# TOWN OF OLATHE, COLORADO

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

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Soronen • Donley • Patterson
Certified Public Accountants

# INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Town Board of Trustees
Town of Olathe, Colorado
Olathe, Colorado 81425

**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 Olathe, Colorado, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town of Olathe, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Olathe, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Olathe, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Town of Olathe, Colorado'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Olathe, Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Olathe, Colorado's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not 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 of Olathe, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, and the Local Highway Finance report are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and the Local Highway Finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Report on Summarized Comparative Information**
We have previously audited the Town of Olathe, Colorado's financial statements, and we expressed an unmodified opinion on those financial statements in our report dated September 30, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Soronen, Donley, Patterson CPA's PC
September 30, 2026

# MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF OLATHE, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

## FINANCIAL HIGHLIGHTS

- The Town's total cash and investments as of December 31, 2025, were $2,606,986, an increase of $729,864.
- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $9,535,466 (i.e., net position) as of December 31, 2025, an increase of $649,709 in comparison to the prior year.
- Governmental funds reported a combined ending fund balance of $2,250,586, an increase of $698,530 in comparison with the prior year.
- The Town's fund balance for the General Fund was $835,305, an increase of $339,464 in comparison to the prior year.
- Long-term liabilities increased by $295,890 during the 2025 fiscal year. This was mainly due to purchasing new refuse and police vehicles.

## 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 financials statements and, 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

### Government-wide Financial Statements

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

The statement of net position presents information on all the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the differences reported as net position. Over time, the increases and 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 expenditures 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, police, public works, parks, recreation and the care and maintenance of the Community Center. The Business-type Activities of the Town include water, sewer, and trash.

**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 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 two major government funds, the General Fund, and the Road Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.

The Town adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the General Fund and Road Fund to demonstrate compliance with the budget. Budgetary comparisons for all other funds are provided as schedules elsewhere in the report.

**Proprietary Funds –** The Town maintains one type of proprietary fund. Enterprise Funds are used to report on the same functions presented as business-type activities in the government-wide financial statements. The Town uses a separate enterprise fund to account for each of its utility funds: Water, Sewer, and Trash Funds.

**Notes to 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.

**Other Information**
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparisons for the General Fund and Road Fund and statistical information for the police pension. The combining statements of nonmajor governmental funds and budgetary comparison schedules for proprietary funds are presented immediately following the required supplementary information of budgetary comparisons.

## GOVERNMENT-WIDE ANALYSIS

**Net Position**
As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2025, the Town's combined assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by $9,535,466. There are $1,447,521 available unrestricted resources to meet the Town's general future financial obligations and $1,326,595 is available but restricted to Streets and Alleys in the Governmental Funds. For the business type activities there is $671,008 available in unrestricted resources.

By far the largest portion of net position is the investment in capital assets (net of related debt) of $6,495,286 (68% 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 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 2025.

| Assets | Governmental Activities 2024 | Governmental Activities 2025 | Business Type Activities 2024 | Business Type Activities 2025 | Totals 2024 | Totals 2025 |
|---|---|---|---|---|---|---|
| Current and Other Assets | $1,738,431 | $2,455,965 | $820,295 | $792,605 | $2,558,726 | $3,248,570 |
| Capital Assets | 3,168,205 | 3,242,726 | 4,674,138 | 4,897,448 | 7,842,343 | 8,140,174 |
| Total Assets | 4,906,636 | 5,698,691 | 5,494,433 | 5,690,053 | 10,401,069 | 11,388,744 |
| Deferred Outflow of Resources | | | | | | |
| FPPA Pension Plan | 59,191 | 59,345 | 0 | 0 | 59,191 | 59,345 |
| Other Liabilities | 20,293 | 50,840 | 17,038 | 40,697 | 37,331 | 91,537 |
| Long-Term Liabilities | 187,873 | 220,298 | 1,161,124 | 1,424,589 | 1,348,997 | 1,644,887 |
| Total Liabilities | 208,166 | 271,138 | 1,178,162 | 1,465,286 | 1,386,328 | 1,736,424 |
| Deferred Inflows of Resources | | | | | | |
| Deferred Property Tax & Pension | 188,175 | 176,199 | 0 | 0 | 188,175 | 176,199 |
| Net Position | | | | | | |
| Investment in Capital Assets, Net of Related Debt | 2,980,332 | 3,022,427 | 3,513,014 | 3,472,859 | 6,493,346 | 6,495,286 |
| Restricted | 1,113,606 | 1,511,759 | 80,900 | 80,900 | 1,194,506 | 1,592,659 |
| Unrestricted | 475,548 | 776,513 | 722,357 | 671,008 | 1,197,905 | 1,447,521 |
| Total Net Position | $4,569,486 | $5,310,699 | $4,316,271 | $4,224,767 | $8,885,757 | $9,535,466 |

A portion of net position, $1,592,659 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $1,447,521 (16% of net position), is currently available to meet the Town's ongoing obligations to citizens and creditors.

## Change in Net Position

Governmental and business-type activities increased the Town's net position by 649,709 in 2025.

| | Governmental Activities 2024 | Governmental Activities 2025 | Business Type Activities 2024 | Business Type Activities 2025 | Totals 2024 | Totals 2025 |
|---|---|---|---|---|---|---|
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | $217,173 | $198,182 | $994,262 | $1,044,702 | $1,211,435 | $1,242,884 |
| Operating Grants | 181,635 | 229,094 | 0 | 0 | 181,635 | 229,094 |
| Capital Grants | 0 | 223,512 | 200,000 | 0 | 200,000 | 223,512 |
| General Revenues | | | | | | |
| Property Taxes | 200,204 | 173,826 | 0 | 0 | 200,204 | 173,826 |
| Sales Tax and Other | 974,267 | 1,645,077 | 0 | 0 | 974,267 | 1,645,077 |
| Franchise Taxes | 63,524 | 62,564 | 0 | 0 | 63,524 | 62,564 |
| Occupation Taxes | 375 | 300 | 0 | 0 | 375 | 300 |
| Severance Taxes | 5,165 | 1,627 | 0 | 0 | 5,165 | 1,627 |
| Motor Vehicle Taxes | 43,215 | 57,462 | 0 | 0 | 43,215 | 57,462 |
| Miscellaneous | 97,837 | 8,246 | 0 | 0 | 97,837 | 8,246 |
| Interest Income | 4,104 | 997 | 6,947 | 5,227 | 11,051 | 6,224 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | 1,787,499 | 2,600,887 | 1,201,209 | 1,049,929 | 2,988,708 | 3,650,816 |
| Expenses | | | | | | |
| General Government | 226,758 | 398,245 | 0 | 0 | 226,758 | 398,245 |
| Public Safety | 712,723 | 761,033 | 0 | 0 | 712,723 | 761,033 |
| Judicial | 16,071 | 15,617 | 0 | 0 | 16,071 | 15,617 |
| Parks | 219,149 | 262,830 | 0 | 0 | 219,149 | 262,830 |
| Public Works | 299,920 | 395,544 | 0 | 0 | 299,920 | 395,544 |
| Recreation | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Center | 23,741 | 16,948 | 0 | 0 | 23,741 | 16,948 |
| Water | 0 | 0 | 396,653 | 472,975 | 396,653 | 472,975 |
| Sewer | 0 | 0 | 410,905 | 454,075 | 410,905 | 454,075 |
| Trash | 0 | 0 | 220,278 | 214,383 | 220,278 | 214,383 |
| Total Expenses | 1,498,362 | 1,859,674 | 1,027,836 | 1,141,433 | 2,526,198 | 3,001,107 |
| Increase (Decrease) in Net Position | 289,137 | 741,213 | 173,373 | (91,504) | 462,510 | 649,709 |
| Net Position – Beginning of Year | 4,280,349 | 4,569,486 | 4,142,898 | 4,316,271 | 8,423,247 | 8,885,757 |
| Net Position – End of Year | $4,569,486 | $5,310,699 | $4,316,271 | $4,224,767 | $8,885,757 | $9,535,466 |



## Governmental Activities

Governmental activities operations for the year resulted in an increase in net position of $741,213. Property, sale, and excise taxes accounted for 69% of the total revenues.

**Business-Type Activities**
Business-type activities operations for the year resulted in a decrease in net position of $91,504. Charges for services accounted for 99% of total revenues.

## FINANCIAL ANALYSIS OF GOVERNMENTAL 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 $2,250,586, an increase of $698,530 in comparison with the prior year. Of the combined ending fund balances for all governmental funds, 62% of this total amount, $1,415,281 constitutes restricted fund balance, which is legally restricted for Tabor Emergency reserves, maintenance and repairs of Town roads, parks and recreation and the police pension. The remainder of the fund balance is assigned to subsequent year's expenditures.

The Town has two major governmental funds, the General Fund, which is the primary operating fund for the Town, and the Road Fund. At the end of 2025, unassigned fund balance of the General Fund was $835,305. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund increased by $339,464 during 2025.

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

The Town has three (3) enterprise funds; Water, Sewer and Trash. At the end of 2025, these funds represented the following net position amounts:

| Fund | Water | Sewer | Trash | Total |
|---|---|---|---|---|
| Invested in Capital Assets, Net of Debt | $653,392 | $2,530,577 | $288,890 | $3,472,859 |
| Restricted Net Position | 0 | 80,900 | 0 | 80,900 |
| Unrestricted Net Position | 395,503 | 138,175 | 137,330 | 671,008 |
| Total Net Position | $1,048,895 | $2,749,652 | $426,220 | $4,224,767 |
| Increase (Decrease) in Net Position | ($39,782) | ($127,530) | $75,808 | ($91,504) |



## GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted $1,756,352 for 2025 expenditures and transfers. Actual expenditures and transfers were $1,408,438.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2025, was $7,842,343. The investment in capital assets includes land, land improvements, buildings, and equipment.

Town of Olathe's Capital Assets
(Net of Depreciation)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Land | $175,325 | $175,325 | $247,603 | $247,603 | $422,928 | $422,928 |
| Land Improvements | 467,635 | 428,594 | 0 | 0 | 467,635 | 428,594 |
| Infrastructure | 1,839,085 | 1,942,902 | 0 | 0 | 1,839,085 | 1,942,902 |
| Transmission and Distribution Systems | 0 | 0 | 3,753,710 | 3,393,318 | 3,753,710 | 3,393,318 |
| Buildings | 390,684 | 369,837 | 635,813 | 609,321 | 1,026,497 | 979,158 |
| Equipment | 109,386 | 180,579 | 37,012 | 647,206 | 146,398 | 827,785 |
| Right to Use Leased Assets | 186,090 | 145,489 | 0 | 0 | 186,090 | 145,489 |
| Total | $3,168,205 | $33,242,726 | $4,674,138 | $4,897,448 | $7,842,343 | $8,140,174 |

The Town's long-term liability activity for the year ended December 31, 2025, was as follows:

| | Balance Beginning Of Year | Additions | Reductions | Balance End Of Year | Due Within One Year |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| Note Payable | $15,795 | $77,261 | $18,943 | $74,113 | $15,523 |
| Lease Liabilities | 172,078 | 0 | 25,893 | 146,185 | 27,369 |
| Total Governmental Activities | $187,873 | $77,261 | $44,836 | $220,298 | $42,892 |
| | | | | | |
| Business-Type Activities | | | | | |
| Water & Sewer Revenue | | | | | |
| Bonds | $1,075,000 | $0 | $40,000 | $1,035,000 | $40,000 |
| Note Payable | 47,385 | 415,000 | 108,409 | 353,978 | 57,337 |
| Total Business-Type Activities | $1,122,385 | $415,000 | $148,409 | $1,388,978 | $97,337 |

**REQUEST FOR INFORMATION:** This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Town of Olathe, Colorado 419 Horton Ave, PO Box 789 Olathe, CO 81425.

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

# TOWN OF OLATHE, COLORADO

STATEMENT OF NET POSITION
DECEMBER 31, 2025

| | Governmental Activities | Business Type Activities | Total |
|---|---|---|---|
| ASSETS | | | |
| Cash & Cash Equivalents | $2,033,562 | $475,614 | $2,509,176 |
| Certificates of Deposit | 14,269 | 2,641 | 16,910 |
| Receivables, net | | | |
| Accounts | 18,293 | 83,742 | 102,035 |
| Sales Tax | 195,589 | 0 | 195,589 |
| Grants | 0 | 149,708 | 149,708 |
| Property Tax | 174,832 | 0 | 174,832 |
| Due from other Governments | 19,420 | 0 | 19,420 |
| Interfund Balances | 0 | 0 | 0 |
| Temporarily Restricted | | | |
| Cash & Cash Equivalents | 0 | 80,900 | 80,900 |
| Capital Assets (net of depreciation) | | | |
| Land, Right of Way and Easements | 175,325 | 247,603 | 422,928 |
| Land Improvements | 428,594 | 0 | 428,594 |
| Infrastructure | 1,942,902 | 0 | 1,942,902 |
| Transmission and Distribution Systems | 0 | 3,393,318 | 3,393,318 |
| Buildings and Improvements | 369,837 | 609,321 | 979,158 |
| Equipment and Vehicles | 180,579 | 647,206 | 827,785 |
| Right to Use Leased Assets | 145,489 | 0 | 145,489 |
| TOTAL ASSETS | 5,698,691 | 5,690,053 | 11,388,744 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Outflows Due to Pensions | 59,345 | 0 | 59,345 |
| LIABILITIES | | | |
| Accounts Payable | 30,547 | 23,659 | 54,206 |
| Accrued Liabilities | 20,293 | 13,546 | 33,839 |
| Accrued Interest Payable | 0 | 3,492 | 3,492 |
| Lease Liabilities | | | |
| Due Within One Year | 27,369 | 0 | 27,369 |
| Due In More Than One Year | 118,816 | 0 | 118,816 |
| Non Current Liabilities | | | |
| Due Within One Year | 15,523 | 97,336 | 112,859 |
| Due In More Than One Year | 58,590 | 1,327,253 | 1,385,843 |
| TOTAL LIABILITIES | 271,138 | 1,465,286 | 1,736,424 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows Due to Pensions | 1,367 | 0 | 1,367 |
| Deferred Revenue Due to Grants | 0 | 0 | 0 |
| Unavailable Revenue - Property Taxes | 174,832 | 0 | 174,832 |
| TOTAL DEFERRED INFLOW OF RESOURCES | 176,199 | 0 | 176,199 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 3,022,427 | 3,472,859 | 6,495,286 |
| Restricted for: | | | |
| Emergencies | 80,000 | 0 | 80,000 |
| Streets and Alley's | 1,365,095 | 0 | 1,365,095 |
| Pension Related Amounts | 57,721 | 0 | 57,721 |
| Conservation Trust | 8,943 | 0 | 8,943 |
| Debt Service | 0 | 80,900 | 80,900 |
| Unrestricted | 776,513 | 671,008 | 1,447,521 |
| TOTAL NET POSITION | $5,310,699 | $4,224,767 | $9,535,466 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

| | | Program Revenues | | | Net (Expense) Revenues and Changes in Net Assets | | |
|---|---|---|---|---|---|---|---|
| **Governmental Activities** | Expenses | Fees, Fines, and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| General Government | $398,245 | $66,194 | $86,200 | $0 | ($245,851) | $0 | ($245,851) |
| Public Safety | 761,033 | 74,021 | 41,555 | 0 | (645,457) | 0 | (645,457) |
| Judicial | 15,617 | 10,883 | 0 | 0 | (4,734) | 0 | (4,734) |
| Parks | 262,830 | 1,241 | 23,683 | 42,000 | (195,906) | 0 | (195,906) |
| Public Works | 395,544 | 28,895 | 62,656 | 181,512 | (122,481) | 0 | (122,481) |
| Recreation | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Center | 26,405 | 16,948 | 15,000 | 0 | 5,543 | 0 | 5,543 |
| Total Governmental Activities | 1,859,674 | 198,182 | 229,094 | 223,512 | (1,208,886) | 0 | (1,208,886) |
| **Business-type Activities:** | | | | | | | |
| Water | 472,975 | 432,597 | 0 | 0 | 0 | (40,378) | (40,378) |
| Sewer | 454,075 | 322,486 | 0 | 0 | 0 | (131,589) | (131,589) |
| Trash | 214,383 | 289,619 | 0 | 0 | 0 | 75,236 | 75,236 |
| Total Business-type Activities | 1,141,433 | 1,044,702 | 0 | 0 | 0 | (96,731) | (96,731) |
| Total | $3,001,107 | $1,242,884 | $229,094 | $223,512 | (1,208,886) | (96,731) | (1,305,617) |
| General Revenues | | | | | | | |
| Taxes | | | | | | | |
| Property Tax | | | | | 173,826 | 0 | 173,826 |
| Sales and Excise Taxes | | | | | 1,645,077 | 0 | 1,645,077 |
| Franchise and Occupational Taxes | | | | | 62,564 | 0 | 62,564 |
| Occupation Taxes | | | | | 300 | 0 | 300 |
| Severance Taxes | | | | | 1,627 | 0 | 1,627 |
| Motor Vehicle Taxes and Registrations | | | | | 57,462 | 0 | 57,462 |
| Miscellaneous | | | | | 8,246 | 0 | 8,246 |
| Earnings on Investments | | | | | 997 | 5,227 | 6,224 |
| Total General Revenues & Transfers | | | | | 1,950,099 | 5,227 | 1,955,326 |
| Change in Net Position | | | | | 741,213 | (91,504) | 649,709 |
| Net Position - Beginning of the Year | | | | | 4,569,486 | 4,316,271 | 8,885,757 |
| Net Position - End of the Year | | | | | $5,310,699 | $4,224,767 | $9,535,466 |

The accompanying notes to the financial statements are an integral part of these statements

# FUND FINANCIAL STATEMENTS

# TOWN OF OLATHE, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2025

| | General Fund | Road Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and Cash Equivalents | $705,938 | $1,322,510 | $5,114 | $2,033,562 |
| Certificate of Deposit | 1,003 | 9,694 | 3,572 | 14,269 |
| Due from Other Funds | 0 | 0 | 0 | 0 |
| Receivables, net | | | | |
| Accounts | 14,703 | 3,590 | 0 | 18,293 |
| Sales Tax | 123,039 | 72,550 | 0 | 195,589 |
| Grants | 0 | 0 | 0 | 0 |
| Property Tax | 174,832 | 0 | 0 | 174,832 |
| Due from Other Governments | 13,404 | 6,016 | 0 | 19,420 |
| TOTAL ASSETS | $1,032,919 | $1,414,360 | $8,686 | $2,455,965 |
| LIABILITIES: | | | | |
| Accounts Payable | $22,782 | $7,765 | $0 | $30,547 |
| TOTAL LIABILITIES | 22,782 | 7,765 | 0 | 30,547 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Revenue | 0 | 0 | 0 | 0 |
| Deferred Property Tax Revenue | 174,832 | 0 | 0 | 174,832 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 174,832 | 0 | 0 | 174,832 |
| FUND BALANCES | | | | |
| Restricted for: | | | | |
| Emergency and Potential Refund | 0 | 80,000 | 0 | 80,000 |
| Streets and Alley's | 0 | 1,326,595 | 0 | 1,326,595 |
| Conservation Trust | 0 | 0 | 8,943 | 8,943 |
| Police Officer's Retirement | 0 | 0 | (257) | (257) |
| Unassigned | | | | |
| General fund | 835,305 | 0 | 0 | 835,305 |
| TOTAL FUND BALANCE | 835,305 | 1,406,595 | 8,686 | 2,250,586 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | $1,032,919 | $1,414,360 | $8,686 | $2,455,965 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
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 - Governmental Funds | | $ 2,250,586 |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds | | 3,242,726 |
| Pension assets and deferred outflows are not current, therefore, are not reported in governmental funds | | |
| Deferred Outflows, Pensions | | 59,345 |
| Deferred Inflows, Pensions | | (1,367) |
| Long-term liabilities and related items are not due and payable in the current year and therefore, are not reported in governmental funds | | |
| Note Payable | 74,113 | |
| Lease Liabilities | 146,185 | |
| Accrued Liabilities | 20,293 | |
| Total Long-Term Liabilities and Related Items | | (240,591) |
| Total Net Position - Governmental Activities | | $ 5,310,699 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

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

| | General Fund | Road Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| REVENUES | | | | |
| Taxes | $1,361,389 | $522,004 | $0 | $1,883,393 |
| Licenses and Permits | 13,058 | 0 | 0 | 13,058 |
| Intergovernmental | 86,200 | 301,630 | 23,683 | 411,513 |
| Miscellaneous | 61,924 | 29,350 | 0 | 91,274 |
| Public Safety | 115,576 | 0 | 0 | 115,576 |
| Judicial | 10,883 | 0 | 0 | 10,883 |
| Parks | 43,241 | 0 | 0 | 43,241 |
| Recreation | 0 | 0 | 0 | 0 |
| Community Center | 31,948 | 0 | 0 | 31,948 |
| TOTAL REVENUES | 1,724,219 | 852,984 | 23,683 | 2,600,886 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 387,816 | 0 | 0 | 387,816 |
| Public Safety | 670,612 | 0 | 38,639 | 709,251 |
| Judicial | 15,617 | 0 | 0 | 15,617 |
| Parks | 210,815 | 0 | 0 | 210,815 |
| Public Works | 0 | 296,243 | 0 | 296,243 |
| Recreation | 0 | 0 | 0 | 0 |
| Community Center | 26,405 | 0 | 0 | 26,405 |
| Capital Outlay: | | | | |
| Public Safety | 77,261 | 0 | 0 | 77,261 |
| Parks | 12,038 | 0 | 0 | 12,038 |
| Public Works | 0 | 189,385 | 0 | 189,385 |
| Debt Service: | | | | |
| Principal | 25,893 | 6,064 | 0 | 31,957 |
| Interest | 8,988 | 628 | 0 | 9,616 |
| TOTAL EXPENDITURES | 1,435,445 | 492,320 | 38,639 | 1,966,404 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 288,774 | 360,664 | (14,956) | 634,482 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 23,683 | 0 | 37,041 | 60,724 |
| Transfers Out | (37,041) | 0 | (23,683) | (60,724) |
| Other Financing Source - Financed Purchase | 64,048 | 0 | 0 | 64,048 |
| Total Other Financing Sources (Uses) | 50,690 | 0 | 13,358 | 64,048 |
| Net Change in Fund Balances | 339,464 | 360,664 | (1,598) | 698,530 |
| Fund Balance - Beginning of Year | 495,841 | 1,045,931 | 10,284 | 1,552,056 |
| Fund Balance - End of Year | $835,305 | $1,406,595 | $8,686 | $2,250,586 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, 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 Balances - Total Governmental Funds | $ | 698,530 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. | | 10,473 |
| Some capital additions were financed. In governmental funds, the financing arrangement is considered a source for financing, but in the statement of net position, the obligation is reported as a liability. Repayment of the principal portion is an expenditure in the governmental funds, but a reduction of a liability in the statement of net position. | | |
| Note Payments | | 6,064 |
| Lease Liability Payments | | 25,893 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | |
| Net change in pension expense | | 253 |
| Change in Net Position of Governmental Activities | $ | 741,213 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

| | Water Fund | Sewer Fund | Trash Fund | Total Enterprise Funds |
|---|---|---|---|---|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | $245,226 | $114,865 | $115,523 | $475,614 |
| Certificate of Deposit | 0 | 13 | 2,628 | 2,641 |
| Accounts Receivable (net of allowance) | 21,780 | 33,784 | 28,178 | 83,742 |
| Grants Receivable | 149,708 | 0 | 0 | 149,708 |
| Due from Other Funds | 0 | 0 | 0 | 0 |
| Total Current Assets | 416,714 | 148,662 | 146,329 | 711,705 |
| Temporarily Restricted Cash and Cash Equivalents | 0 | 80,900 | 0 | 80,900 |
| Capital Assets | | | | |
| Land, Right-of-Way and Easements | 128,900 | 114,303 | 4,400 | 247,603 |
| Transmission and Distribution Systems | 1,340,182 | 6,153,850 | 0 | 7,494,032 |
| Buildings and Improvements | 274,151 | 273,752 | 269,452 | 817,355 |
| Equipment and Vehicles | 212,114 | 254,793 | 875,140 | 1,342,047 |
| Accumulated Depreciation | (1,292,296) | (3,185,850) | (525,443) | (5,003,589) |
| Net Capital Assets | 663,051 | 3,610,848 | 623,549 | 4,897,448 |
| TOTAL ASSETS | $1,079,765 | $3,840,410 | $769,878 | $5,690,053 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts Payable | $15,880 | $1,664 | $6,115 | $23,659 |
| Accrued Liabilities | 5,331 | 5,331 | 2,884 | 13,546 |
| Due to Other Funds | 0 | 0 | 0 | 0 |
| Interest Payable | 0 | 3,492 | 0 | 3,492 |
| Long-Term Debt Due in One Year | | | | |
| Note Payable | 6,377 | 6,377 | 44,582 | 57,336 |
| Bonds Payable | 0 | 40,000 | 0 | 40,000 |
| Total Current Liabilities | 27,588 | 56,864 | 53,581 | 138,033 |
| Long-Term Debt | | | | |
| Note Payable | 3,282 | 3,282 | 290,077 | 296,641 |
| Bonds Payable net of $38,738 Unamortized Premium | 0 | 1,030,612 | 0 | 1,030,612 |
| Total Net Long-Term Debt | 3,282 | 1,033,894 | 290,077 | 1,327,253 |
| TOTAL LIABILITIES | 30,870 | 1,090,758 | 343,658 | 1,465,286 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 653,392 | 2,530,577 | 288,890 | 3,472,859 |
| Restricted | 0 | 80,900 | 0 | 80,900 |
| Unrestricted | 395,503 | 138,175 | 137,330 | 671,008 |
| TOTAL NET POSITION | 1,048,895 | 2,749,652 | 426,220 | 4,224,767 |
| TOTAL LIABILITIES & NET POSITION | $1,079,765 | $3,840,410 | $769,878 | $5,690,053 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

| | Water Fund | Sewer Fund | Trash Fund | Total Enterprise Funds |
|---|---|---|---|---|
| OPERATING REVENUES | | | | |
| Charges for Services | $411,715 | $310,700 | $254,983 | $977,398 |
| Late Charge Fees | 11,115 | 0 | 0 | 11,115 |
| Tap Fees - Unpledged | 6,000 | 5,000 | 0 | 11,000 |
| Pump Station Surcharge | 0 | 5,506 | 0 | 5,506 |
| Fuel Surcharge | 0 | 0 | 34,147 | 34,147 |
| Miscellaneous Income | 3,768 | 1,280 | 490 | 5,538 |
| TOTAL OPERATING REVENUES | 432,598 | 322,486 | 289,620 | 1,044,704 |
| OPERATING EXPENSES | | | | |
| Operations and Maintenance | 444,551 | 262,816 | 204,820 | 912,187 |
| Depreciation | 27,796 | 154,958 | 8,935 | 191,689 |
| TOTAL OPERATING EXPENSES | 472,347 | 417,774 | 213,755 | 1,103,876 |
| OPERATING INCOME (LOSS) | (39,749) | (95,288) | 75,865 | (59,172) |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Interest Income | 595 | 4,060 | 571 | 5,226 |
| Interest Expense | (628) | (36,302) | (628) | (37,558) |
| Grant Income | 0 | 0 | 0 | 0 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | (33) | (32,242) | (57) | (32,332) |
| CHANGE IN NET POSITION | (39,782) | (127,530) | 75,808 | (91,504) |
| NET POSITION - BEGINNING OF YEAR | 1,088,677 | 2,877,182 | 350,412 | 4,316,271 |
| NET POSITION - END OF YEAR | $1,048,895 | $2,749,652 | $426,220 | $4,224,767 |

The accompanying notes to the financial statements are an integral part of these statements

TOWN OF OLATHE, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

| | Water Fund | Sewer Fund | Trash Fund | Total Enterprise Funds |
|---|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Customers and Users | $479,658 | $320,460 | $285,322 | $1,085,440 |
| Payments to Suppliers | (314,458) | (146,939) | (142,720) | (604,117) |
| Payments to Employees | (114,213) | (114,213) | (55,985) | (284,411) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 50,987 | 59,308 | 86,617 | 196,912 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition and Construction of Capital Assets | 0 | 0 | 0 | 0 |
| Federal and State Grants | 0 | 0 | 0 | 0 |
| Principal Paid on Long-Term Debt | (6,136) | (49,262) | (96,136) | (151,534) |
| Interest Paid on Long-Term Debt | (628) | (36,302) | (628) | (37,558) |
| NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | (6,764) | (85,564) | (96,764) | (189,092) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest on Investments | 595 | 4,060 | 571 | 5,226 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 44,818 | (22,196) | (9,576) | 13,046 |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | 200,408 | 217,974 | 127,727 | 546,109 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | $245,226 | $195,778 | $118,151 | $559,155 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | | |
| Net Operating Income (Loss) | ($39,749) | ($95,288) | $75,865 | ($59,172) |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities: | | | | |
| Depreciation | 27,796 | 154,958 | 8,935 | 191,689 |
| Changes in Operating Assets and Liabilities: | | | | |
| (Increase) Decrease in Accounts Receivable | (3,232) | (2,025) | (4,298) | (9,555) |
| (Increase) Decrease in Grants Receivable | 50,292 | 0 | 0 | 50,292 |
| Increase (Decrease) in Accounts Payable | 15,880 | 1,663 | 6,115 | 23,658 |
| Increase (Decrease)in Accrued Liabilities | 0 | 0 | 0 | 0 |
| Increase (Decrease) in Due to Other Funds | 0 | 0 | 0 | 0 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | $50,987 | $59,308 | $86,617 | $196,912 |
| Supplemental Disclosure of Noncash Investing & Financial Activities | | | | |
| Purchase of Equipment Financed With Long-Term Debt | $0 | $0 | $325,000 | $0 |

The accompanying notes to the financial statements are an integral part of these statements

## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Financial Reporting Entity

The Town of Olathe, Colorado (the Town) is incorporated as a statutory town under the laws of the State of Colorado with a Mayor-Town-Board form of government. The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As required by generally accepted accounting principles, these financial statements present the Town of Olathe, Colorado, a primary government. Based on criteria set forth by GASB, there are no component units for which the Town is financially accountable.

### Basis of Presentation, Basis of Accounting

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government (the Town) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double reporting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods of services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes levied by the Town, are presented as general revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operation revenues of the Water, Sewer, and Trash funds are charges to customers for sales and services. The Water and Sewer Funds also recognize the portion of the tap fees intended to recover the cost of connecting new customers to the system as operating revenues. Operation expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

*Fund Financial Statements:* The fund financial statements provide information about the Town's funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Separate statements for each fund category (*governmental and proprietary)* are presented. The emphasis of fund financial statements is on major governmental and enterprise funds. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The Town does not have any *fiduciary* fund types.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The Town reports the following major governmental funds:

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

*Road Fund.* This fund accounts for the sales tax dedicated to the construction and maintenance of the Town's streets and alleys.

The town reports the following major enterprise funds:
*Water Fund.* This fund accounts for the operation, maintenance, and development of water services.
*Sewer Fund.* This fund accounts for the operation, maintenance, and development of sewer services.
*Trash Fund.* This fund accounts for the operation and maintenance of the trash collection services.

Measurement Focus, Basis of Accounting
*Government-wide and Proprietary fund Financial Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchanges, include sales taxes, grants, entitlements, and donations. On an accrual basis, revenues from sales taxes are recognized in the period for which the taxes are collected by vendors. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liabilities is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues or operating funds transfers. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues or operating fund transfers.

Assets, Liabilities and Equity
*Deferred Outflows/Inflows of Resources.* In addition to assets, the statement of net position will sometimes report a separate section of 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 will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section of 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 will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period has been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

*Deposits and Investments.* The cash balances of substantially all funds are pooled for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value as of December 31, 2025, based on market prices. The individual funds' portions of the pool's fair value are presented as cash and cash equivalents or certificates of deposit. Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average monthly balance of each participating fund.

*Cash and Cash Equivalents.* The Town considers all cash on hand, demand deposits, and short-term highly liquid investments with an original maturing date of three months or less to be cash equivalents.

*Property Taxes.* Property taxes are levied on December 15th and are attached as a lien on property the following January 1st. They are payable in full by April 30th or in two equal installments due February 28th and June 15th. Property taxes levied in the current year and collected in the following year are reported as deferred inflow of resources as of December 31st.

*Capital Assets.* Capital assets, which include property, plant, and equipment, are defined by the Town as assets with an initial, individual cost of at least $5,000 and an estimated useful life in excess of two years.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets are reported at their estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Enterprise Fund construction costs are increased by interest incurred on bonds during the construction period and reduced by earnings from investment of any unexpended bond proceeds.

Depreciation is calculated using the straight-line method over the estimated useful lives, and no depreciation is recorded in the year of acquisition or construction of such assets. Capital assets are depreciated over the estimated useful lives and included in depreciation expense in the appropriate fund the estimated useful lives are as follows:

| | |
|---|---|
| Buildings | 30 years |
| Equipment, Furniture and Vehicles | 3-30 years |
| Transmission and Distribution, Lines and Meters | 30-40 years |
| Treatment and filtration Plants | 30 years |
| Reservoirs and Storage Facilities | 100 years |
| Land Improvements | 15 years |
| Infrastructure | 20-25 years |

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

*Long-Term Debt.* In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Bond discounts, issuance costs, and deferred amounts on refunding associated with issuing bonds of proprietary-type funds or bonds issued or refunded after December 31, 2025, for governmental activities are expensed when the bond is issued.

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

*Compensated Absences.* The liability for compensated absences reported in the government-wide and propriety fund statements consists of unpaid accumulated annual leave balances. The liability has been calculated using the vesting method, in which earned and eligible leave amounts for employees will be paid as termination payments.

*Restricted Assets.* Restricted assets in governmental and enterprise funds include assets restricted by various covenants of bonds issues by the Town, including bond and interest funds, reserve funds and unexpended proceeds of bond issues, if applicable. Restricted assets in the non-major governmental funds generally include assets restricted by grantors.

*Fund Equity.* Beginning with fiscal year 2011, the Town implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - amounts that are not in spendable form, (such as inventory), or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers, (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

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 Town Council has provided otherwise in its commitment or assignment actions.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Budgets and Budgetary Accounting

*The Town follows these procedures in establishing budgets:*

a. Budgets are required by state law for all governmental and proprietary funds.
b. During October the proposed budget is submitted to the Town Board for the fiscal year commencing the following January 1.
c. Prior to December 31, the budget is adopted, and appropriations are authorized by ordinance at the fund level for all funds. The legal level of budgetary control is at the individual fund level for all funds.
d. Budgets are adopted on a basis consistent with the accounting basis of all funds except for proprietary-type funds in the proprietary funds, the Town budgets for capital outlays, transfers to and from reserve funds and bond principal and interest payments and does not budget for depreciation. GAAP expenses over budgetary expenses for the Water, Sewer, and Trash fund for the year ending December 31, 2025, were $21,660; $148,822; and $2,799 respectively.
e. Each fund's appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class and in total by each fund. The total fund level constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to approval by ordinance from the Town Board. Within the fund level control basis, management may transfer appropriations without Board approval. There were no revisions to the budget were made throughout the year. Budget amounts included in the budgetary comparison schedules are based on the final legally amended budget.
f. Appropriations lapse at the end of each year, and the Town Board may adopt supplemental appropriations during the year. The Town Board may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Town's administrator or the revenue estimates must be changed by the Town Board by adopting supplemental appropriations.

## NOTE B – DEPOSITS AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The Market value of the collateral must at least be equal to 100% of the aggregate uninsured deposits.

### Custodial Credit Risk

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's policy for deposits allows funds to be placed in any account that is guaranteed by the Federal Deposit Insurance Corporation with remaining amounts collateralized by securities pledged by the financial institution. As of December 31, 2025, none of the Town's bank balances of $2,606,986 were exposed to custodial credit risk as all of it was insured.

### Investments

As of December 31, 2025, the Town had the following investments:

| Description | Weighted Maturity | Fair Value |
|---|---|---|
| Colotrust Prime | N/A | $103,930 |

*Interest Rate Risk.* The Town does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. 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; and guaranteed investments contracts. The Town's general investment policy is to apply the prudent-person rule: Prudence and protection of Town funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety, and interest of the local economy. As of December 31, 2025, the Town's investment in Colotrust Prime was rated AAAm by Standard & Poor's.

*Concentration of credit risk.* Investments must be in accordance with Colorado statutes and the Town does not have an investment policy that limits the amount of investments in any single type of investment.

COLOTRUST issues a publicly available annual financial report that can be obtained on its website at http://www.colotrust.com.

## NOTE C – ALLOWANCE FOR UNCOLLECTIBLES

Receivables are stated net of an allowances for uncollectible amounts, however, as of December 31, 2025, the Town considered all accounts collectible and accordingly, no provision for an allowance is recorded.

## NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| Governmental Activities | | | | |
| Capital Assets Not Being Depreciated | | | | |
| Land | $175,325 | $0 | $0 | $175,325 |
| Total Capital Assets Not Being Depreciated | 175,325 | 0 | 0 | 175,325 |
| Other Capital Assets | | | | |
| Land Improvements | 985,472 | 0 | 0 | 985,472 |
| Infrastructure, Road Network | 2,647,215 | 189,385 | 0 | 2,836,599 |
| Buildings and Improvements | 661,246 | 0 | 0 | 661,246 |
| Equipment and Vehicles | 692,047 | 89,298 | 0 | 781,345 |
| Right to Use Leased Assets | 203,007 | 0 | 0 | 203,007 |
| Total Capital Assets Being Depreciated | 5,188,987 | 268,662 | 0 | 5,467,669 |
| Less Accumulated Depreciation/Amortization: | | | | |
| Land Improvements | 517,837 | 39,041 | 0 | 556,878 |
| Infrastructure, Road Network | 808,130 | 85,568 | 0 | 893,697 |
| Buildings | 270,562 | 20,847 | 0 | 291,409 |
| Equipment and Vehicles | 582,661 | 18,106 | 0 | 600,767 |
| Right to Use Leased Assets | 16,917 | 40,601 | 0 | 57,518 |
| Total Accumulated Depreciation/Amortization | 2,196,107 | 204,163 | 0 | 2,400,269 |
| Total Capital Assets Being Depreciated, Net | 2,992,880 | 64,499 | 0 | 3,067,400 |
| Governmental Activity Capital Assets, Net | $3,168,205 | $64,499 | $0 | $3,242,726 |
| Business Type Activities | | | | |
| Capital Assets Not Being Depreciated | | | | |
| Land and Easements | $247,603 | $0 | $0 | $247,603 |
| Total Capital Assets Not Being Depreciated | 247,603 | 0 | 0 | 247,603 |
| Other Capital Assets | | | | |
| Transmissions and Distribution Systems | 7,494,032 | 0 | 0 | 7,494,032 |
| Buildings and Improvements | 817,355 | 0 | 0 | 817,355 |
| Equipment and Furniture | 927,047 | 415,000 | 0 | 1,342,045 |
| Total Capital Assets Being Depreciated | 9,238,434 | 415,000 | 0 | 9,653,433 |
| Less Accumulated Depreciation for: | | | | |
| Transmissions and Distribution Systems | 3,740,322 | 159,224 | 0 | 3,899,547 |
| Buildings and Improvements | 181,542 | 26,492 | 0 | 208,034 |
| Equipment and Furniture | 890,034 | 5,974 | 0 | 896,006 |
| Total Accumulated Depreciation | 4,811,898 | 191,690 | 0 | 5,003,588 |
| Total Capital Assets Being Depreciated, Net | 4,426,536 | 223,310 | 0 | 4,649,845 |
| Business Type Activity Capital Assets, Net | $4,674,139 | $223,310 | $0 | $4,897,448 |

NOTE D - CAPITAL ASSETS - continued

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

| | Governmental | Business-Type |
|---|---|---|
| General Government | $10,428 | $0 |
| Public Safety | 2,446 | 0 |
| Parks | 52,015 | 0 |
| Public Works | 98,673 | 0 |
| Water | 0 | 27,796 |
| Sewer | 0 | 154,958 |
| Trash | 0 | 8,935 |
| Total | $163,562 | $191,689 |

NOTE E - JOINT VENTURE

Pursuant to an Establishing Contract dated September 29, 1977, the Town District is a participant with two other municipalities and three water districts in a joint venture to operate the Project 7 Water Authority, a water treatment facility. The Authority is governed by a six member board consisting of an appointed representative from each of the participants. The Town is obligated within the Establishing Contract to purchase the treatment of a minimum of 45 million gallons of water annually from the Authority so long as the Authority has any unpaid debt other than for operating expenses, at volume rates set by the Authority's Board of Directors. The volume rate for treated water deliveries for 2025 was $1.95 per thousand gallons, which results in a 2025 minimum annual purchase commitment of $87,750 but the volume charged may be changed by action of the Authority's Board of Directors.

Using data provided by the Authority, during the years ended December 31, 2025, the Town purchased treatment 76,601,000 gallons for $141,424. Separate financial statements from Project 7 Water Authority are available from the Town or the Authority.

NOTE F - EMPLOYEE RETIREMENT PLANS

*Defined Contribution Plan*

The Town participates with several other counties, municipalities, and special districts in Colorado and contributes to the Colorado Retirement Association (Association), a defined contribution plan, for all of its full-time employees except police officers. Full time employees are eligible to participate after 90 days from the date of employment. The Association requires that both the employee and the Town contribute an amount equal to 3% of the employee's base salary each month. The Town's contributions for each employee, (and interest allocated to each employee's account), are fully vested after five years of continuous service. The Town's contributions and interest forfeited by employees who leave employment before five years of service are used to reduce the Town's current period contribution requirement. For the year ended December 31, 2025, the Town made contributions and recognized $16,323 as expense.

NOTE F - EMPLOYEE RETIREMENT PLANS – continued

*Statewide Defined Benefit Pension Plan for Police Officers:*

The Town's police officers participate in the Fire & Police Pension Association Defined Benefit System – Statewide Defined Benefit Plan ("Plan"), which is a cost sharing, multi-employer defined benefit pension plan. The Plan issues a publicly available comprehensive annual financial report that can be obtained on the Plan's website at http://www.fppaco.org. The Plan covers 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. The Plan was established in 1980 pursuant to Colorado Revised Statutes. The Plan is funded by the Town and police officers. There are no assets accumulated in a qualifying trust. The plan assets are included 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 Separate Retirement Account (SRA) assets from eligible retired members).

**Contributions**
Contribution rates for this Plan are set by state statute. Employer contributions rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

Members of the Plan and their employers contributed at the rate of 8.0 percent of base salary, respectively, for total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2024 to a total of 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. In 2025, employees paid 12%, the Town contributed 10.5%, and D&D contributed 3.8%. For the year ended December 31, 2025, the Town contributed and expensed $31,936 to the Plan.

**Benefits**
On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than 60. The trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that 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. Effective January 1, 2021, members with combined age and years of service totaling 80 or more, with a minimum age of 50, will also be qualified for a normal retirement pension.

The annual normal 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 for each year of service thereafter.

The benefit for members of affiliated social security employers 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 for benefits prior to 2007. Beginning January 1, 2007, members of affiliated social security employers will participate in the Fire & Police Pension Association supplemental social security program which will provide benefits equal to 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 for each year thereafter.

Benefits paid to retired members and beneficiaries may be increased annually on October 1. The amount is based on the FPPA Board of Director's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

NOTE F - EMPLOYEE RETIREMENT PLANS – continued

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. Annually, at the discretion of the FPPA Board of Directors, the difference between the combined member/employer contribution and actuarially determined contribution rate may be allocated to the stabilization reserve account (SRA). If the cost of the Plan exceeds the combined member/employer contribution rate, funds from the SRA may be used to make up for the shortfall. Members do not vest in amounts credited to their Separate Retirement Account until retirement or disability.

Members of plans reentering the system have a higher contribution rate. The Town is not part of the members that have reentered the system. As a result, their SRA has two components: the standard SRA and the reentry SRA. The reentry SRA cannot be used to subsidize the costs of the non-reentry members. The reentry SRA could be used to correct any deficiencies in the cost of participation of the entry members only. Effective July 1, 2020, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 4.5 percent for the year ending December 31, 2021. The Town did not have to contribute an amount at this rate because it has not had to "reenter" the system. A member is eligible for an early retirement after completion of 30 years of service of attainment of age 50 with a least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for retirement pension at age 55 equal to 2.0 percent of the member's average highest three year's base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

**Membership**

***Pension Liabilities/Asst, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:***

As of December 31, 2025, the Town reported a net pension asset of $0. The net pension asset was measured as of December 31, 2024, and was determined by an actuarial valuation as of January 1, 2025.

As of December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between actual and expected experience | $43,704 | $1,367 |
| Changes in Assumptions | 15,641 | 0 |
| Net difference between projected and actual investment earnings | 0 | 0 |
| Total | $59,345 | $1,367 |

NOTE F - EMPLOYEE RETIREMENT PLANS - continued

The following presents the Plan net amount of collective deferred inflows and outflows of resources that will be recognized in the collective pension expense for each of the subsequent five years and in the aggregate thereafter:

| For the Plan year ended December 31 | Amounts recognized in collective pension expense |
|---|---|
| 2026 | $ 17,875 |
| 2027 | 26,411 |
| 2028 | 1,868 |
| 2029 | 2,771 |
| 2030 | 6,089 |
| Thereafter | 9,173 |

The actuarial valuation for the Plan was used to determine the total pension asset and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuation used the following actuarial assumptions 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 | 7.00% | 7.00% |
| Projected Salary Increases | 4.25% - 11.75% | 4.25% - 11.75% |
| including inflation at | 2.50% | 2.50% |
| Cost of Living Adjustments (COLA) | 0.00% | 0.00% |

***Statewide Defined Benefit Pension Plan and Statewide Death and Disability Plan for Police Officers:***
The post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 annuitant mortality tables for males and females projected to 2018 using the MP-2017 projection scales and projected prospectively using the ultimate rates of the scale for all years. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the 2006 central rates from the RP-2014 disabled mortality tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, with minimum probability of 3% for males and 2% for females. The pre-retirement non-duty tables are adjusted to 60% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

The long-term expected rate of return on pension plan investments for the Long-Term Pool investments was determined using a building-block method in which best-estimate ranges of expected future real and nominal 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.

NOTE F - EMPLOYEE RETIREMENT PLANS - continued

Best estimates of arithmetic real rates of return for each major asset class included in both the statewide Defined Benefit Plan target asset allocation as of December 31, 2024, are summarized in the following table:

| Asset Class | Target Allocation | Real Rate of Return |
|---|---|---|
| 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 | 4% | 4.20% |
| Total | 100% | |

***Statewide Defined Benefit Pension Plan for Police Officers:***
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 the valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 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.

| | Single Discount Rate | |
|---|---|---|
| 1% Decrease | | 1% Increase |
| 6.00% | 7.00% | 8.00% |
| $88,752 | $0 | $0 |

NOTE F - EMPLOYEE RETIREMENT PLANS – continued

The following is a schedule of collective pension expense for the year ended December 31, 2024:

| | |
|---|---|
| Service Cost | $45,063 |
| Interest | 54,291 |
| Current-Period Benefit Changes | 881 |
| IRC 414(h)(2) Employer-paid Member Contributions | (23,568) |
| Member Purchases of Service Credit | (1,665) |
| Projected Earnings on Plan Investments | (54,184) |
| Pension Plan Administrative Expense | 1,314 |
| Other Changes in Plan Fiduciary Net Position | (17) |
| Recognition of Outflow of Resources Due to Liabilities | 14,352 |
| Recognition of Outflow of Resources Due to Assets | (2,894) |
| Total Pension Plan Expense | $33,573 |

NOTE G - COMMITMENTS

The Town has entered into a contract with the Tri-County Conservancy District to purchase water from the Dallas Creek Project as follows:

| Annual Purchase and Operations and Maintenance Commitment | Calendar Years | Annual Payment |
|---|---|---|
| Blocks One, Two and Three 300 Acre Feet Annually | 2024 - 2049 | $25,834 |

The purchase price per acre foot shall not exceed the average cost of all municipal and industrial water for which the Tri-County Water Conservancy District is obligated to pay the United States for such water which is limited to $38,000,000 with potential cost adjustments at no longer than five-year intervals. Such annual payments are subject to adjustment as a result of rate adjustments. In addition, the Town pays the District a proportionate amount of the operations, maintenance, and replacement cost of the project attributable to municipal and industrial use which is $9.00 per acre foot as of December 31, 2025.

NOTE H - LEASE OBLIGATIONS

The Town is a lessee in various non-cancelable lease agreements for vehicles. The lease terms range from 2 to 5 years and include options to purchase the vehicles at the end of the lease. As of December 31, 2025, the Town is not expected to exercise the purchase options. The Town recognizes a right-to-use lease asset and a corresponding lease liability for these agreements in accordance with GASB Statement No. 87.

As of December 31, 2025, the Town recognized leased vehicles of $145,489 (net of 57,518 of accumulated amortization) and lease liabilities of $146,185. During the year, the Town made $34,881 in lease payments, of which $25,893 reduced the lease liability and $8,988 was recognized as interest expense.

NOTE H - LEASE OBLIGATIONS - continued

The following table presents the Town's future minimum lease payments as of December 31, 2025:

| | |
|---|---|
| 2026 | $ 34,881 |
| 2027 | 63,057 |
| 2028 | 63,057 |
| Total Minimum Lease Payments | 160,995 |
| Less: Amount representing Interest | 14,810 |
| | $146,185 |

NOTE I - LONG-TERM LIABILITIES

During 2019, the Town issued $1,280,000 of Water & Sewer Revenue Refunding Bonds, Series 2019, to refund $1,278,704 of outstanding Water & Sewer Revenue Bonds, Series 2004. The reacquisition price of the refunded bonds equaled the net carrying amount of the old debt. As a result, the debt service payments were reduced by a total of $166,118 and resulted in a net present value savings of $102,620.

The Series 2019 bonds, including a premium of $56,403, were issued at interest rates ranging from 2.00% to 4.00% per annum and are payable in principal installments of $35,000 beginning in 2020 and increasing to $75,000 in 2044, plus interest payments on June 1st and December 1st each year. The bonds mature on December 1, 2044, and bonds maturing after December 1, 2027, are callable. The bonds are collateralized by net water and sewer revenues but are payable from the Sewer Fund. The required reserve of $80,900 has been funded in the Sewer Fund.

The Town also has outstanding debt on a shop building. Semiannual payments of $13,383 are made including interest at 3.89%. The loan matures in May 2027 and is collateralized by the real estate.

During the fiscal year ended December 31, 2025, the Town entered into a financed purchase agreement to acquire a refuse truck. The agreement has an 84-month term payable in seven annual installments of $59,330 in arrears, bears interest at 6.5%, and transfers ownership of the vehicle to the Town at the end of the term with no termination option. The Town made a $90,000 down payment at closing and financed $325,395. The vehicle serves as collateral.

During the fiscal year ended December 31, 2025, the Town entered into a government obligation contract with Unified Fleet Services, LLC to finance the acquisition of a police truck. The contract is a direct borrowing that transfers ownership of the vehicle to the Town by the end of the payment term and is reported as a financed purchase of a capital asset, rather than as a lease. The obligation was recorded at $77,260.96, the present value of the five annual contract payments discounted at the interest rate of approximately 6.56% implicit in the contract. Payments are due annually on May 15, beginning May 15, 2025, and ending May 15, 2029. The obligation is secured by the financed vehicle.

NOTE I - LONG-TERM LIABILITIES - continued

Principal and interest payments for the years following December 31, 2025, are as follows:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $112,860 | $64,399 | $177,259 |
| 2027 | 103,539 | 59,487 | 163,026 |
| 2028 | 110,428 | 54,773 | 165,202 |
| 2029 | 114,639 | 49,213 | 163,852 |
| 2030 | 94,149 | 43,381 | 137,530 |
| 2031-2035 | 357,476 | 153,920 | 511,396 |
| 2036-2040 | 290,000 | 91,400 | 381,400 |
| 2041-2044 | 280,000 | 28,600 | 308,600 |
| Total | $1,463,091 | $545,172 | $2,008,264 |

For the year ended December 31, 2025, no interest was capitalized to fixed assets and $9,616 in the governmental funds and $37,558 in the proprietary funds totaling $47,174 was charged to expense.

Long-term liability activity for the year ended December 31, 2025, was as follows:

| | Balance Beginning Of Year | Additions | Reductions | Balance End Of Year | Due Within One Year |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| Note Payable | $15,795 | $77,261 | $18,943 | $74,113 | $15,523 |
| Total Governmental Activities | $15,795 | $77,261 | $18,943 | $74,113 | $15,523 |
| | | | | | |
| Business-Type Activities | | | | | |
| Water & Sewer Revenue Bonds | $1,075,000 | $0 | $40,000 | $1,035,000 | $40,000 |
| Note Payable – Trash | 0 | 415,000 | 90,000 | 325,000 | 38,205 |
| Note Payable – Shop | 47,385 | 0 | 18,409 | 28,978 | 19,132 |
| Total Business-Type Activities | $1,122,385 | $415,000 | $148,409 | $1,388,978 | $97,337 |

NOTE J - PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, error and omissions, injuries to employees, and natural disasters. The Town is a participant in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA operates as a common risk management and insurance program for approximately 285 members participating in the property and Casualty Pool and in the Workers' Compensation Pool. The Town pays an annual premium to CIRSA for its general insurance coverage and workers' compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of $1,000,000 for each insured event. The Town continues to carry commercial insurance for employee health and accident benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## NOTE K - TAX, SPENDING AND DEBT LIMITATIONS

The State Constitution, Article X, Section 20, has several limitations regarding revenue raising, spending abilities, and other specific requirements of state and local governments. The Section is complex and subject to judicial interpretation. In November 2018, the Town obtained voter approval to collect and retain all revenues without limitation under the Section. The Town believes it is in compliance with the requirements of the Section. However, the Town has made certain interpretations of the Section's language in order to determine its compliance. The emergency reserves required under the Section are restricted in the Road Fund.

## NOTE L - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

There were no interfund receivables or payables as of December 31, 2025.

### Interfund Transfers

Interfund transfers to supplement the expenditures/expenses of other funds were as follows:

| | Transfers In | | |
|---|---|---|---|
| | General Fund | Police Pension Fund | Total |
| Transfers Out: | | | |
| General Fund | $0 | $37,041 | $37,041 |
| Conservation Trust | $23,683 | $0 | $23,683 |

## NOTE M - CONTINGENT LIABILITIES

Under the terms of federal and state grants, costs may be questioned as not being appropriate expenses that could lead to reimbursement to the granter agencies. Town management is not aware of any such expenses that would not be allowed.

## NOTE N - SUBSEQUENT EVENT

Management has evaluated subsequent events through September 30, 2026, the date the financial statements were available to be issued.

# REQUIRED SUPPLEMENTARY INFORMATION

# TOWN OF OLATHE, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) | Actual |
| REVENUES | | | | | |
| Taxes | | | | | |
| General Property Taxes | $ 147,036 | $ 147,036 | $ 152,926 | $ 5,890 | $ 158,836 |
| Specific Ownership Taxes | 18,000 | 18,000 | 19,324 | 1,324 | 28,213 |
| Penalty and Interest on Taxes | 300 | 300 | 1,575 | 1,275 | 13,155 |
| General Sales and Use Taxes | 1,037,720 | 1,037,720 | 1,123,073 | 85,353 | 650,576 |
| Franchise Tax Equivalents | 60,000 | 60,000 | 62,564 | 2,564 | 63,524 |
| Occupation Taxes | 400 | 400 | 300 | (100) | 375 |
| Severance Tax | 4,800 | 4,800 | 1,627 | (3,173) | 5,165 |
| Total Taxes | 1,268,256 | 1,268,256 | 1,361,389 | 93,133 | 919,844 |
| Licenses and Permits | | | | | |
| General | | | | | |
| Business License | 855 | 855 | 325 | (530) | 1,005 |
| Building Permits | 7,600 | 7,600 | 2,284 | (5,316) | 10,239 |
| Liquor License | 255 | 255 | 0 | (255) | 1,125 |
| Other Permit Fees | 5,775 | 5,775 | 4,149 | (1,626) | 8,181 |
| Planning and Zoning Fees | 550 | 550 | 0 | (550) | 0 |
| Marijuana License | 4,000 | 4,000 | 6,300 | 2,300 | 0 |
| Total Licenses and Permits | 19,035 | 19,035 | 13,058 | (5,977) | 20,550 |
| Intergovernmental | | | | | |
| State Shared Revenues | | | | | |
| Cigarette Taxes | 728 | 728 | 1,230 | 502 | 1,213 |
| Mineral Lease | 1,700 | 1,700 | 2,484 | 784 | 1,695 |
| Government Grant | 203,175 | 203,175 | 82,486 | (120,689) | 12,300 |
| Total Intergovernmental | 205,603 | 205,603 | 86,200 | (119,403) | 15,208 |
| Miscellaneous | | | | | |
| Earnings on Investments | 1,500 | 1,500 | 578 | (922) | 3,317 |
| Miscellaneous | 2,300 | 2,300 | 8,246 | 5,946 | 97,837 |
| Property Lease | 16,800 | 16,800 | 17,100 | 300 | 16,200 |
| Administrative Fees | 36,000 | 36,000 | 36,000 | 0 | 28,300 |
| Total Miscellaneous | 56,600 | 56,600 | 61,924 | 5,324 | 145,654 |
| Public Safety | | | | | |
| Federal Grant | 21,736 | 21,736 | 19,665 | (2,071) | 30,847 |
| State Grant | 53,472 | 53,472 | 59,970 | 6,498 | 87,550 |
| Animal Licenses | 400 | 400 | 115 | (285) | 225 |
| Vehicle Inspection Fees | 500 | 500 | 420 | (80) | 300 |
| Miscellaneous | 7,500 | 7,500 | 35,406 | 27,906 | 56,249 |
| Total Public Safety | 83,608 | 83,608 | 115,576 | 31,968 | 175,171 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) | Actual |
| REVENUES | | | | | |
| Judicial | | | | | |
| Traffic Fines | 20,000 | 20,000 | 6,825 | (13,175) | 3,171 |
| Other Code Violations | 12,000 | 12,000 | 4,058 | (7,942) | 1,742 |
| Miscellaneous | 100 | 100 | 0 | (100) | 0 |
| Total Judicial | 32,100 | 32,100 | 10,883 | (21,217) | 4,913 |
| Parks | | | | | |
| Federal Grants | 0 | 0 | 0 | 0 | 0 |
| State Grants | 44,000 | 44,000 | 42,000 | (2,000) | 0 |
| Miscellaneous | 50 | 50 | 916 | 866 | 366 |
| Park Rental Fees | 200 | 200 | 325 | 125 | 600 |
| Total Parks | 44,250 | 44,250 | 43,241 | (1,009) | 966 |
| Recreation | | | | | |
| Contributions | 0 | 0 | 0 | 0 | 0 |
| Sponsors | 0 | 0 | 0 | 0 | 0 |
| Program Fees | 0 | 0 | 0 | 0 | 0 |
| Facilities Rental | 0 | 0 | 0 | 0 | 0 |
| Total Recreation | 0 | 0 | 0 | 0 | 0 |
| Community Center | | | | | |
| State Grants | 15,000 | 15,000 | 15,000 | 0 | 15,000 |
| Contributions | 200 | 200 | 5,293 | 5,093 | 901 |
| Community Center Rental | 12,000 | 12,000 | 11,655 | (345) | 6,115 |
| Total Community Center | 27,200 | 27,200 | 31,948 | 4,748 | 22,016 |
| Total Revenues Before Transfers In | 1,736,652 | 1,736,652 | 1,724,219 | (12,433) | 1,304,322 |
| TRANSFERS IN | | | | | |
| Transfers from Conservation Trust for Parks Expenditures | 20,000 | 20,000 | 23,683 | 3,683 | 24,363 |
| Total Transfers In | 20,000 | 20,000 | 23,683 | 3,683 | 24,363 |
| TOTAL REVENUES & TRANSFERS IN | $1,756,652 | $1,756,652 | $1,747,902 | ($8,750) | $1,328,685 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) | Actual |
| EXPENDITURES | | | | | |
| General Government | | | | | |
| Current | | | | | |
| Salaries | 58,350 | 58,350 | 57,541 | 809 | 44,652 |
| Mayor and Trustee Wages | 7,260 | 7,260 | 5,580 | 1,680 | 5,800 |
| Employee Benefits | 13,530 | 13,530 | 12,028 | 1,502 | 9,172 |
| Insurance | 7,467 | 7,467 | 7,467 | 0 | 12,405 |
| Workers' Compensation | 3,010 | 3,010 | 3,010 | 0 | 2,220 |
| Auditing Fees | 3,400 | 3,400 | 3,800 | (400) | 3,300 |
| Legal Fees | 18,000 | 18,000 | 11,110 | 6,890 | 21,673 |
| Contract Services | 95,000 | 95,000 | 54,293 | 40,707 | 6,465 |
| Treasurer's Fees | 4,000 | 4,000 | 2,494 | 1,506 | 3,484 |
| Clerk and Recorder Fees | 350 | 350 | 0 | 350 | 0 |
| Dues and Membership Fees | 5,000 | 5,000 | 9,012 | (4,012) | 5,450 |
| Travel and Training | 3,500 | 3,500 | 4,906 | (1,406) | 2,455 |
| Meals | 1,750 | 1,750 | 823 | 927 | 1,256 |
| Publishing | 1,500 | 1,500 | 219 | 1,281 | 1,443 |
| Publications | 400 | 400 | 101 | 299 | 743 |
| Postage | 7,000 | 7,000 | 3,128 | 3,872 | 5,928 |
| Utilities | 5,500 | 5,500 | 4,525 | 975 | 4,998 |
| Telephone | 3,500 | 3,500 | 2,392 | 1,108 | 2,667 |
| Maintenance Contracts | 13,500 | 13,500 | 7,840 | 5,660 | 4,584 |
| Office Supplies | 6,000 | 6,000 | 2,996 | 3,004 | 9,350 |
| Supplies | 5,000 | 5,000 | 6,415 | (1,415) | 7,959 |
| Equipment Rental | 2,500 | 2,500 | 373 | 2,127 | 1,918 |
| Building & Facility Repairs | 1,200 | 1,200 | 0 | 1,200 | 1,082 |
| Equipment Repairs | 2,000 | 2,000 | 54 | 1,946 | 19 |
| Cleaning Services | 800 | 800 | 922 | (122) | 1,929 |
| Fuel and Oil | 500 | 500 | 304 | 196 | 427 |
| Miscellaneous Expense | 15,500 | 15,500 | 12,970 | 2,530 | 11,332 |
| Bank Fees | 1,200 | 1,200 | 996 | 204 | 791 |
| Donations & Gifts | 5,000 | 5,000 | 1,250 | 3,750 | 2,500 |
| Economic Development | 108,175 | 108,175 | 121,479 | (13,304) | 32,546 |
| Senior Citizen Assistance | 1,200 | 1,200 | 1,000 | 200 | 1,000 |
| Use Tax Expense | 3,000 | 3,000 | 836 | 2,164 | (2,403) |
| Election Judges | 300 | 300 | 889 | (589) | (969) |
| Election Supplies | 2,000 | 2,000 | 0 | 2,000 | 969 |
| Capital Equipment Expense | 100,000 | 100,000 | 47,064 | 52,936 | 9,186 |
| Total Current | 506,392 | 506,392 | 387,817 | 118,575 | 216,331 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) | Actual |
| EXPENDITURES | | | | | |
| Public Safety | | | | | |
| Current | | | | | |
| Salaries | 492,789 | 492,789 | 411,158 | 81,631 | 323,568 |
| Part Time Wages | 53,760 | 53,760 | 10,091 | 43,669 | 26,032 |
| Employee Benefits | 110,500 | 110,500 | 69,842 | 40,658 | 55,188 |
| Insurance | 11,200 | 11,200 | 10,016 | 1,184 | 38,488 |
| Workers' Compensation | 12,472 | 12,472 | 12,472 | 0 | 10,169 |
| Legal Fees | 3,500 | 3,500 | 3,904 | (404) | 3,838 |
| Contract Services | 50,000 | 50,000 | 61,083 | (11,083) | 76,544 |
| Animal Impound Fees | 3,000 | 3,000 | 5,920 | (2,920) | 3,093 |
| Grant Expenses | 1,300 | 1,300 | 316 | 984 | 982 |
| Travel and Training | 5,500 | 5,500 | 2,242 | 3,258 | 10,602 |
| Meals | 3,000 | 3,000 | 1,350 | 1,650 | 2,521 |
| Postage | 50 | 50 | 37 | 13 | 37 |
| Utilities | 6,500 | 6,500 | 4,446 | 2,054 | 4,783 |
| Telephone | 9,500 | 9,500 | 8,440 | 1,060 | 7,718 |
| Maintenance Contracts | 10,000 | 10,000 | 5,290 | 4,710 | 3,023 |
| Office Supplies | 2,000 | 2,000 | 1,043 | 957 | 1,491 |
| Clothing | 10,000 | 10,000 | 8,543 | 1,457 | 548 |
| Ammunition | 3,000 | 3,000 | 3,436 | (436) | 0 |
| Supplies | 10,000 | 10,000 | 7,077 | 2,923 | 7,748 |
| Equipment Rental | 2,500 | 2,500 | 200 | 2,300 | 632 |
| Building and Facility Repairs | 2,500 | 2,500 | 77 | 2,423 | 18,416 |
| Equipment Repairs | 7,500 | 7,500 | 25,093 | (17,593) | 4,950 |
| Fuel and Oil | 15,000 | 15,000 | 7,831 | 7,169 | 11,645 |
| Miscellaneous Expense | 3,000 | 3,000 | 8,972 | (5,972) | 2,569 |
| Donations & Gifts | 1,000 | 1,000 | 0 | 1,000 | 500 |
| Total Current | 829,571 | 829,571 | 668,879 | 160,692 | 615,085 |
| Capital Outlay | | | | | |
| Capital Equipment | 72,000 | 72,000 | 49,827 | 22,173 | 44,862 |
| Total Capital Outlay | 72,000 | 72,000 | 49,827 | 22,173 | 44,862 |
| Total Public Safety Expenditures | 901,571 | 901,571 | 718,706 | 182,865 | 659,947 |
| TRANFERS OUT | | | | | |
| Transfers to Police Pension Fund | 52,100 | 52,100 | 37,041 | 15,059 | 27,223 |
| Total Public Safety Expenditures and Transfers | 953,671 | 953,671 | 755,747 | 197,924 | 687,170 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) | Actual |
| EXPENDITURES | | | | | |
| Judicial | | | | | |
| Part Time Wages | 12,000 | 12,000 | 13,240 | (1,240) | 14,270 |
| Employee Benefits | 975 | 975 | 1,082 | (107) | 1,114 |
| Workers Compensation | 860 | 860 | 860 | 0 | 0 |
| Juror Fees | 200 | 200 | 0 | 200 | 0 |
| Travel and Training | 750 | 750 | 435 | 315 | 686 |
| Office Supplies | 200 | 200 | 0 | 200 | 0 |
| Supplies | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 | 0 |
| Total Judicial | 14,985 | 14,985 | 15,617 | (632) | 16,070 |
| Parks | | | | | |
| Current | | | | | |
| Salaries | 65,000 | 65,000 | 69,288 | (4,288) | 63,572 |
| Part Time Wages | 75,000 | 75,000 | 68,065 | 6,935 | 45,425 |
| Employee Benefits | 21,050 | 21,050 | 20,424 | 626 | 16,902 |
| Insurance | 5,973 | 5,973 | 5,973 | 0 | 6,008 |
| Workers' Compensation | 3,871 | 3,871 | 3,871 | 0 | 2,942 |
| Contract Services | 875 | 875 | 103 | 772 | 786 |
| Dues and Membership Fees | 200 | 200 | 211 | (11) | 191 |
| Travel and Training | 600 | 600 | 259 | 341 | 165 |
| Utilities | 10,000 | 10,000 | 6,867 | 3,133 | 7,561 |
| Telephone | 450 | 450 | 805 | (355) | 528 |
| Clothing | 1,000 | 1,000 | 659 | 341 | 368 |
| Event Facilitation Expense | 1,000 | 1,000 | 2,921 | (1,921) | 384 |
| Supplies | 8,000 | 8,000 | 7,544 | 456 | 7,664 |
| Mosquito Control | 0 | 0 | 0 | 0 | 0 |
| Chemicals | 7,000 | 7,000 | 4,701 | 2,299 | 4,747 |
| Gravel | 0 | 0 | 1,570 | (1,570) | 0 |
| Equipment Rental | 7,750 | 7,750 | 10,033 | (2,283) | 9,610 |
| Equipment Repairs & Maintenance | 3,000 | 3,000 | 1,010 | 1,990 | 1,639 |
| Building Facility Repairs | 0 | 0 | 0 | 0 | 0 |
| Fuel and Oil | 3,500 | 3,500 | 2,957 | 543 | 2,614 |
| Miscellaneous Expense | 1,500 | 1,500 | 1,531 | (31) | 1,251 |
| Grant Match | 0 | 0 | 0 | 0 | 0 |
| Water Assessments | 575 | 575 | 575 | 0 | 0 |
| Total Current | 216,344 | 216,344 | 209,367 | 6,977 | 172,357 |
| Capital Outlay | | | | | |
| Capital Equipment | 16,000 | 16,000 | 12,038 | 3,962 | 9,500 |
| Capital Improvements | 20,000 | 20,000 | 1,450 | 18,550 | 39,339 |
| Total Capital Outlay | 36,000 | 36,000 | 13,488 | 22,512 | 48,839 |
| Total Parks | 252,344 | 252,344 | 222,855 | 29,489 | 221,196 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) | Actual |
| EXPENDITURES | | | | | |
| Recreation | | | | | |
| Current | | | | | |
| Wages | 0 | 0 | 0 | 0 | 0 |
| Part Time Wages | 0 | 0 | 0 | 0 | 0 |
| Employee Benefits | 0 | 0 | 0 | 0 | 0 |
| Insurance | 0 | 0 | 0 | 0 | 0 |
| Workers' Compensation | 0 | 0 | 0 | 0 | 0 |
| Utilities | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Expense | 0 | 0 | 0 | 0 | 0 |
| Program Expense | 0 | 0 | 0 | 0 | 0 |
| Colorado Health Foundation Grant | 0 | 0 | 0 | 0 | 0 |
| Total Recreation | 0 | 0 | 0 | 0 | 0 |
| Community Center | | | | | |
| Current | | | | | |
| Wages | 0 | 0 | 0 | 0 | 1,868 |
| Part Time Wages | 7,900 | 7,900 | 8,682 | (782) | 7,813 |
| Employee Benefits | 640 | 640 | 719 | (79) | 749 |
| Insurance | 2,240 | 2,240 | 2,240 | 0 | 3,444 |
| Workers' Compensation | 430 | 430 | 430 | 0 | 361 |
| Utilities | 4,500 | 4,500 | 2,663 | 1,837 | 3,785 |
| Telephone | 1,000 | 1,000 | 621 | 379 | 993 |
| Supplies | 750 | 750 | 226 | 524 | 492 |
| Building and Facility Repairs | 11,500 | 11,500 | 10,821 | 679 | 4,238 |
| Cleaning Services | 0 | 0 | 0 | 0 | 0 |
| Total Community Center | 28,960 | 28,960 | 26,402 | 2,558 | 23,743 |
| Total Current Expenditures | 1,596,252 | 1,596,252 | 1,308,082 | 288,170 | 1,043,586 |
| Total Capital Outlay Expenditures | 108,000 | 108,000 | 63,315 | 44,685 | 93,701 |
| Total Debt Service Expenditures | 0 | 0 | 0 | 0 | 0 |
| Total Transfers Out | 52,100 | 52,100 | 37,041 | 15,059 | 27,223 |
| Total Expenditures & Transfers Out | 1,756,352 | 1,756,352 | 1,408,438 | 347,914 | 1,164,510 |
| NET CHANGES IN FUND BALANCE | 300 | 300 | 339,464 | $339,164 | 164,175 |
| FUND BALANCES, JANUARY 1 | 495,841 | 495,841 | 495,841 | | 331,663 |
| FUND BALANCES, DECEMBER 31 | $496,141 | $496,141 | $835,305 | | $495,838 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

BUDGETARY COMPARISON SCHEDULE
ROAD FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2025 | | | 2024 |
|---|---|---|---|---|
| | Original & Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) | Actual |
| REVENUES | | | | |
| Taxes | | | | |
| General Sales Tax | $452,410 | $522,004 | $69,594 | $323,691 |
| Intergovernmental | | | | |
| Federal Grants | 0 | 0 | 0 | 0 |
| State Shared Revenues | | | | |
| Highway Users Tax | 48,250 | 62,692 | 14,442 | 61,236 |
| Grants | 181,512 | 181,512 | 0 | 0 |
| County Shared Revenues | | | | |
| Motor Vehicle Tax | 38,000 | 57,462 | 19,462 | 43,215 |
| Grants | 0 | 0 | 0 | 0 |
| Miscellaneous | | | | |
| Street Assessment Revenue | 29,000 | 28,895 | (105) | 29,885 |
| Miscellaneous | 1,000 | 0 | (1,000) | 0 |
| Investment Income | 400 | 419 | 19 | 787 |
| Total Revenues | 750,572 | 852,984 | 102,412 | 458,814 |
| EXPENDITURES | | | | |
| Public Works | | | | |
| Salaries | 117,700 | 175,788 | (58,088) | 113,539 |
| Employee Benefits | 27,800 | 40,848 | (13,048) | 25,331 |
| Insurance | 2,332 | 13,440 | (11,108) | 3,086 |
| Workers' Compensation | 5,059 | 6,021 | (962) | 4,749 |
| Auditing Fees | 3,200 | 3,800 | (600) | 3,300 |
| Legal Fees | 3,000 | 0 | 3,000 | 120 |
| Contract Services | 4,000 | 3,070 | 930 | 10,233 |
| Travel and Training | 400 | 1,288 | (888) | 186 |
| Meals | 250 | 31 | 219 | 75 |
| Publishing | 300 | 0 | 300 | 0 |
| Postage | 100 | 746 | (646) | 394 |
| Utilities | 13,000 | 13,519 | (519) | 13,362 |
| Telephone | 1,260 | 1,917 | (657) | 1,261 |
| Maintenance Contracts | 500 | 908 | (408) | 216 |
| Office Supplies | 250 | 42 | 208 | 0 |
| Clothing | 300 | 152 | 148 | 498 |
| Supplies | 8,000 | 2,545 | 5,455 | 5,992 |
| Chemicals | 900 | 0 | 900 | 0 |
| Gravel | 7,500 | 0 | 7,500 | 0 |
| Administrative Fee | 7,075 | 14,400 | (7,325) | 7,075 |
| Safety Equipment | 200 | 17 | 183 | 33 |
| Building Facility Repairs | 300 | 0 | 300 | 393 |
| Equipment Repairs & Maintenance | 6,000 | 6,275 | (275) | 2,375 |
| Fuel and Oil | 6,000 | 4,976 | 1,024 | 4,660 |
| Street Materials | 12,000 | 3,787 | 8,213 | 0 |
| Main Street Beautification | 1,000 | 0 | 1,000 | 56 |
| Street Signs and Lights | 8,000 | 0 | 8,000 | 939 |
| Miscellaneous | 1,500 | 2,673 | (1,173) | 716 |
| Total Current | 237,926 | 296,243 | (58,317) | 198,589 |
| Capital Outlay | | | | |
| Capital Improvements | 140,000 | 189,385 | (49,385) | 0 |
| Total Capital Outlay | 140,000 | 189,385 | (49,385) | 0 |
| Debt Service | | | | |
| Principal | 5,904 | 6,064 | (160) | 5,803 |
| Interest | 787 | 628 | 159 | 888 |
| Total Debt Service | 6,691 | 6,692 | (1) | 6,691 |
| Total Road Fund Expenditures | 384,617 | 492,320 | (107,703) | 205,280 |
| NET CHANGES IN FUND BALANCE | 365,955 | 360,664 | ($5,291) | 253,534 |
| FUND BALANCES, JANUARY 1 | 1,045,931 | 1,045,931 | | 792,397 |
| FUND BALANCES, DECEMBER 31 | $1,411,886 | $1,406,595 | | $1,045,931 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

SCHEDULE OF CHANGE IN NET PENSION (ASSET) LIABILITY
FOR THE YEARS ENDED DECEMBER 31

| Measurement Date (as of the previous fiscal year end) | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Employer Portion of Net Pension Asset | 0.018187315% | 0.019670630% | 0.024684156% | 0.033423990% | 0.031551571% | 0.02851976% | 3.15440300% | 3.42861800% | 3.20570700% | 2.83664000% |
| Employer Proportionate Share of Net Pension (Asset) Liability | - | - | 21,910 | (181,136) | (68,499) | (16,130) | 39,880 | (49,326) | 11,583 | (500) |
| Employer Covered Payroll | 411,158 | 323,568 | 300,875 | 312,579 | 311,125 | 243,550 | 210,203 | 211,301 | 200,548 | 137,511 |
| Employer Proportionate Share of Net Pension (Asset) Liability as a Percentage of Covered Payroll | 0.00% | 0.00% | 7.28% | -57.95% | -22.02% | -6.62% | 18.97% | -23.34% | 5.78% | -0.36% |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

SCHEDULE OF CONTRIBUTIONS TO PENSION PLAN
FOR THE YEARS ENDED DECEMBER 31

| As of the Previous Fiscal Year-End | 2025 | 2024 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Required Employer Contributions | 27,503 | 25,574 | 26,569 | 26,446 | 19,484 | 16,816 | 16,904 | 16,044 | 11,001 | 8,281 |
| Employer Contributions Recognized by Plan | 27,503 | 25,574 | 26,569 | 26,446 | 19,484 | 16,816 | 16,904 | 16,044 | 11,001 | 8,281 |
| Difference | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Employer Covered Payroll | 411,158 | 323,568 | 300,875 | 311,125 | 243,550 | 210,203 | 211,301 | 200,548 | 137,511 | 103,514 |
| Contributions as a Percentage of Employer Covered Payroll | 6.69% | 7.90% | 8.83% | 8.50% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |

The accompanying notes to the financial statements are an integral part of these statements

# SUPPLEMENTARY INFORMATION

# TOWN OF OLATHE, COLORADO

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

| | Special Revenue Fund Conservation Trust | Police Pension Permanent Fund | Total Non-Major Governmental Funds |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and Cash Equivalents | $6,712 | ($1,598) | $5,114 |
| Certificate of Deposit | 2,231 | 1,341 | 3,572 |
| TOTAL ASSETS | $8,943 | ($257) | $8,686 |
| **LIABILITIES AND FUND BALANCES** | | | |
| LIABILITIES: | | | |
| Accounts Payable | $0 | $0 | $0 |
| TOTAL LIABILITIES | 0 | 0 | 0 |
| FUND BALANCES | | | |
| Restricted for: | | | |
| Conservation Trust | 8,943 | 0 | 8,943 |
| Police Officer's Retirement | 0 | (257) | (257) |
| TOTAL FUND BALANCE | 8,943 | (257) | 8,686 |
| TOTAL LIABILITIES AND FUND BALANCES | $8,943 | ($257) | $8,686 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

| | Special Revenue Fund Conservation Trust | | Police Pension Permanent Fund | | Total Non-Major Governmental Funds | |
|---|---|---|---|---|---|---|
| | Actual | Budget | Actual | Budget | Actual | Budget |
| REVENUES | | | | | | |
| Intergovernmental | | | | | | |
| Lottery | $23,683 | $20,000 | $0 | $0 | $23,683 | $20,000 |
| Miscellaneous | | | | | | |
| Investment Income | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUES | 23,683 | 20,000 | 0 | 0 | 23,683 | 20,000 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Public Safety | 0 | 0 | 38,640 | 52,100 | 38,640 | 52,100 |
| Capital Outlay: | | | | | | |
| Public Safety | 23,683 | 20,000 | 0 | 0 | 23,683 | 20,000 |
| TOTAL EXPENDITURES | 23,683 | 20,000 | 38,640 | 52,100 | 62,323 | 72,100 |
| Excess (Deficiency) of Revenues | | | | | | |
| Over (Under) Expenditures | 0 | 0 | (38,640) | (52,100) | (38,640) | (52,100) |
| Other Financing Sources (Uses): | | | | | | |
| Transfers In (Out) | 0 | 0 | 37,042 | 52,100 | 37,042 | 52,100 |
| Total Other Financing Sources (Uses) | 0 | 0 | 37,042 | 52,100 | 37,042 | 52,100 |
| Net Change in Fund Balances | 0 | 0 | (1,598) | 0 | (1,598) | 0 |
| Fund Balance - Beginning of Year | 8,943 | 8,943 | 1,341 | 1,341 | 10,284 | 10,284 |
| Fund Balance - End of Year | $8,943 | $8,943 | ($257) | $1,341 | $8,686 | $10,284 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET
WATER FUND - BUDGET BASIS OF ACCOUNTING
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2025 | | | 2024 |
|---|---|---|---|---|
| | Original & Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) | Actual |
| REVENUES | | | | |
| Charges for Services | $393,000 | $411,715 | $18,715 | $384,341 |
| Late Charge Fees | 10,000 | 11,115 | 1,115 | 11,510 |
| Tap Fees | 0 | 6,000 | 6,000 | 6,000 |
| Investment Income | 700 | 595 | (105) | 2,057 |
| Grants | 382,399 | 0 | (382,399) | 200,000 |
| Miscellaneous | 7,000 | 3,768 | (3,232) | 7,683 |
| Total Revenues | 793,099 | 433,193 | (359,906) | 611,591 |
| EXPENDITURES | | | | |
| Operations and Maintenance | | | | |
| Salaries | 133,802 | 122,970 | 10,832 | 113,643 |
| Employee Benefits | 39,620 | 31,675 | 7,945 | 25,331 |
| Insurance | 13,440 | 13,440 | 0 | 3,086 |
| Workers' Compensation | 6,021 | 6,021 | 0 | 4,749 |
| Auditing Fees | 3,400 | 3,800 | (400) | 3,300 |
| Legal Fees | 2,500 | 730 | 1,770 | 1,330 |
| Engineering Fees | 2,500 | 2,367 | 133 | 4,581 |
| Contract Services | 2,500 | 3,822 | (1,322) | 2,353 |
| Dues and Membership Fees | 150 | 0 | 150 | 0 |
| Travel and Training | 500 | 1,539 | (1,039) | 113 |
| Publishing | 150 | 21 | 129 | 0 |
| Postage | 1,200 | 1,270 | (70) | 394 |
| Utilities | 4,200 | 2,388 | 1,812 | 2,224 |
| Telephone | 1,200 | 1,896 | (696) | 1,261 |
| Maintenance Contracts | 500 | 568 | (68) | 692 |
| Clothing | 750 | 152 | 598 | 498 |
| Supplies | 2,850 | 8,013 | (5,163) | 2,009 |
| Chemicals | 750 | 0 | 750 | 0 |
| Administrative Fee | 9,000 | 9,000 | 0 | 7,075 |
| Safety Equipment | 500 | (30) | 530 | 33 |
| Building and Facility Repairs | 300 | 17 | 283 | 376 |
| Equipment Repairs & Maintenance | 5,000 | 4,123 | 877 | 5,510 |
| Other Permits | 350 | 2,678 | (2,328) | 2,869 |
| Fuel and Oil | 5,500 | 4,633 | 867 | 4,083 |
| Miscellaneous Expense | 1,000 | 537 | 463 | 143 |
| Reservoir Maintenance | 5,000 | (331) | 5,331 | 0 |
| Water Usage | 145,000 | 197,313 | (52,313) | 141,424 |
| Water Assessments | 27,500 | 25,997 | 1,503 | 25,847 |
| Water Tank Maintenance | 10,000 | 15 | 9,985 | 19,146 |
| Total Operations and Maintenance | 425,183 | 444,624 | (19,441) | 372,070 |
| Capital Outlay | | | | |
| Capital Improvements | 554,353 | 0 | 554,353 | 201,167 |
| Debt Service | | | | |
| Principal | 6,136 | 6,064 | 72 | 5,803 |
| Interest | 555 | 628 | (73) | 888 |
| Total Debt Service | 6,691 | 6,692 | (1) | 6,691 |
| TOTAL EXPENDITURES | 986,227 | 451,316 | 534,911 | 579,928 |
| CHANGE IN NET POSITION | ($193,128) | ($18,123) | $175,005 | $31,663 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET
SEWER FUND - BUDGET BASIS OF ACCOUNTING
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2025 | | | 2024 |
|---|---|---|---|---|
| | Original & Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) | Actual |
| REVENUES | | | | |
| Charges for Services | $310,000 | $310,700 | $700 | $308,039 |
| Tap Fees | 5,000 | 5,000 | 0 | 10,200 |
| Pump Station Surcharge | 5,500 | 5,506 | 6 | 5,475 |
| Investment Income | 2,500 | 4,060 | 1,560 | 4,710 |
| Grants | 0 | 0 | 0 | 0 |
| Miscellaneous Revenues | 1,000 | 1,280 | 280 | 7,256 |
| Total Revenues | 324,000 | 326,546 | 2,546 | 335,680 |
| EXPENDITURES | | | | |
| Operations and Maintenance | | | | |
| Salaries | 133,802 | 122,970 | 10,832 | 113,743 |
| Employee Benefits | 39,620 | 31,675 | 7,945 | 25,331 |
| Insurance | 13,440 | 13,440 | 0 | 3,086 |
| Workers' Compensation | 6,021 | 6,021 | 0 | 4,749 |
| Auditing Fees | 3,400 | 3,800 | (400) | 3,300 |
| Legal Fees | 1,000 | 500 | 500 | 0 |
| Engineering Fees | 5,000 | 2,069 | 2,931 | 7,977 |
| Contract Services | 6,750 | 7,646 | (896) | 6,683 |
| Dues and Membership Fees | 300 | 170 | 130 | 85 |
| Travel and Training | 500 | 502 | (2) | 100 |
| Publishing | 200 | 0 | 200 | 0 |
| Postage | 1,200 | 1,270 | (70) | 394 |
| Utilities | 28,500 | 26,719 | 1,781 | 24,869 |
| Telephone | 3,350 | 4,241 | (891) | 3,512 |
| Maintenance Contracts | 1,000 | 568 | 432 | 692 |
| Clothing | 750 | 152 | 598 | 498 |
| Supplies | 3,250 | 3,996 | (746) | 2,306 |
| Chemicals | 750 | 0 | 750 | 0 |
| Administrative Fee | 9,000 | 9,000 | 0 | 7,075 |
| Safety Equipment | 0 | 629 | (629) | 47 |
| Building and Facility Repairs | 2,000 | 49 | 1,951 | 320 |
| Equipment Repairs & Maintenance | 2,500 | 3,320 | (820) | 2,937 |
| Other Permits | 0 | 0 | 0 | 0 |
| Fuel and Oil | 3,300 | 4,633 | (1,333) | 4,083 |
| Miscellaneous Expense | 1,000 | 983 | 17 | 246 |
| Bank Fees | 0 | 425 | (425) | 385 |
| Water Assessments | 1,500 | 1,280 | 220 | 1,063 |
| Total Operations and Maintenance | 268,133 | 246,058 | 22,075 | 213,481 |
| Capital Outlay | | | | |
| Capital Improvements | 169,188 | 16,832 | 152,356 | 4,422 |
| Debt Service | | | | |
| Principal | 46,136 | 46,064 | 72 | 5,803 |
| Interest | 39,355 | 36,302 | 3,053 | 37,344 |
| Total Debt Service | 85,491 | 82,366 | 3,125 | 43,147 |
| TOTAL EXPENDITURES | 522,812 | 345,256 | 177,556 | 261,050 |
| CHANGE IN NET POSITION | ($198,812) | ($18,710) | $180,102 | $74,630 |

The accompanying notes to the financial statements are an integral part of these statements

# TOWN OF OLATHE, COLORADO

SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET
TRASH FUND - BUDGET BASIS OF ACCOUNTING
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2024

| | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) | Actual |
| REVENUES | | | | | |
| Charges for Services | $262,372 | $262,372 | $289,130 | $26,758 | $253,760 |
| Investment Income | 500 | 500 | 571 | 71 | 180 |
| Grants | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Revenues | 1,000 | 1,000 | 490 | (510) | 0 |
| Total Revenues | 263,872 | 263,872 | 290,191 | 26,319 | 253,940 |
| EXPENDITURES | | | | | |
| Operations and Maintenance | | | | | |
| Salaries | 68,472 | 68,472 | 63,828 | 4,644 | 67,713 |
| Employee Benefits | 19,020 | 19,020 | 16,629 | 2,391 | 14,253 |
| Insurance | 7,467 | 7,467 | 7,467 | 0 | 3,856 |
| Workers' Compensation | 4,301 | 4,301 | 4,301 | 0 | 6,917 |
| Auditing Fees | 1,360 | 1,360 | 1,800 | (440) | 3,300 |
| Legal Fees | 675 | 675 | 830 | (155) | 90 |
| Contract Services | 1,500 | 1,500 | 2,909 | (1,409) | 1,595 |
| Travel & Training | 500 | 500 | 1,319 | (819) | 251 |
| Publishing | 150 | 150 | 0 | 150 | 0 |
| Postage | 1,200 | 1,200 | 1,270 | (70) | 394 |
| Utilities | 3,000 | 3,000 | 1,070 | 1,930 | 938 |
| Telephone | 500 | 500 | 1,918 | (1,418) | 1,920 |
| Maintenance Contracts | 0 | 0 | 227 | (227) | 692 |
| Clothing | 750 | 750 | 359 | 391 | 498 |
| Supplies | 3,250 | 3,250 | 7,665 | (4,415) | 7,950 |
| Administrative Fee | 3,600 | 3,600 | 3,600 | 0 | 7,075 |
| Safety Equipment | 500 | 500 | (30) | 530 | 19 |
| Building Repairs & Maintenance | 200 | 200 | 0 | 200 | 539 |
| Equipment Repairs & Maintenance | 5,000 | 5,000 | 2,732 | 2,268 | 14,311 |
| Fuel and Oil | 5,500 | 5,500 | 6,350 | (850) | 4,223 |
| Miscellaneous Expense | 1,000 | 1,000 | 812 | 188 | 123 |
| Dumping Fees | 72,000 | 72,000 | 79,839 | (7,839) | 73,900 |
| Total Operations and Maintenance | 199,945 | 199,945 | 204,895 | (4,950) | 210,557 |
| Capital Outlay | | | | | |
| Capital Improvements | 61,250 | 61,250 | 90,000 | (28,750) | 0 |
| Debt Service | | | | | |
| Principal | 2,455 | 2,455 | 6,064 | (3,609) | 5,803 |
| Interest | 222 | 222 | 628 | (406) | 888 |
| Total Debt Service | 2,677 | 2,677 | 6,692 | (4,015) | 6,691 |
| TOTAL EXPENDITURES | 263,872 | 263,872 | 301,587 | (37,715) | 217,248 |
| CHANGE IN NET POSITION | $0 | $0 | ($11,396) | ($11,396) | $36,692 |

The accompanying notes to the financial statements are an integral part of these statements

# LOCAL HIGHWAY FINANCE REPORT

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# Receipts, Disbursements & Costs

## II - Receipts for Road & Street Purposes

| | | |
|---|---|---|
| **A. Receipts from local sources** | | |
| 2. General Fund Appropriations: | $ | 0.00 |
| 3. Other local imposts: *from A.3. 'Total' below)* | $ | 599,440.19 |
| 4. Miscellaneous local receipts: *from A.4. 'Total' below)* | $ | 455.48 |
| 5. Transfers from toll facilities | $ | 0.00 |
| 6. Proceeds of sale of bonds and notes | | |
| a. Bonds - Original Issues: | $ | 0.00 |
| b. Bonds - Refunding Issues: | $ | 0.00 |
| c. Notes: | $ | 0.00 |
| d. Total: | $ | 0.00 |
| 7. Total: | $ | 599,895.67 |
| **B. Private Contributions** | $ | 0.00 |
| **C. Receipts from State government** | $ | 62,174.11 |
| **D. Receipts from Federal government** | $ | 0.00 |
| **E. Total Receipts (A.7 + B + C + D)** | $ | 662,069.78 |

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## II - Receipts for Road & Street Purposes (Detail)

| | | |
|---|---|---|
| **A.3.¦ Other local imposts** | | |
| a. Property Taxes &and Assessments | $ | 570,544.77 |
| a. Non-property Taxes and Assessments Imposts | $ | 28,895.42 |
| Total: *(a + b) carried to 'Other local imposts' above)* | $ | 599,440.19 |
| **A.4.¦ Miscellaneous local receipts** | | |
| a. Interest on Investments: | $ | 419.48 |
| b. Other Misc. Local Receipts: | $ | 36.00 |
| Total: *(a through h) carried to 'Misc local receipts' above)* | $ | 455.48 |
| **C. Receipts from State Government** | | |
| 1. Highway User Taxes: | $ | 62,174.11 |
| 3. Other State funds: | | |
| c. Non-State Bond Proceeds: | $ | 0.00 |
| Total: *(1+3c,d,e)* | $ | 62,174.11 |
| **D. Receipts from Federal Government** | | |
| 1. FHWA | $ | 0.00 |
| 2. Other Federal Agencies | $ | 0.00 |
| Total: *(2a-f)* | $ | 0.00 |

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**A. Local highway disbursements**

| | | |
|---|---|---|
| 1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)* | $ | 186,353.13 |
| 2. Maintenance: | $ | 200,017.59 |
| 3. Road and street services | | |
| a. Snow and ice removal: | $ | 25,776.80 |
| b. Other & Traffic Control Operations: | $ | 0.00 |
| c. Total (a + b): | $ | 25,776.80 |
| 4. General administration and miscellaneous | $ | 34,183.06 |
| 5. Highway law enforcement and safety | $ | 38,665.20 |
| 6. Total (A.1-5): | $ | 484,995.78 |

**B. Debt service on local obligations**

| | | |
|---|---|---|
| 1. Bonds | | |
| a. Interest | $ | 0.00 |
| b. Redemption | $ | 0.00 |
| c. Total (a + b): | $ | 0.00 |
| 2. Notes | | |
| a. Interest | $ | 0.00 |
| b. Redemption | $ | 0.00 |
| c. Total (a + b): | $ | 0.00 |
| Total: *(1+2)* | $ | 0.00 |
| **C. Payments to State for Highways:** | $ | 0.00 |
| **D. Payments to Toll Facilities:** | $ | 0.00 |
| **E. Total Expenditures:** *(A6+B3+C+D)* | $ | 484,995.78 |

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### A.1. Capital Outlay

| | |
|---|---|
| a. Right-of-way Costs: | $ 0.00 |
| b. Engineering Costs: | $ 0.00 |
| c. Construction Costs: | $ 186,353.13 |
| d. Total: *(a+b+c)* | $ 186,353.13 |

## Receipts, Disbursements & Costs

### IV. Local Highway Debt Status

| | OPENING DEBT | AMOUNT ISSUED | REDEMPTIONS | CLOSING DEBT |
|---|---|---|---|---|
| **A. Bonds (Total)** | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 |
| 1. Bonds (Refunding Portion) | | $ 0.00 | $ 0.00 | $ 0.00 |
| **B. Notes (Total):** | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 |

## Receipts, Disbursements & Costs

### V - Local Road & Street Fund Balance

| A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|---|---|---|---|---|
| $ 763,872.50 | $ 662,069.78 | $ 484,995.78 | $ 940,946.50 | $ 0.00 |

**Notes and Comments:**

undefined

Please enter your name: Monique Garrett

Please provide a telephone number where you may be reached: 970-323-5601