,400	12,400	9,438	2,962
Total recreation programs	171,450	171,450	165,935	5,515
Parks				
Salaries	14,000	14,000	13,542	458
Employee benefits	4,750	4,750	4,614	136
Utilities	5,500	5,500		5,500
Maintenance and supplies	19,000	19,000	13,495	5,505
Fuel and oil	900	900	302	598
Insurance	4,500	4,500	2,234	2,266
Capital outlay	11,000	11,000	10,600	400
Miscellaneous	1,000	1,000	847	153
Total parks	60,650	60,650	45,634	15,016
Fishing lake				
Salaries	1,500	1,500	913	587
Employee benefits	530	530	291	239
Utilities	800	800	719	81
Maintenance and supplies	600	600	91	509
Insurance	1,500	1,500	646	854
Capital outlay	4,500	4,500		4,500
Miscellaneous			1	(1)
Total fishing lake	9,430	9,430	2,661	6,769
Total culture and recreation	241,530	241,530	214,230	27,300

---

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Debt service				
Principal retirement	72,360	72,360	90,802	(18,442)
Interest and fiscal charges	37,157	37,157	38,488	(1,331)
Total debt service	109,517	109,517	129,290	(19,773)
Total expenditures	\$ 1,739,062	\$ 1,739,062	\$ 1,487,730	\$ 251,332

This page intentionally left blank.

**Combining Statements and Budgetary Comparison Schedules –  
Nonmajor Governmental Funds**

The Town reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- Conservation Trust Fund – This fund was established to account for state lottery proceeds and allowable expenditures.
- Library Fund – This fund was established to account for the town owned and operated public library.

**TOWN OF HAXTUN, COLORADO**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**December 31, 2025**

	<u>Conservation Trust Fund</u>	<u>Library Fund</u>	<u>Total</u>
Assets			
Cash	\$ 21,835	\$ 10,010	\$ 31,845
Property taxes receivable		16,447	16,447
	<u>\$ 21,835</u>	<u>\$ 26,457</u>	<u>\$ 48,292</u>
Total assets			
Liabilities			
Accounts payable		\$ 1,373	\$ 1,373
	\$ -	1,373	1,373
Total liabilities			
Deferred inflows of resources			
Deferred property tax revenues		16,447	16,447
	-	16,447	16,447
Total deferred inflows of resources			
Fund balance			
Restricted for culture and recreation	21,835		21,835
Committed to library purposes		8,637	8,637
	<u>21,835</u>	<u>8,637</u>	<u>30,472</u>
Total fund balance			
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 21,835</u>	<u>\$ 26,457</u>	<u>\$ 48,292</u>

**TOWN OF HAXTUN, COLORADO**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2025**

	<u>Conservation Trust Fund</u>	<u>Library Fund</u>	<u>Total</u>
Revenues			
Taxes		\$ 30,802	\$ 30,802
Intergovernmental revenue	\$ 11,595		11,595
Earnings on investments	248	38	286
Miscellaneous		5,861	5,861
Total revenues	<u>11,843</u>	<u>36,701</u>	<u>48,544</u>
Expenditures			
Current			
Culture and recreation	<u>10,000</u>	<u>44,795</u>	<u>54,795</u>
Total expenditures	<u>10,000</u>	<u>44,795</u>	<u>54,795</u>
Net change in fund balance	1,843	(8,094)	(6,251)
Fund balance at beginning of year	<u>19,992</u>	<u>16,731</u>	<u>36,723</u>
Fund balance at end of year	<u><u>\$ 21,835</u></u>	<u><u>\$ 8,637</u></u>	<u><u>\$ 30,472</u></u>

**TOWN OF HAXTUN, COLORADO**  
**Conservation Trust Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental	\$ 9,400	\$ 9,400	\$ 11,595	\$ 2,195
Interest on investments	60	60	248	188
Total revenues	9,460	9,460	11,843	2,383
Expenditures				
Current				
Culture and recreation	20,000	20,000	10,000	10,000
Total expenditures	20,000	20,000	10,000	10,000
Net change in fund balance	\$ (10,540)	\$ (10,540)	1,843	\$ 12,383
Fund balance at beginning of year			19,992	
Fund balance at end of year			\$ 21,835	

**TOWN OF HAXTUN, COLORADO**  
**Library Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property tax	\$ 15,533	\$ 15,533	\$ 15,534	\$ 1
Delinquent taxes and interest			268	268
Sales taxes	15,000	15,000	15,000	-
Interest on investments	50	50	38	(12)
Grants and contributions	4,500	4,500	4,853	353
Miscellaneous			1,008	1,008
<b>Total revenues</b>	<b>35,083</b>	<b>35,083</b>	<b>36,701</b>	<b>1,618</b>
<b>Expenditures</b>				
<b>Current</b>				
Salaries	20,900	20,900	18,359	2,541
Employee benefits	1,500	1,500	1,419	81
Books	7,000	7,000	8,201	(1,201)
Insurance and bonds	4,000	4,000	4,784	(784)
Repairs and maintenance	4,650	4,650	4,587	63
County treasurer and clerk fees	450	450	533	(83)
Utilities	5,300	5,300	986	4,314
Supplies	500	500	257	243
Audit	2,000	2,000	2,356	(356)
Miscellaneous	1,300	1,300	3,313	(2,013)
<b>Total expenditures</b>	<b>47,600</b>	<b>47,600</b>	<b>44,795</b>	<b>2,805</b>
<b>Net change in fund balance</b>	<b>\$ (12,517)</b>	<b>\$ (12,517)</b>	<b>(8,094)</b>	<b>\$ 4,423</b>
Fund balance at beginning of year			16,731	
Fund balance at end of year			\$ 8,637	

This page intentionally left blank.

## **Budgetary Comparison Schedules – Proprietary Funds**

The Town reports the following major proprietary funds:

Enterprise Funds – These funds are used to account for operations that provide services that are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

- Electric Fund – This fund was established to account for all operations of the electric utility service provided by the Town.
- Water Fund – This fund was established to account for all operations of the water utility service provided by the Town.
- Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the Town.
- Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the Town.

**TOWN OF HAXTUN, COLORADO**  
**Electric Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 1,074,700	\$ 1,074,700	\$ 1,003,557	\$ (71,143)
Penalties	10,000	10,000	7,011	(2,989)
Total operating revenues	1,084,700	1,084,700	1,010,568	(74,132)
Operating expenses				
Salaries	65,500	65,500	71,582	(6,082)
Employee benefits	33,000	33,000	32,244	756
Supplies	4,500	4,500	1,904	2,596
Repairs and maintenance	62,000	62,000	37,418	24,582
Insurance	7,000	7,000	4,749	2,251
Utilities	1,800	1,800	278	1,522
Audit and legal	2,500	2,500	2,474	26
Fuel and oil	10,000	10,000	3,070	6,930
Power purchased	600,000	600,000	574,507	25,493
Miscellaneous	7,650	7,650	7,140	510
Depreciation	38,000	38,000	35,908	2,092
Capital outlay	180,000	180,000	165,549	14,451
Total operating expenses	1,011,950	1,011,950	936,823	75,127
Operating income	72,750	72,750	73,745	995
Nonoperating revenues				
Interest on investments	500	500	2,092	1,592
Miscellaneous	6,200	6,200	2,498	(3,702)
Total nonoperating revenues	6,700	6,700	4,590	(2,110)
Net income before transfers	79,450	79,450	78,335	(1,115)

---

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Transfers out	<u>(650,000)</u>	<u>(650,000)</u>	<u>(570,000)</u>	<u>80,000</u>
Change in net position	<u>\$ (570,550)</u>	<u>\$ (570,550)</u>	<u>(491,665)</u>	<u>\$ 78,885</u>
Adjustments to GAAP Basis				
Add capital outlay			<u>165,549</u>	
Change in net position - GAAP Basis			<u>(326,116)</u>	
Net position at beginning of year			<u>1,511,650</u>	
Net position at end of year			<u>\$ 1,185,534</u>	

**TOWN OF HAXTUN, COLORADO**  
**Water Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 267,500	\$ 267,500	\$ 256,859	\$ (10,641)
Operating expenses				
Salaries	58,000	58,000	60,644	(2,644)
Employee benefits	32,000	32,000	28,284	3,716
Supplies	4,000	4,000	1,474	2,526
Repairs and maintenance	51,500	51,500	15,502	35,998
Insurance	5,700	5,700	4,520	1,180
Utilities	28,285	28,285	278	28,007
Audit and legal	2,600	2,600	2,515	85
Fuel and oil	1,500	1,500	670	830
Water assessment fee	6,700	6,700	6,263	437
Miscellaneous	11,800	11,800	15,750	(3,950)
Depreciation	19,000	19,000	22,973	(3,973)
Capital outlay	5,000	5,000		5,000
Total operating expenses	226,085	226,085	158,873	67,212
Operating income	41,415	41,415	97,986	56,571
Nonoperating revenues				
Interest on investments	100	100	288	188
Miscellaneous	3,900	3,900	2,572	1,328
Total nonoperating revenues	4,000	4,000	2,860	(1,140)
Net income before transfers	45,415	45,415	100,846	55,431
Transfers out	(50,000)	(50,000)	(50,000)	-
Change in net position	\$ (4,585)	\$ (4,585)	50,846	\$ 55,431
Net position at beginning of year			856,502	
Net position at end of year			\$ 907,348	

**TOWN OF HAXTUN, COLORADO**  
**Sanitation Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 199,200	\$ 199,200	\$ 199,161	\$ (39)
Operating expenses				
Salaries	98,000	98,000	91,067	6,933
Employee benefits	47,500	47,500	37,849	9,651
Supplies	3,000	3,000	1,178	1,822
Repairs and maintenance	6,500	6,500	8,026	(1,526)
Insurance	8,500	8,500	7,791	709
Utilities	650	650	278	372
Audit and legal	2,300	2,300	2,215	85
Fuel and oil	5,000	5,000		5,000
Dump expense	30,000	30,000	25,017	4,983
Miscellaneous	2,275	2,275	2,465	(190)
Depreciation	4,700	4,700	3,359	1,341
Capital outlay	5,000	5,000		5,000
Total operating expenses	213,425	213,425	179,245	34,180
Operating income (loss)	(14,225)	(14,225)	19,916	34,141
Nonoperating revenues				
Interest on investments	150	150	322	172
Total nonoperating revenues	150	150	322	172
Change in net position	\$ (14,075)	\$ (14,075)	20,238	\$ 34,313
Net position at beginning of year			240,361	
Net position at end of year			\$ 260,599	

**TOWN OF HAXTUN, COLORADO**  
**Sewer Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended December 31, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 135,775	\$ 135,775	\$ 186,624	\$ 50,849
Operating expenses				
Salaries	47,500	47,500	46,471	1,029
Employee benefits	26,000	26,000	20,142	5,858
Supplies	4,500	4,500	1,544	2,956
Repairs and maintenance	22,500	22,500	17,564	4,936
Insurance	4,500	4,500	4,008	492
Utilities	1,375	1,375	972	403
Audit and legal	2,500	2,500	2,415	85
Fuel and oil	500	500	56	444
Miscellaneous	3,750	3,750	4,435	(685)
Depreciation and amortization	22,000	22,000	18,534	3,466
Capital outlay	5,000	5,000		5,000
Total operating expenses	140,125	140,125	116,141	23,984
Operating income (loss)	(4,350)	(4,350)	70,483	74,833
Nonoperating revenues (expenses)				
Interest on investments	150	150	528	378
Principal paid on long-term debt	(17,792)	(17,792)	(17,792)	-
Interest and fiscal charges	(763)	(763)	(707)	56
Total nonoperating revenues (expenses)	(18,405)	(18,405)	(17,971)	434
Net income (loss) before transfers	(22,755)	(22,755)	52,512	75,267
Transfers out	(25,000)	(25,000)	(25,000)	-
Change in net position	\$ (47,755)	\$ (47,755)	27,512	\$ 75,267
Adjustments to GAAP Basis				
Add principal on long-term debt			17,792	
Change in net position - GAAP Basis			45,304	
Net position at beginning of year			852,011	
Net position at end of year			\$ 897,315	

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

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

LOCAL HIGHWAY FINANCE REPORT		STATE: COLORADO		
THIS INFORMATION FROM THE RECORDS OF: Town of Haxtun	PREPARED BY: Shea Lightsey slightsey@townofhaxtun.com	REPORT YEAR ENDING DATE(mm/yyyy): 12/2025		
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>				
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))				
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>				
ITEM	AMOUNT	ITEM	AMOUNT	
<b>A.3. Other Local Imposts:</b>		<b>A.4. Miscellaneous Local Receipts:</b>		
a. Property Taxes and Assessments	0.00	a. Interest on investments	6.00	
b. Non-property Taxes and Assessments Imposts	221,093.00	b. Other Misc. Local Receipts	3,120.00	
<b>c. Total (a + b)</b>	<b>\$ 221,093.00</b>	<b>c. Total (a + b)</b>	<b>\$ 3,126.00</b>	
ITEM	AMOUNT	ITEM	AMOUNT	
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>		
1. Highway-user Taxes (from Item I.C.5.)	53,230.00	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	4,413.00			
<b>c. Total (a + b)</b>	<b>\$ 4,413.00</b>			
<b>4. Total (1 + 2 + 3c)</b>	<b>\$ 57,643.00</b>	<b>3. Total (1 + 2)</b>	<b>\$ -</b>	
<b>III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL</b>				
ITEM	AMOUNT			
<b>A.1. Capital outlay:</b>				
a. Right-Of-Way Costs				
b. Engineering Costs				
c. Construction Costs	435,854.92			
<b>d. Total Capital Outlay (a+ b + c)</b>	<b>\$ 435,854.92</b>			
Form FHWA-536 (Rev. 02-2025) Page2				

**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
<b>A. Receipts from Local Sources:</b>	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
<b>c. Total (a + b)</b>	
2. General Fund Appropriations	485,905.92
3. Other Local Imposts (from page 1, Item II.A3.c)	\$ 221,093.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	\$ 3,126.00
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
<b>d. Total (a + b + c)</b>	\$
<b>7. Total (1 through 6)</b>	\$ 710,124.92
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	\$ 57,643.00
D. Receipts from Federal government (from page 1, Item II.D.3)	\$ -
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 767,767.92

**III. EXPENDITURES FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT
<b>A. Local highway expenditures:</b>	
1. Capital Outlay (from page 1, Item III.A1.d)	\$ 435,854.92
2. Maintenance:	15,753.00
3. Road and Street Services:	
a. Snow and Ice Removal	
b. Other & Traffic Control Operations	501.00
<b>c. Total (a + b)</b>	\$ 501.00
4. General Administration & Miscellaneous	19,449.00
5. Highway Law Enforcement and Safety	166,920.00
<b>6. Total (1 through 5)</b>	\$ 638,477.92
<b>B. Debt Service on Local Obligations:</b>	
1. Bonds:	
a. Interest	37,157.00
b. Redemption	72,360.00
<b>c. Total (a + b)</b>	\$ 109,517.00
2. Notes:	
a. Interest	1,331.00
b. Redemption	18,442.00
<b>c. Total (a + b)</b>	\$ 19,773.00
<b>3. Total (1c + 2c)</b>	\$ 129,290.00
C. Payments to State for Highways	
D. Payments to Toll Facilities	
<b>E. Total Expenditures (A6 + B3 + C + D)</b>	\$ 767,767.92

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	1,288,656	\$ -	\$ 72,360.00	\$ 1,216,296.00
1. Bonds (Refunding Portion)		\$ -		
B. Notes (Total)	56,637	\$ -	\$ 18,442.00	\$ 38,195.00