TOWN OF NATURITA, COLORADO

FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025

TOWN OF NATURITA, COLORADO
TABLE OF CONTENTS
December 31, 2025

FINANCIAL SECTION

Independent Auditor's Report 1

Management's Discussion and Analysis i

Basic Financial Statements

Government-wide Financial Statements
Statement of Net Position 4
Statement of Activities 5

Governmental Funds Financial Statements
Balance Sheet 6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 7
Statement of Revenues, Expenditures and Changes in Fund Balances 8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 9

Proprietary Fund Financial Statements
Statement of Net Position 10
Statement of Revenues, Expenses, and Changes in Net Position 11
Statement of Cash Flows 12

Notes to the Financial Statements 13

Required Supplementary Information

Budgetary Comparison Schedule – General Fund 20
Notes to the Required Supplementary Information 21

Supplementary Information – Budgetary Comparison Schedules

Budgetary Comparison Schedules
Lodging Tax Fund 22
Conservation Trust Fund 23
Water Fund 24

COMPLIANCE SECTION

State Compliance

Local Highway Finance Report 25

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AUDITING AND CONSULTING, LLC
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and the Board of Trustees
Town of Naturita
Naturita, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Naturita, Colorado (the Town) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, 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, 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 of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary 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 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.

Honorable Mayor and the Board of Trustees
Town of Naturita, Colorado

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 accompanying budgetary comparison schedules in the table of contents and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 the 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 accompanying budgetary comparison schedules and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

August 21, 2026
Bailey, Colorado

TOWN OF NATURITA
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2025

As management of the Town of Naturita (the "Town"), offers readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2025. The Town encourages readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities and deferred inflows of resources by $4,922,171 (i.e. net position) as of December 31, 2025, an increase of $265,309 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of $2,488,165, an increase of $379,515 in comparison with the prior year.
- The Town's fund balance for the General Fund was $2,383,828, an increase of $370,878 in comparison to the prior year.
- General property tax, sales tax, lodging tax, and franchise fees totaled $631,153, or 91% of general revenues.
- Sales tax revenue decreased in 2025 compared to 2024. The decrease was partially attributed to reduced consumer spending due to inflation, as well as a decline in tourism in the area resulting from the loss of available lodging.
- Property tax revenue also decreased in 2025 compared to 2024. The decrease was primarily attributable to policy changes enacted in late 2024 and early 2025.
- The Town anticipates an increase in water and sewer revenue in 2026 following a combined $17 increase in water and sewer rates implemented in January 2026. The rate increase is expected to generate additional revenue to support the Town’s ongoing operations and infrastructure needs.
- Construction of the Town’s wastewater treatment plant began in January 2026. The project is being funded through multiple grants and a loan. The project will have a significant impact on the Town’s financial statements in the upcoming fiscal year as construction expenditures and related funding are recognized.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The **statement of net position** presents information on all the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net

position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues *(Governmental Activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(Business-type Activities).* The Governmental Activities of the Town include general government administration, public works, and culture and recreation. The Business-type Activity of the Town was the Water Fund.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into two categories: governmental funds and proprietary funds.

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

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

The Town maintains one major government fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balance for the General Fund. The Town reported two nonmajor funds, Conservation Trust Fund and Lodging Tax Fund.

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

Notes to Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2025, the Town's combined assets exceeded liabilities and deferred inflows of resources by $4,922,181. Of this amount, $2,359,828 is unrestricted and available to meet the Town's ongoing financial obligations.

The largest portion of net position is invested in capital assets (net of related debt) of $2,434,006 (49% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the net investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2024 and 2023:

	Governmental Activities		Business Type Activities	
Assets	2025	2024	2025	2024
Current and other assets	$ 2,560,474	$ 2,168,410	$ 2,366,340	$ 2,537,544
Capital Assets	$ 2,434,006	$ 2,548,212	$ 1,127,188	$ 1,171,870
Total Assets	$ 4,994,480	$ 4,716,622	$ 2,493,528	$ 2,537,544
Current Liabilities	$ -	$ 7,476	$ 40,869	$ 14,703
Non-Current Liabilities			9,131	22,602
Total Liabilities	$ -	$ 7,476	$ 50,000	$ 37,305
Deferred Inflow of Resources				
Deferred Property Tax Revenue	$ 72,309	$ 52,284	$ -	$ -
Net Position				
Net Investment in Capital Assets	$ 2,434,006	$ 2,548,212	$ 1,111,288	$ 1,149,268
Restricted	$ 128,337	$ 121,700		
Unrestricted	$ 2,359,828	$ 1,986,950	$ 1,332,240	$ 1,350,971
Total Net Position	$ 4,922,171	$ 4,656,862	$ 2,443,528	$ 2,500,239

An additional portion of net position, $128,337 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $2,359,828 (48% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

Governmental and business-type activities increased the Town's net position by $208,598 in 2025.

	Governmental Activities		Business-Type Activities	
Revenues	2025	2024	2025	2024
Program Revenues				
Charges for Services	$ 67,998	$ 67,553	$ 461,853	$ 467,780
Operating Grants	$ 36,917	$ 46,169		
Capital Grants	$ 15,000	$ 15,000	$ 24,908	$ 104,810
General Revenues				
Property Taxes	$ 54,341	$ 70,621		
Specific Ownership	$ 6,851	$ 6,568		
Sales and Use Tax	$ 561,556	$ 614,548	$ 34,476	$ 38,954
Franchise Taxes	$ 6,599	$ 7,874		
Lodging Tax	$ 8,657	$ 6,969		
Miscellaneous	$ 12,255	$ 17,983	$ -	$ 29,028
Interest Income	$ 41,549	$ 38,538	$ 43,414	
Totals	$ 811,723	$ 891,823	$ 564,651	$ 640,572
Expenses				
General Government	$ 231,998	$ 218,695		
Public Works	$ 160,637	$ 174,245	$ 621,362	$ 659,470
Culture and Recreation	$ 100,811	$ 89,792		
Public Safety	$ 52,968	$ 53,535		
Utilities				
Total Expenses	$ 546,414	$ 536,267	$ 621,362	$ 659,470
Increase in Net Position	$ 265,309	$ 355,556	$ (56,711)	$ (18,898)
Beginning, Original	$ 4,656,862	$ 4,018,424	$ 2,500,239	$ 2,402,681
Restatement – Correction	$ -	$ 282,882	$ -	$ 116,456
Beginning, as Restated	$ 4,656,862	$ 4,301,306	$ 2,500,239	$ 2,519,137
Ending	$ 4,922,171	$ 4,656,862	$ 2,443,528	$ 2,500,239

Business-type Activities

Business-type activities for the year resulted in a decrease in net position of ($56,711). Capital grants and contributions accounted for 4% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows. and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of 2025, the. Town's governmental funds reported combined ending fund balances of $2,488,165. Of the combined ending fund balances for all governmental funds 95% of this total amount, $2,359,828, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meeting a State constitution mandated emergency reserve of $24,000.

The Town has one major governmental fund; the General Fund, which is the primary operating fund for the Town. At the end of 2025, the restricted fund balance of the Lodging Tax Fund and Conservation Trust Fund was $33,611 and $70,726, respectively. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance of the Town increased by $372,878 compared to 2024.

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

The Town has one enterprise fund, the Water Fund. At the end of 2025, the Water Fund represented the following net position amounts:

Fund:	Water
Unrestricted net position	$1,332,240
Total net position	$2,443,528
Increase (Decrease) in net position	($56,711)

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's net investment in capital assets for its governmental and business-type activities as of December 31, 2025, was $3,545,294, a decrease of $152,186 from the prior year. As required by GASB 34, the net investment in capital assets includes land, buildings, systems, infrastructure, and equipment.

Capital assets activity for the year ended December 31, 2025, was identified in Note 4 of the Notes to the Financial Statements and as follows:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 149,253	$ -	$ -	$ 149,253
Capital Assets, Being Depreciated:				
Buildings	238,481	-	-	238,481
Equipment	1,081,687	-	-	1,081,687
Infrastructure	1,893,519	-	-	1,893,519
Total Capital Assets, Being Depreciated	3,213,687	-	-	3,213,687
Less Accumulated Depreciation:				
Buildings	(192,757)	(3,629)	-	(196,386)
Equipment	(292,696)	(62,834)	-	(355,530)
Infrastructure	(329,275)	(47,743)	-	(377,018)
Total Accumulated Depreciation	(814,728)	(114,206)	-	(928,934)
Total Capital Assets, Being Depreciated, Net	2,398,959	(114,206)	-	2,284,753
Capital Assets, Governmental Activities, Net	$ 2,548,212	$ (114,206)	$ -	$ 2,434,006

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 67,870	$ -	$ -	$ 67,870
Water Shares	10,000	-	-	10,000
Total Capital Assets, Not Being Depreciated	77,870	-	-	77,870
Capital Assets, Being Depreciated:				
Buildings and Systems	3,577,890	-	-	3,577,890
Equipment	109,272	14,000	-	123,272
Total Capital Assets, Being Depreciated	3,687,162	14,000	-	3,701,162
Less Accumulated Depreciation:				
Buildings and Systems	(2,549,648)	(50,504)	-	(2,600,152)
Equipment	(43,514)	(8,178)	-	(51,692)
Total Accumulated Depreciation	(2,593,162)	(58,682)	-	(2,651,844)
Total Capital Assets, Being Depreciated, Net	1,094,000	(44,682)	-	1,049,318
Capital Assets, Business-Type Activities, Net	$ 1,171,870	$ (44,682)	$ -	$ 1,127,188

	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Business-Type Activities					
CWRPDA Sewer Loan	$ 22,602	$ -	$ 6,702	$ 15,900	$ 6,769

Sewer Plant Loan
Colorado Water Resources & Power Development Authority (CWRPDA) loan, in the original issue amount of $700,000 with $500,000 forgiven at loan closing, was issued at the loan closing on June 4, 2012. The remaining loan was $200,000 with interest there on at the rate of 1.0% per annum.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Town of Naturita. For additional information or questions related to this report please contact the following:

Town of Naturita
222 E. Main Street
P.O. Box 505
Naturita, CO 81422
970-865-2286

BASIC FINANCIAL STATEMENTS

TOWN OF NATURITA, COLORADO
STATEMENT OF NET POSITION
December 31, 2025

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	$ 2,400,015	$ 1,314,107	$ 3,714,122
Accounts Receivable	6,782	50,472	57,254
Taxes Receivable	153,677	1,761	155,438
Capital Assets, *Not Being Depreciated*	149,253	77,870	227,123
Capital Assets, *Net of Accumulated Depreciation*	2,284,753	1,049,318	3,334,071
TOTAL ASSETS	4,994,480	2,493,528	7,488,008
LIABILITIES			
Current Liabilities			
Accounts Payable	-	27,646	27,646
Unearned Revenues	-	6,454	6,454
Noncurrent Liabilities			
Due Within One Year	-	6,769	6,769
Due in More Than One Year	-	9,131	9,131
TOTAL LIABILITIES	-	50,000	50,000
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	72,309	-	72,309
NET POSITION			
Net Investment in Capital Assets	2,434,006	1,111,288	3,545,294
Restricted for:			
Emergencies	24,000	-	24,000
Conservation Trust	70,726	-	70,726
Marketing and Promotion	33,611	-	33,611
Unrestricted	2,359,828	1,332,240	3,692,068
TOTAL NET POSITION	$ 4,922,171	$ 2,443,528	$ 7,365,699

See Notes to the Financial Statements.

TOWN OF NATURITA, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION: PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION: PRIMARY GOVERNMENT: TOTAL
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	$ 231,998	$ 61,042	$ 4,696	$ 15,000	$ (151,260)	$ -	$ (151,260)
Public Safety	52,968	5,029	26,447	-	(21,492)	-	(21,492)
Public Works	160,637	1,927	-	-	(158,710)	-	(158,710)
Culture and Recreation	100,811	-	5,774	-	(95,037)	-	(95,037)
Total Governmental Activities	546,414	67,998	36,917	15,000	(426,499)	-	(426,499)
Business-Type Activities							
Water	621,362	461,853	-	24,908	-	(134,601)	(134,601)
TOTAL PRIMARY GOVERNMENT	$ 1,167,776	$ 529,851	$ 36,917	$ 39,908	(426,499)	(134,601)	(561,100)
GENERAL REVENUES							
Property Taxes					54,341	-	54,341
Specific Ownership Taxes					6,851	-	6,851
Sales, Use, and Marijuana Taxes					561,556	34,476	596,032
Lodging Tax					8,657	-	8,657
Franchise Fees					6,599	-	6,599
Investment Income					41,549	43,414	84,963
Miscellaneous					12,255	-	12,255
TOTAL GENERAL REVENUES					691,808	77,890	769,698
CHANGE IN NET POSITION					265,309	(56,711)	208,598
NET POSITION, Beginning					4,656,862	2,500,239	7,157,101
NET POSITION, Ending					$ 4,922,171	$ 2,443,528	$ 7,365,699

See Notes to the Financial Statements.

TOWN OF NATURITA, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	GENERAL	NONMAJOR FUNDS CONSERVATION TRUST FUND	NONMAJOR FUNDS LODGING TAX FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 2,295,678	$ 70,726	$ 33,611	$ 2,400,015
Taxes Receivable	153,677	-	-	153,677
Accounts Receivable	6,782	-	-	6,782
			-	
TOTAL ASSETS	$ 2,456,137	$ 70,726	$ 33,611	$ 2,560,474
LIABILITIES, DEFERRED INFLOWS OF LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ -	$ -	$ -	$ -
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	72,309	-	-	72,309
FUND BALANCES				
Restricted for:				
Emergencies	24,000	-	-	24,000
Conservation Trust	-	70,726	-	70,726
Marketing and Promotion	-	-	33,611	33,611
Unassigned	2,359,828	-	-	2,359,828
TOTAL FUND BALANCES	2,383,828	70,726	33,611	2,488,165
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 2,456,137	$ 70,726	$ 33,611	$ 2,560,474

See Notes to the Financial Statements.

TOWN OF NATURITA, 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 Balances of Governmental Funds	$	2,488,165
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		2,434,006
Total Net Position of Governmental Activities	$	4,922,171

TOWN OF NATURITA, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	GENERAL	CONSERVATION TRUST FUND	LODGING TAX FUND	TOTAL
REVENUES				
Taxes	$ 629,347	$ -	$ 8,657	$ 638,004
Intergovernmental	77,815	5,774	-	83,589
Licenses and Permits	12,969	-	-	12,969
Grants	15,000	-	-	15,000
Charges for Services	5,029	-	-	5,029
Investment Income	39,474		945	40,419
Miscellaneous	12,255	1,130	3,328	16,713
TOTAL REVENUES	791,889	6,904	12,930	811,723
EXPENDITURES				
Current				
General Government	220,801	-	11,197	231,998
Public Safety	52,968			52,968
Public Works	89,526	-	-	89,526
Culture and Recreation	57,716	-	-	57,716
TOTAL EXPENDITURES	421,011	-	11,197	432,208
CHANGE IN FUND BALANCES	370,878	6,904	1,733	379,515
FUND BALANCES, Beginning	2,012,950	63,822	31,878	2,108,650
FUND BALANCES, Ending	$ 2,383,828	$ 70,726	$ 33,611	$ 2,488,165

See Notes to the Financial Statements.

TOWN OF NATURITA, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:		
Net Change in Fund Balances of Governmental Funds	$	379,515
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:		
Depreciation Expense		(114,206)
Change in Net Position of Governmental Activities	$	265,309

See Notes to the Financial Statements.

TOWN OF NATURITA, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2025

	BUSINESS-TYPE ACTIVITIES WATER FUND
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 1,314,107
Accounts Receivable	50,472
Other Receivable	1,761
Total Current Assets	1,366,340
Noncurrent Assets	
Capital Assets, *Not Being Depreciated*	77,870
Capital Assets, *Net of Accumulated Depreciation*	1,049,318
Total Noncurrent Assets	1,127,188
TOTAL ASSETS	2,493,528
LIABILITIES	
Current Liabilities	
Accounts Payable	27,646
Unearned Revenues	6,454
Note Payable, Due Within One Year	6,769
Total Current Liabilities	40,869
Noncurrent Liabilities	
Note Payable, Due in More Than One Year	9,131
TOTAL LIABILITIES	50,000
NET POSITION	
Net Investment in Capital Assets	1,111,288
Unrestricted	1,332,240
TOTAL NET POSITION	$ 2,443,528

See Notes to the Financial Statements.

TOWN OF NATURITA, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2025

	BUSINESS-TYPE ACTIVITIES WATER FUND
OPERATING REVENUES	
Charges for Services	$ 461,853
OPERATING EXPENSES	
Personnel Services	241,962
Operations	78,515
Purchased Services	241,994
Depreciation	58,682
TOTAL OPERATING EXPENSES	621,153
NET OPERATING INCOME (LOSS)	(159,300)
NONOPERATING REVENUES (EXPENSES)	
Grants	24,908
Marijuana Excise Tax	34,476
Investment Income	43,414
Interest Expense	(209)
TOTAL NONOPERATING REVENUES (EXPENSES)	102,589
CHANGE IN NET POSITION	(56,711)
NET POSITION, Beginning	2,500,239
NET POSITION, Ending	$ 2,443,528

See Notes to the Financial Statements.

TOWN OF NATURITA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2025

	BUSINESS-TYPE ACTIVITIES WATER FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	$ 465,434
Cash Payments to Employees	(241,934)
Cash Payments to Suppliers	(304,144)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(80,644)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Taxes Received	35,528
Grants Received	24,908
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	60,436
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(14,000)
CASH FLOWS FROM INVESTING ACTIVITES	
Debt Service Payments	(6,911)
Investment Income	43,414
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	36,503
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,295
CASH AND CASH EQUIVALENTS, Beginning	1,311,812
CASH AND CASH EQUIVALENTS, Ending	$ 1,314,107
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Net Operating Income (Loss)	(159,300)
Depreciation Expense	58,682
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) Decrease in Accounts Receivable	577
Increase (Decrease) in Accounts Payable	16,365
Increase (Decrease) in Accrued Salaries	28
Increase (Decrease) in Deferred Revenues	3,004
Total Adjustments	19,974
NET CASH PROVIDED (USED) BY OPERATING ACTIVITES	$ (80,644)

See Notes to the Financial Statements.

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Town of Naturita, Colorado (the Town) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's significant policies.

Reporting Entity

The Town was formed in September 1950. The governing body of the Town is an elected seven-member Board of Trustees, headed by a mayor. The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the Town.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Town and its component units. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for the governmental funds and the proprietary fund. Individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the Town reports the following major governmental funds:

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

In the fund financial statements, the Town reports the following nonmajor governmental funds:

The *Lodging Tax Fund* is a special revenue fund that accounts for lodging tax revenues. The revenues must be expended on advertising and marketing of local tourism, as required by C.R.S. 30-11-107.5.

The *Conservation Trust Fund* is a special revenue fund that accounts for the proceeds of lottery funds received from the State of Colorado.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

The Town reports the following major proprietary fund:

The *Utility Fund* was established to account for all operations of the Town's water and sewer services. It is primarily financed by user charges.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting, however, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position

Cash and Investments – The Town utilizes the pooled cash concept whereby cash balances of each of the Town's funds are pooled and invested by the Town. Investments are reported at fair value. For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

Receivables – Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year for collection in the subsequent year are recorded as receivables and deferred inflows of resources at year end. Taxes are due in the subsequent year on April 30, or in two installments on February 28 and June 15. Taxes are collected by the County Treasurer and remitted to the Town on a monthly basis. Grant reimbursements not received before year-end for which eligibility has been met and expenditures have been incurred are reported as grants receivable.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (Continued)

Capital Assets – Capital assets include land, buildings, plant, infrastructure, equipment and right-to-use lease assets. These are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. They are also reported in the proprietary fund in the fund financial statements.

Capital assets are defined by the Town as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	40 years
Utility Plant and System	15 – 50 years
Equipment	3 – 10 years
Infrastructure	40 years

Unearned Revenue – Unearned revenues include water bill customer prepayments and deposits that have been collected for future periods and not yet recognized as revenue.

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Compensated Absences – Any unused vacation and sick leave is paid out at the end of the fiscal year. Sick leave used during the year is insignificant to the financial statements and, therefore, compensated absences liability is not recorded as a liability at year-end.

Net Position/Fund Balances – In the government-wide financial statements, net position is restricted when constraints placed on the use of resources are externally imposed. Governmental fund balances are classified as restricted when constraints are placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Committed fund balances include resources which are subject to limitations the Town imposes on itself by action of the Town's Board of Trustees through ordinances. Committed fund balances also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Commitments may be established, modified, or rescinded only through ordinances approved by the Town's Board of Trustees. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

The Board of Trustees is authorized to informally assign amounts to a specific purpose and has assigned this authority to the Town Manager or other designee. Such fund balance assignments are reported in the governmental fund financial statements.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Property Taxes

Property taxes normally attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

NOTE 2: Cash and Investments

At December 31, 2025, the Town had the following cash and investments:

Cash on Hand	$	132
Deposits		3,713,990
Total	$	3,714,122

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2025, the Town had bank deposits of $3,227,254 collateralized with securities held by the financial institution's agent but not in the Town's name.

NOTE 3: 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 purchases commercial insurance for its workers' compensation claims.

The Town participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

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

NOTE 3: Risk Management (Continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the Town does not approve budgets, nor does it have the ability to significantly affect the operations of CIRSA.

NOTE 4: Capital Assets

Capital assets activity for governmental activities for the fiscal year ended December 31, 2025, is summarized, as follows:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 149,253	$ -	$ -	$ 149,253
Capital Assets, Being Depreciated:				
Buildings	238,481	-	-	238,481
Equipment	1,081,687	-	-	1,081,687
Infrastructure	1,893,519	-	-	1,893,519
Total Capital Assets, Being Depreciated	3,213,687	-	-	3,213,687
Less Accumulated Depreciation:				
Buildings	(192,757)	(3,629)	-	(196,386)
Equipment	(292,696)	(62,834)	-	(355,530)
Infrastructure	(329,275)	(47,743)	-	(377,018)
Total Accumulated Depreciation	(814,728)	(114,206)	-	(928,934)
Total Capital Assets, Being Depreciated, Net	2,398,959	(114,206)	-	2,284,753
Capital Assets, Governmental Activities, Net	$ 2,548,212	$ (114,206)	$ -	$ 2,434,006

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

Public Works	$ 71,111
Culture and Recreation	43,095
Total	$ 114,206

NOTE 4: Capital Assets (Continued)

Capital assets activity for business-type activities for the fiscal year ended December 31, 2024, is summarized, as follows:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 67,870	$ -	$ -	$ 67,870
Water Shares	10,000	-	-	10,000
Total Capital Assets, Not Being Depreciated	77,870	-	-	77,870
Capital Assets, Being Depreciated:				
Buildings and Systems	3,577,890	-	-	3,577,890
Equipment	109,272	14,000	-	123,272
Total Capital Assets, Being Depreciated	3,687,162	14,000	-	3,701,162
Less Accumulated Depreciation:				
Buildings and Systems	(2,549,648)	(50,504)	-	(2,600,152)
Equipment	(43,514)	(8,178)	-	(51,692)
Total Accumulated Depreciation	(2,593,162)	(58,682)	-	(2,651,844)
Total Capital Assets, Being Depreciated, Net	1,094,000	(44,682)	-	1,049,318
Capital Assets, Business-Type Activities, Net	$ 1,171,870	$ (44,682)	$ -	$ 1,127,188

NOTE 5: Long-Term Debt

The following is a summary of long-term debt transactions of the business-type activities for the year ended December 31, 2025:

	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Business-Type Activities					
CWRPDA Sewer Loan	$ 22,602	$ -	$ 6,702	$ 15,900	$ 6,769

Sewer Plant Loan

Colorado Water Resources & Power Development Authority (CWRPDA) loan, in the original issue amount of $700,000 with $500,000 forgiven at loan closing, was issued at the loan closing on June 4, 2012. The remaining loan was $200,000 with interest there on at the rate of 1.0% per annum. The full amount of the loan of $200,000 was required to be recorded at closing, with the undistributed funds recorded as a grant receivable. An adjustment of $69,936 was made to the loan during 2014 for unused loan proceeds. Principal and interest are payable May 1 and November 1, with the final payment due May 1, 2028.

The Town is required to maintain an operations and maintenance reserve and rate covenants sufficient to pay the operation and maintenance costs, 110% of the debt service, debt service reserve maintenance, and any other annual obligations or liens. At December 31, 2025, the Town is in compliance with these requirements. Debt service payments to maturity are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	$ 6,769	$ 142	$ 6,911
2027	6,837	74	6,911
2028	2,294	11	2,305
Total	$ 15,900	$ 227	$ 16,127

NOTE 6: Employee Retirement Plan

Defined Contribution Plan

The Town has a defined contribution plan for its employees which is administered by the Colorado Retirement Association (CRA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Under the defined contribution plan, the Town has agreed to pay $150 per month into the plan for qualifying employees. Employees are eligible to participate in the plan following one year of employment. The plan provides retirement benefits based upon the employee's vested account. A participant becomes 100% vested upon completion of five years of covered service. Amounts forfeited by employees who leave employment before they become fully vested are divided up among the remaining participants in the plan. Under the plan, employees direct the investment of the contributions among several investment options available through an outside plan administrator. For the year ended December 31, 2025, the Town contributed $8,750 to the plan.

NOTE 7: Commitments and Contingencies

Claims and Judgments

The Town participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. At December 31, 2025, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. On April 5, 1994, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2025, the emergency reserve of $24,000 was reported as restricted fund balance in the General Fund.

Litigation

The Town from time to time is involved in various legal matters. In the opinion of the Town’s counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the Town.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NATURITA, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes			
Property Taxes	$ 68,352	$ 54,341	$ (14,011)
Specific Ownership Taxes	6,000	6,851	851
Sales and Use Tax	548,399	561,556	13,157
Franchise Fees	7,874	6,599	(1,275)
Total Taxes	630,625	629,347	(1,278)
Intergovernmental			
State Severance Tax	4,375	159	(4,216)
Federal Mineral Lease	436	702	266
Highway Users Tax	23,825	26,447	2,622
Cigarette Tax	-	507	507
Other	-	50,000	50,000
Total Intergovernmental	28,636	77,815	49,179
Licenses and Permits	8,025	12,969	4,944
Fines and Forfeitures	6,250	5,029	(1,221)
Other			
Investment Income	-	39,474	39,474
Grants	217,772	15,000	(202,772)
Miscellaneous	2,929	12,255	9,326
Total Other Revenues	220,701	66,729	(153,972)
TOTAL REVENUES	894,237	791,889	(102,348)
EXPENDITURES			
General Government	395,295	220,801	174,494
Public Safety	97,808	52,968	44,840
Public Works	117,490	89,526	27,964
Culture and Recreation	30,700	57,716	(27,016)
Capital Outlay	76,000	-	76,000
TOTAL EXPENDITURES	717,293	421,011	296,282
CHANGE IN FUND BALANCE	176,944	370,878	193,934
FUND BALANCE, Beginning	822,553	2,012,950	1,190,397
FUND BALANCE, Ending	$ 999,497	$ 2,383,828	$ 1,384,331

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures. The Town adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- Budget appropriations lapse at the end of each year.

SUPPLEMENTARY INFORMATION

TOWN OF NATURITA, COLORADO
BUDGETARY COMPARISON SCHEDULE
LODGING TAX FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Lodging Tax	$ 15,000	$ 8,657	$ (6,343)
Lodging Donations	-	3,328	3,328
Investment Income	-	945	945
TOTAL REVENUES	15,000	12,930	(2,070)
EXPENDITURES			
General Government	12,952	11,197	1,755
CHANGE IN FUND BALANCE	2,048	1,733	(315)
FUND BALANCE, Beginning	11,000	31,878	20,878
FUND BALANCE, Ending	$ 13,048	$ 33,611	$ 20,563

TOWN OF NATURITA, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Intergovernmental	$ 3,238	$ 5,774	$ 2,536
Investment Income	-	1,130	1,130
TOTAL REVENUES	3,238	6,904	3,666
EXPENDITURES			
Culture and Recreation	2,000	-	2,000
CHANGE IN FUND BALANCE	1,238	6,904	5,666
FUND BALANCE, Beginning	57,120	63,822	6,702
FUND BALANCE, Ending	$ 58,358	$ 70,726	$ 12,368

TOWN OF NATURITA, COLORADO
BUDGETARY COMPARISON SCHEDULE
UTILITY FUND (BUDGETARY BASIS TO GAAP BASIS)
Year Ended December 31, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES			
Charges for Services	$ 439,084	$ 461,853	$ 22,769
OPERATING EXPENSES			
Personnel Services	211,194	241,962	(30,768)
Operations	206,560	78,515	128,045
Purchased Services	176,942	241,994	(65,052)
Capital Outlay	-	14,000	(14,000)
TOTAL OPERATING EXPENSES	594,696	576,471	18,225
NET OPERATING INCOME (LOSS)	(155,612)	(114,618)	40,994
NONOPERATING REVENUES (EXPENDITURES)			
Grants	4,454,435	24,908	(4,429,527)
Marijuana Excise Tax	38,500	34,476	(4,024)
Investment Income	-	43,414	43,414
Debt Service	(7,187)	(6,911)	276
TOTAL NONOPERATING REVENUES (EXPENDITURES)	4,485,748	95,887	(4,389,861)
NET INCOME (LOSS) BEFORE CAPITAL CHARGES	4,330,136	(18,731)	(4,348,867)
CAPITAL CHARGES			
Connection Fees	8,000	-	(8,000)
CHANGE IN NET POSITION, Budgetary Basis	$ 4,338,136	$ (18,731)	$ (4,356,867)
RECONCILIATION TO GAAP BASIS			
Debt Service - Principal		6,702	
Capital Outlay		14,000	
Depreciation		(58,682)	
CHANGE IN NET POSITION, GAAP Basis		(56,711)	

COMPLIANCE SECTION

STATE COMPLIANCE

LOCAL HIGHWAY FINANCE REPORT

STATE:		
COLORADO		
THIS INFORMATION FROM THE RECORDS OF:	**PREPARED BY:**	**REPORT YEAR ENDING DATE(mm/yyyy):**
Town of Naturita	Lillie Love thnaturita@nntcwireless.com	12/2025

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Total (1 - (2 through 4))				

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	39,405.00	b. Other Misc. Local Receipts	4,017.31
c. Total (a + b)	$ 39,405.00	**c. Total (a + b)**	$ 4,017.31

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	26,447.00	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	2,243.11		
c. Total (a + b)	$ 2,243.11		
4. Total (1 + 2 + 3c)	$ 28,690.11	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

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

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

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

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 39,405.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 4,017.31
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 43,422.31
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 28,690.11
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 72,112.42

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ -
2. Maintenance:	6,293.19
3. Road and Street Services:	
a. Snow and Ice Removal	
b. Other & Traffic Control Operations	
c. Total (a + b)	$ -
4. General Administration & Miscellaneous	40,114.40
5. Highway Law Enforcement and Safety	25,704.83
6. Total (1 through 5)	$ 72,112.42
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 72,112.42

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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